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)

INFORMATION STATEMENT
in respect of the
ZAR35,000,000,000
DOMESTIC MEDIUM TERM NOTE PROGRAMME

Mercedes-Benz South Africa Limited (**Mercedes-Benz**, or the **Issuer**) intends from time to time to issue notes (the **Notes**) under the ZAR35,000,000,000 Domestic Medium Term Note Programme (the **Programme**) pursuant to a programme memorandum, dated 30 June 2008 (which was amended by a supplement to the programme memorandum, dated 24 May 2011) and updated by various programme memoranda dated 8 August 2013, 21 December 2015, 19 December 2018 (which was amended by a supplement to the programme memorandum, dated 30 July 2019) and 24 June 2021, as amended and restated from time to time (collectively, the **Programme Memorandum**).

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified in the section headed "*Summary of the Programme*" under the Programme Memorandum and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

The specific aggregate nominal amount, the status, maturity, interest rate, or interest rate formula and dates of payment of interest, purchase price to be paid to the Issuer, any terms for redemption or other special terms, currency or currencies, form and denomination of Notes, information as to financial exchange listings and the names of the dealers, underwriters or agents in connection with the sale of Notes being offered at a particular time will be set forth or referred to in the terms and conditions contained in the Programme Memorandum (the **Terms and Conditions**), read together with the pricing supplement applicable to any Notes (the **Applicable Pricing Supplement**).

Availability of Information

This information statement is available on the Issuer's website at https://corporate.mercedes-benz.co.za/investor-relations/information/dmtn-programme/ (this Information Statement).

Other than in this Information Statement and the Programme Memorandum, any other information on the Issuer's website is not intended to be incorporated by reference into this Information Statement. Only those documents which are incorporated by reference in the section headed "*Documents Incorporated by Reference*" in the Programme Memorandum should be relied upon for information.

Recipients of this Information Statement should retain it for future reference. It is intended that the Programme Memorandum, read together with the Applicable Pricing Supplement(s) in connection with the issuance of Notes, will refer to this Information Statement for a description of the Issuer, its financial condition and results of operations (if any) and risk factors related to the Issuer and the Guarantor, until a new information statement is issued. This Information Statement is not intended, and should not be construed as, the Programme Memorandum and/or the Applicable Pricing Supplement(s). It is not a standalone document and cannot be read without reference to the Programme Memorandum and/or the Applicable Pricing Supplement(s).

Information Statement dated 24 June 2021.

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GENERAL

Capitalised terms used in this section headed "General" shall bear the same meanings as defined in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The Issuer certifies that to the best of their knowledge and belief there are no facts that have been omitted from Information Statement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, and that this Information Statement 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 Information Statement.

In addition, the Issuer, having made all reasonable inquiries, confirm that this Information Statement contains or incorporates all information that is material in relation to the issuing and the offering of the Notes, that all information contained or incorporated in this Information Statement is true and accurate in all material respects and that the opinions and the intentions expressed in this Information Statement are honestly held and that there are no other facts, the omission of which, would make this Information Statement or any of such information or expression of any such opinions or intentions misleading in any material respect.

The Arranger, the Dealers, the JSE Debt Sponsor or any of their respective subsidiaries or holding companies or a subsidiary of their holding companies (**Affiliates**) and the professional advisors have not separately verified the information contained in this Information Statement. Accordingly, no representation, warranty or undertaking, expressed or implied is made and no responsibility is accepted by the Arranger, Dealers, the JSE Debt Sponsor, their Affiliates or any of the professional advisors as to the accuracy or completeness of the information contained in this Information Statement or any other information provided by the Issuer. None of the Arranger, Dealers, the JSE Debt Sponsor, their Affiliates nor any of the professional advisors accepts any liability in relation to the information contained in this Information Statement or any other information provided by the Issuer connection with the Notes. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer.

No person has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Information Statement or any other information supplied in connection with the issue and sale of the Notes 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 Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors. Neither the delivery of this Information Statement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof, or that any other financial statement or other information supplied in connection with the Information Statement is correct at any time subsequent to the date indicated in the document containing the same.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes the rendering of financial or investment advice by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisor.

This Information Statement and any other information supplied in connection with the Notes is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisor, that any recipient of this Information Statement should purchase any Notes. Each investor contemplating purchasing any Notes 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. Each potential investor should consult its own advisors to make its investment decision and to determine whether it is legally permitted to purchase the Notes pursuant to the Programme Memorandum and the Applicable Pricing Supplement(s) and under Applicable Laws and regulations.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors to any person to subscribe for or to purchase any Notes.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Issuer, the Guarantor, the Arranger(s), Dealers, the JSE Debt Sponsor, their Affiliates nor any professional advisor, represents that this Information Statement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arranger(s), the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Statement nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Arranger or the Dealers has represented that all offers and sales by them will be made on the same terms and in compliance with this prohibition.

The distribution of this Information Statement and the offer for the subscription or sale of Notes pursuant to the Programme Memorandum and Applicable Pricing Supplement(s) may be restricted by law in certain jurisdictions. Persons into whose possession this Information Statement or any Notes come must inform themselves about, and observe, any such restrictions. In particular there are restrictions on the distribution of this Information Statement, the Programme Memorandum, the Applicable Pricing Supplement(s) and the offer for the subscription or sale of Notes in the United States of America, the European Economic Area, the United Kingdom and South Africa.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (Regulation S). The Notes will be offered and sold only in offshore transactions outside the United States of America in accordance with Regulation S and, subject to certain exceptions, may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, US Persons.

Information and opinions presented in the Information Statement were obtained or derived from public sources that the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors believe are reliable but make no representations as to the accuracy or completeness thereof. Any opinions, forecasts or estimates (if any) herein constitute a judgment as at the date of this Information Statement. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied is made regarding future performance. The price, value of and income from any of the securities or financial instruments mentioned in this Information Statement (if any) can fall as well as rise. Any opinions expressed in this Information Statement are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Arranger, the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors as a result of using different assumptions and criteria. Furthermore, the Arranger or the Dealers (and their respective directors, employees, representatives and agents), the JSE Debt Sponsor, their Affiliates or any professional advisors accept no liability for any direct or indirect loss or damage incurred arising from the use of the material presented in this Information Statement, except as provided for by law.

All trademarks, service marks and logos used in this Information Statement are trademarks or service marks or registered trademarks or service marks of the Issuer. This Information Statement may not be reproduced without the prior written consent of the Issuer, the Guarantor, the Arranger or Dealers. It may not be considered as advice, a recommendation or an offer to enter into or conclude any transactions.

Copies of this Information Statement are available by request from the registered offices of the Issuer.

RISK FACTORS - NOTES

Capitalised terms used in this section headed "Risk Factors - Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it at the date of this Information Statement, or which it may not be able to anticipate at the date of this Information Statement. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in the Programme Memorandum to reach their own views prior to making any investment decision.

References below to the "Terms and Conditions", in relation to Notes, shall mean the "Terms and Conditions of the Notes" set out under the section of the Programme Memorandum headed "Terms and Conditions of the Notes".

Capitalised terms used in this section headed "Risk Factors - Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or are clearly inappropriate from the context.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

There may not be an active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because uncertificated Notes are held in the CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme which are listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange and/or held in the CSD may, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form. Unlisted Notes may also be held in the CSD in uncertificated form. Notes held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Except in the limited circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes and/or issued in uncertificated form, which are held in the CSD (whether such Notes are listed or unlisted). Investors will be able to trade their Beneficial Interests only through the CSD and in accordance with the Applicable Procedures.

Payments of principal and/or interest in respect of uncertificated Notes will be made to the CSD or the Participants and the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the CSD or the Participants for distribution to their account holders. A holder of a Beneficial Interest in uncertificated Notes, whether listed or unlisted, must rely on the procedures of the CSD to receive payments under the relevant Notes. Each investor shown in the records of the CSD or the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, such Beneficial Interests.

Holders of Beneficial Interests in uncertificated Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

Recourse to the JSE Debt Guarantee Fund Trust

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

Credit Rating

Tranches of Notes issued under the Programme, the Issuer, the Guarantor, and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Any amendment in the Rating of the Issuer and/or the Guarantor and/or the Programme and/or a Tranche of Notes, as the case may be, after the date of this Information Statement, will be announced on SENS.

Risks related to the structure of the particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked and Dual Currency Notes

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes where denominations involve integral multiples: Individual Certificates

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding and would need to purchase a Nominal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Modification and waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law

The Notes are governed by, and will be construed in accordance with, South African law in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision, change to South African law or administrative practice in South Africa after the Programme Date.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

RISK FACTORS RELATED TO MERCEDES-BENZ SOUTH AFRICA LIMITED AND DAIMLER AG

This section serves as a description of the risk factors related to Mercedes-Benz South Africa Limited (as Issuer) and Daimler AG (as Guarantor). Capitalised terms used in this section headed "Risk Factors Related to Mercedes-Benz South Africa Limited and Daimler AG" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or are clearly inappropriate from the context.

Risk Factors relating to the Issuer and Guarantor

The Issuer is a wholly-owned subsidiary of the Guarantor. The Issuer's payment obligations on the Notes in respect of payment of principal and interest are irrevocably and unconditionally guaranteed by the Guarantor. Accordingly, the Notes are affected, in particular, by the same risk factors as those that affect the business and operations of the Guarantor and/or its consolidated subsidiaries.

Therefore, references in this section to Daimler AG (**DAG**) and/or its consolidated subsidiaries shall include reference to the Issuer.

Many factors could affect DAG's business, financial condition, cash flows and results of operations. DAG is subject to various risks resulting from changing economic, political, social, industry, business and financial conditions. As of the date of this Information Statement, the principal risks which could affect DAG's business, financial condition, profitability, cash flows, results of operations and future business results are described below. DAG's overall risk situation is the sum of the individual risks of all risk categories for the divisions and the corporate functions and legal entities. In general, the reporting of risks takes place in relation to the individual segments. If no segment is explicitly mentioned, the risks described relate to all divisions.

In addition, risks that are not yet known or assessed as not material can influence profitability, cash flows and financial position.

1. Risks Relating to the Economy and the Daimler Group's Markets

Daimler Group is subject to various economic and market-related risks. Should any of the following risks materialize, this could have material adverse effects on the Daimler Group's business, net assets, financial condition and results of operations.

Economic risks constitute the framework for the risks listed in the following categories. Overall economic conditions have a significant influence on vehicle sales markets and thus on the Group's success.

Economic risks are also linked to assumptions and forecasts concerning general developments.

Risks Resulting from the Economic Situation in Specific Daimler Group's Markets and the COVID-19 Pandemic

The entire global economy is affected by the COVID-19 pandemic, with declines, in some case drastic, in economic output.

A significant risk for the development of the global economy is the further course of the COVID-19 pandemic. If the further course of the infection necessitates even more drastic and comprehensive containment measures than assumed, this could have a major impact on the economic recovery and international trade relations. The broader and more comprehensive the lockdowns, the greater the impact.

If the restrictions resulting from the COVID-19 pandemic last significantly longer than the first quarter of 2021, this could place an excessive burden on households, companies and governments. Among other things, this could lead to a noticeable rise in unemployment, which in turn could have significant adverse effects on private consumption and could also have a lasting negative impact on the recovery. The already strained situation of many companies could worsen as a result. A possible wave of insolvencies resulting from this could jeopardize the stability of the banking sector and lead to distortions in the financial markets. For the Daimler Group, the risks arising from the further course of the COVID-19 pandemic could on the one hand adversely affect both unit sales and sales processes, and on the other hand could lead to significant negative effects on production and supply chains.

If the service sector, which has been hit particularly hard by the COVID-19 pandemic, fails to recover as expected due to ongoing restrictions or voluntary changes in consumer behavior, this could have a noticeable impact on employment and wages in this sector. This could significantly reduce consumer confidence and consumption, one of the most important pillars of the economic recovery. The resulting lower growth or even decline in overall economic consumption would have a correspondingly negative impact on sales prospects, in particular of Mercedes-Benz Cars & Vans.

In addition, if expectations of a recovery are not fulfilled, there could be a sharp correction on the stock markets, as they have already priced in a noticeable improvement of the real economy. Sharply falling share prices could set off a chain reaction on global stock markets, with sharp market corrections and phases of extraordinary volatility as a consequence. Such developments could lead to major asset losses worldwide and also depress consumer sentiment and the investment climate, and have a negative impact on the global economy. This would have significant adverse effects in particular on the sales prospects of all segments and on the Daimler Group's earnings.

The increase in public and private debt resulting from the COVID-19 pandemic and the countermeasures required to combat it could lead to speculation in the capital market due to some countries' debt situation. This in turn could further increase uncertainty among consumers and investors. In the event of rising interest rates, this development could worsen further. Furthermore, the premature withdrawal of government support measures could slow down the economic recovery. Both developments would result in weaker consumer and investment activity and could be accompanied by a correspondingly weaker business development for all divisions of the Daimler Group. In addition, the rising burden of interest and principal payments could restrict companies' scope for future investment, thus dampening future economic activity. Lower investment activity would have a particularly negative impact on unit sales by Daimler Trucks & Buses.

In China**,** support measures to combat the consequences of the COVID-19 pandemic could exacerbate structural imbalances such as overcapacity, indebtedness and low productivity. From an economic perspective, above all the high indebtedness of Chinese companies, especially state-owned enterprises, also represents a considerable risk. If the government's expected efforts to scale back fiscal and monetary support measures lead to a more significant growth slowdown than expected, this could result in a significant increase in credit defaults, which would then lead to turbulences in the banking sector and the financial markets. In particular, at the Mercedes-Benz Cars & Vans division, for which China is now one of the biggest sales markets, the aforementioned risks could result in significant negative effects on unit sales.

In the United States, increasing domestic political tension could unsettle consumers and investors and thus dampen economic growth. As Mercedes-Benz Cars & Vans, Daimler Trucks & Buses and Daimler Mobility generate substantial proportions of their revenues in the United States, these developments would have a negative impact for the Group's revenues.

The European market will continue to be of great importance for all segments of the Daimler Group in the future, so changes in investment and consumer behavior will affect the development of unit sales in all segments. In the European Union (**EU**), the risk of political conflicts remains high. Phases of political uncertainty could have a negative impact on consumption and investment decisions by households and companies, and consequently have a negative impact on the economic development and sales opportunities of the Daimler Group. Although the trade and cooperation agreement concluded by the EU and the United Kingdom on December 24, 2020 avoids the feared hard cut and provides for tariff-free trade, a general condition for this is that the respective relevant rules are complied with. In addition, it will bring about fundamental changes in relations between the EU and the United Kingdom, such as time-consuming customs procedures in the cross-border trade in goods. Long waiting times at the respective borders could lead to delays in deliveries. In addition, possible customs payments if the required rules of origin are not complied with could lead to pressure on vehicle prices or margins.

Those emerging economies (such as Turkey, South Africa or Brazil) with high foreign debt and high current account deficits could come under pressure, resulting in significant currency devaluations. Financial-market turbulence and even currency crises could be possible consequences and could have a massive negative impact on the economies concerned. Since Daimler is either already very active in these countries or these markets play a strategic role, this would have a significantly negative impact on the Group's sales prospects.

Risks Resulting from Trade Conflicts

Despite the phase one partial trade deal, a renewed escalation of the trade conflict between the United States of America and China would continue to be a significant risk for the further development of the world economy. Furthermore, more and more areas are meanwhile affected by the conflict and there is the threat of increasing technological and economic disconnection between the two countries. This could significantly affect the development of unit sales by Mercedes-Benz Cars & Vans. In addition, there is a danger that countries will implement increasingly protectionist measures such as specific market access barriers or industry requirements for increased local value added. This would lead to higher costs at Mercedes-Benz Cars & Vans and Daimler Trucks & Buses, adversely affecting business developments and sales possibilities.

Risks Resulting from a Slowdown in Investment Activity and from a Slowdown or Decline of Economic Growth

Even without a further escalation of the various trade conflicts, the ongoing uncertainty could ensure that the global investment cycle weakens even more than previously assumed. A further slowdown in investment activity – particularly in North America and Europe – could adversely affect the unit sales of heavy-duty commercial vehicles in particular and would therefore have a particularly negative impact on the unit sales and profitability of Daimler Trucks & Buses.

If the recession, which has so far been limited to the industrial sector, spreads more to the service sector and spreads even more than before to the United States, in addition to the euro zone and China, this could have noticeable effects on employment and wages in those regions. This would have a significant impact on consumer confidence and consumption, one of the most important drivers of the current economic expansion. The resulting lower growth or even decline in overall economic consumption would have a correspondingly negative impact on the sales prospects of Mercedes-Benz Cars & Vans in particular.

General Market Risks

The risks for the economic development of automotive markets are strongly affected by the cyclical situation of the global economy as described above. In particular, the potential restrictions mentioned as a result of the COVID-19 pandemic may lead to sales risks worldwide and negatively impact the aftersales business. The assessment of market risks and opportunities is linked to assumptions and forecasts about the overall development of markets in the regions in which the Daimler Group is active. The possibility of markets developing worse than assumed in the planning, or of changing market conditions, generally exists for all segments of the Daimler Group.

The lack of market acceptance of certain vehicle models in individual regions can have a negative impact on earnings. Causes of declining vehicle sales may also result in particular from the partially unstable economic environment and in the context of political or economic uncertainties. A rising oil price and volatile exchange rates can also lead to market uncertainty and thus to falling demand for vehicles. Differences between the segments exist due to the partly varying regional focus of their activities.

Due to the partly difficult financial situation of some dealerships and vehicle importers, support actions by Mercedes-Benz Cars & Vans and Daimler Trucks & Buses might become necessary to ensure the performance of the business partners. The loss of important dealerships and vehicle importers can lead to customer demand not being fully served and lower unit sales. Taking over the costs of contract cancellations and of processing outstanding customer contracts cannot be ruled out as a result of dealer insolvencies and may have a negative impact on earnings.

The launch of new products by competitors, more aggressive pricing policies and poorer effective pricing in the aftersales business can lead to increasing competitive and price pressure in the automotive segments and have a negative impact on profitability.

Location and Country-specific Risks

In conducting business around the world, Daimler is subject to risks that are inherent in operating in other countries and is therefore exposed to material location and country-specific risks.

In general, business operations in emerging markets involve a greater risk resulting from economic and political systems that typically are less developed, and likely to be less stable, than those of more advanced countries. Daimler is therefore exposed to a number of factors, over which the Group has little to no control and which may adversely affect the Group's business activities. These factors include, but are not limited to, the following: political, social, economic, financial or market-related instability or volatility; foreign currency control regulations and other regulations or the negative impacts related to foreign exchange rate volatility; restrictions on capital transfers; absence of independent and experienced judiciary and inability to enforce contracts; reimbursement rates and services covered by government reimbursement programs; trade restrictions and restrictions on repatriation of earnings.

The realization of any of these risks could have a material adverse effect on Daimler's business, cash flows, financial condition and results of operations.

Procurement Market Risks

Procurement market risks arise for the automotive divisions in particular from fluctuations in prices of raw materials and energy. There are also risks of financial bottlenecks of suppliers, and of capacity bottlenecks caused by supplier delivery failures or by insufficient utilization of production capacities at suppliers. Potential claims from suppliers due to the premature termination of development and production agreements by the Daimler Group may also lead to decreased earnings.

The automotive segments of the Daimler Group require certain raw materials for the manufacture of vehicle components and vehicles, which are purchased on the world market. The level of costs depends on the price development of raw materials. Due to largely unchanged macroeconomic conditions, price fluctuations are expected with uncertain and inconsistent trends. For example, raw-material markets can be impacted by political crises and uncertainties – combined with possible supply bottlenecks – as well as volatile demand for specific raw materials. Potential tariff increases for certain raw materials as a result of increasing protectionist tendencies worldwide can have a negative impact on price developments. In general, the ability to pass on the higher costs of commodities and other materials in form of higher prices for manufactured vehicles is limited because of strong competitive pressure in the international automotive markets. Rising raw-material prices may therefore have a negative impact on the margins on the vehicles sold and thus lead to lower earnings in the respective segment.

The financial situation of some suppliers remains tense due to the downcast market environment. The resulting possible production losses at suppliers may cause an interruption in the supply chain of the Daimler Group's automotive segments and prevent vehicles from being completed and delivered to customers on time.

Due to the planned electrification of new model series and the better-than-expected recovery of demand for vehicles, Mercedes-Benz Cars & Vans in particular is faced with the risk that Daimler will require changed volumes of components from suppliers. This could result in over- or under-utilization of production capacities for certain suppliers, and thus lead to supply-chain disruption. Uncertainties related to the COVID-19 pandemic may also lead to supply bottlenecks and thus production interruptions. If suppliers cannot cover their fixed costs, there is the risk that they may demand compensation payments. Necessary capacity expansion at suppliers' plants could also require cost-effective participation.

Risks Resulting from the General Legal and Political Framework

The automotive industry is subject to extensive governmental regulation worldwide. Risks from the legal and political framework have a considerable impact on Daimler's future business success. Regulations concerning vehicles' emissions, fuel consumption, safety and certification, as well as tariff aspects, play a particularly important role. Complying with these varied and often diverging regulations all over the world requires strenuous efforts on the part of the automotive industry.

Many countries and regions have already implemented stricter regulations to reduce vehicles' emissions and fuel consumption or are currently preparing such laws. They relate, for example, to the environmental impact of vehicles, including limits on noise emissions, as well as pollutants from the emissions caused by production facilities. Non-compliance with regulations applicable in the various regions might result in significant penalties and reputational harm, and might even mean that vehicles could not or could no longer be registered in the relevant markets. This also includes risks from ongoing activities relating to legislation on Real Driving emissions (RDe). In addition, the risk exists that vehicles already in the markets will have to be reworked. The cost of compliance with these regulations is significant, especially for conventional engines.

Mercedes-Benz Cars & Vans faces risks with respect to regulations on mandatory targets for the average fleet fuel consumption and CO_2 emissions of new vehicles. Especially in the markets of China, Europe and the United States Daimler gives these targets due consideration in its product planning. The increasingly ambitious targets require significant proportions of actual unit sales of plug-in hybrids or cars with other types of electric drive. The ambitious statutory requirements will be difficult to fulfill in some countries. The market success of these drive systems is greatly influenced not only by customer acceptance but also by regional market conditions, like for example the battery-charging infrastructure and state support.

The regulations for the reduction of vehicles' emissions and fuel consumption also create potential risks for Daimler Trucks & Buses, because it will be difficult to fulfill the strict statutory requirements in some countries. Above all, this applies to the markets of Japan, the United States, China and Europe. The ambitious targets, especially in Europe, cannot be achieved solely with conventional technology. Daimler Trucks & Buses will therefore have to apply the latest technologies in order to fulfill these requirements. Achieving the 2025 target will require significant proportions of battery-electric trucks or other electrified drive systems in the actual market, which may only be achievable at higher costs.

The position of the Daimler Group in key foreign markets could also be affected by an increase in or changes in free-trade agreements. If free-trade agreements are concluded without the participation of countries in which Daimler has production facilities, this could result in a competitive disadvantage for Daimler compared with competitors that produce in those countries that participate in the free-trade agreements. In addition, if the content of the free-trade agreements used by Daimler is made significantly stricter, or the conditions of future free-trade agreements are more restrictive, this could also significantly impair the position of the Daimler Group, as the Group could no longer benefit from those free trade agreements.

The danger exists that individual countries will attempt to defend and improve their competitiveness in the world's markets by resorting to interventionist and protectionist measures. The automotive industry is often seen as a key factor to attract investment into a country and increase local value added. This can lead to increased costs if production facilities have to be established or expanded or local purchasing has to be increased. Cutting technological and economic links between major markets can also adversely affect earnings if research and development have to be conducted locally or value chains have to be adjusted because certain technologies are not allowed to be used in the final products. In addition, attempts are being made to limit growth in imports through barriers to market access such as by making certification processes more difficult, delaying certification and imposing other complicated tariff procedures.

In addition to the described emission and fuel-consumption regulations, traffic-policy restrictions for the reduction of traffic jams, noise and emissions are becoming increasingly important in cities and urban areas worldwide. This development can have a dampening effect on the development of unit sales, especially in growth markets. Pressure to reduce personal transport is increasingly being applied in European cities through discussions of bans on vehicles entering or driving in inner cities, especially those with diesel engines. These developments may dampen the development of unit sales, especially in the growth markets. In European cities, discussions about driving bans are increasingly intensifying the pressure to reduce individual transport, especially for vehicles with diesel engines. The great challenge of the coming years will be to offer an appropriate range of drive systems and the right product portfolio in each market.

2. Risks Related to the Daimler Group and its Business

Daimler Group is subject to various company-specific and business-related risks. Should any of the following risks materialize, this could have material adverse effects on the Daimler Group's business, net assets, financial condition and results of operations.

Production and Technology Risks

Technical developments and innovations are of key importance for the safe and sustainable mobility of the future. Through the design of the product range, technical innovations are integrated in the strategic product planning of the automotive segments. Technological risks can arise especially as a result of increasing technical complexity, the continually rising scope of requirements to be fulfilled in terms of emissions, fuel consumption and safety, as well as meeting and steadily raising the Daimler Group's quality standards. These risks exist in the automotive segments particularly in connection with launching and manufacturing the products. Risks cannot be ruled out that could have a negative impact on earnings also in relation to the increasing automation and connectivity of vehicles and production facilities.

In the context of product launches, the required parts and equipment components have to be available. To avoid restrictions in this context, the related processes are continuously evaluated and improved. In order to secure and enhance the long-term future viability of production facilities in the automotive segments, modernization, expansion, construction and restructuring measures are carried out as required. The execution of modernization activities and the launch of new products are generally connected with high investments. Inefficiencies in the production process can occur, and as a consequence, a temporary reduction in production volumes. Furthermore, the planned increase in battery production due to the increasing electrification of the vehicle fleet means that initial problems during the production of the various battery types cannot be ruled out, and can have a negative impact on earnings.

In principle, there is a danger that reduced plant availability, or the failure of production equipment or production plants may cause internal bottlenecks that would consequently generate costs. These risks mainly exist for Mercedes-Benz Cars & Vans. The production equipment is continuously maintained and modernized.

Capacity restrictions on the availability of batteries for certain vehicle models, interruptions in the supply chain and possible interruptions of supply by energy providers can lead to bottlenecks, especially at Mercedes-Benz Cars & Vans. New technical requirements could also lead to restrictions on the sale of vehicles already produced by Daimler Trucks & Buses. Restrictions on certain equipment components in new vehicle models and the lack of availability of vehicle parts at the right time could also mean that vehicles could not be handed over to customers as planned. The lack of availability and quality problems with certain vehicle parts can lead to production downtimes and cause costs.

Warranty and goodwill cases could arise in the Daimler Group if the quality of the products does not meet the requirements, regulations are not fully complied with, or support cannot be provided in the required form in connection with product problems and product care. Such warranty and goodwill cases as well as quality problems both with components in vehicles and in connection with technical innovations in vehicles require adjustments that can lead to expenses.

In the third quarter of 2020, DAG and Mercedes-Benz USA, LLC (**MBUSA**) reached agreements with various US authorities to settle civil and environmental claims regarding emission control systems of certain Mercedes-Benz diesel vehicles. On March 9, 2021, the court granted final approval of the settlements, upon which they became final and effective (for further explanations please refer to the subsection entitled "*4. Legal and Tax Risks*"). Under the settlements, DAG and MBUSA have agreed to, among other things, pay civil penalties, conduct an emission modification program for affected vehicles, provide extended warranties, undertake a nationwide mitigation project, take certain corporate compliance measures and make other payments. If the aforementioned obligations are not complied with, there will be the risk that cost-intensive measures will have to be taken and/or significant stipulated penalties will become due.

Information Technology Risks

The high penetration of information technology (IT) in all segments of the Group also brings risks for their business and production processes, as well as for their services and products.

The ever-growing threat from cybercrime and the spread of aggressive malicious code brings risks that can affect the availability, integrity and confidentiality of information and IT-supported operating resources. Despite extensive precautions, in the worst-case scenario, this can lead to a temporary interruption of IT-supported business processes with severe negative effects on the Group's earnings. In addition, the loss or misuse of sensitive data may under certain circumstances lead to a loss of reputation. In particular, stricter regulatory requirements such as the EU Data Protection Directive may, among other things, give rise to claims by third parties and result in costly regulatory requirements and penalties with an impact on earnings.

It is essential for the globally active Daimler Group and its wide-ranging business and production processes that information is available and can be exchanged in an up-to-date, complete and correct form. Daimler's internal framework for IT security is based on international standards and its protective measures also apply industry standards and good practice. Appropriately secure IT systems and a reliable IT infrastructure must be used to protect information. Cyber threats must be identified over the entire lifecycle of applications and IT systems and dealt with in line with their seriousness. In particular, risks could result in the interruption of business processes due to the failure of IT systems or which could cause the loss or corruption of data.

Risks Relating to the Leasing and Sales-Financing Business

In connection with the sale of vehicles, Daimler offers its customers a wide range of financing and leasing options. The resulting risks for the Daimler Mobility segment are mainly due to borrowers' worsening creditworthiness, so receivables might not be recoverable in whole or in part because of customers' insolvency (default or credit risk). Against the background of the COVID-19 pandemic, the Daimler Mobility segment has granted selected customers improved payment terms in the form of deferrals, and deferrals were also granted due to government support programs.

In connection with leasing agreements, risks arise if the market value of a leased vehicle at the end of the agreement term differs from the residual value originally calculated and forecasted at the time the agreement was concluded and used as a basis for the leasing installments. A residual-value risk arises if the expected market value of a vehicle at the end of the contract term is lower than the residual value calculated and forecasted when the contract was concluded. Particularly at Mercedes-Benz Cars & Vans and Daimler Mobility, risks therefore result from the development of the used car markets and thus from the residual values of the vehicles produced. As part of the established residual-value management process, certain assumptions are made at local and corporate levels regarding the expected level of prices, based upon which the cars to be returned in the leasing business are evaluated. If changing market developments lead to a negative deviation from assumptions, there is a risk of lower residual values of used cars. This can adversely affect the proceeds from the sale of used cars.

In addition, a residual-value risk from non-Daimler vehicles exists for the Daimler Mobility companies that operate commercial fleet management and leasing management, because most of those vehicles are not covered by manufacturers' residual-value guarantees. The negative development of sale prices for used cars on stock can adversely affect earnings.

Personnel Risks

The success of the Daimler Group is highly dependent on its employees and their expertise.

Competition for highly qualified staff and management is still very intense in the industry and the regions in which Daimler operates. Future success also depends on the extent to which the Daimler Group succeeds over the long term in recruiting, integrating and retaining specialist employees.

Due to demographic developments, the Group has to cope with changes relating to an aging workforce and has to secure a sufficient number of qualified young persons with the potential to become the next generation of highly skilled specialists and executives.

In order to achieve the long-term reduction in personnel costs necessary for the transformation, Daimler's management and the General Works Council have concluded an agreement which includes a staff-reduction program. Due to the COVID-19 pandemic and the fact that the staff-reduction program is voluntary for both parties, there is a risk that implementation may not be able to take place to the full extent planned. Risks also exist in particular due to upcoming negotiations on wage conditions in the metal and electrical industry and the associated possible production losses.

Risks Relating to Equity Investments and Cooperation

Cooperation with partners in associated companies and joint ventures is of key importance to Daimler, both in the transformation toward electric mobility and comprehensive digitization and in connection with mobility solutions.

The Daimler Group generally participates in the risks of associated companies and joint ventures in line with its equity interest, and is also subject to share-price risks if such companies are listed on a stock exchange.

The remeasurement of an associated company or joint venture in relation to its carrying value can lead to risks for the segment to which it is allocated. Furthermore, ongoing business activities, especially the integration of employees, technologies and products, can lead to risks such as further financial obligations or an additional financing requirement. Risks from associated companies and joint ventures exist at Mercedes-Benz Cars & Vans, Daimler Trucks & Buses and Daimler Mobility, as well as at the associated companies and joint ventures directly allocated to the Group.

Risks Resulting from the Proposed Spin-off and Separate Listing of Daimler Truck

On February 3, 2021, the Board of Management of DAG, with the consent of the Supervisory Board of DAG, decided to evaluate a spin-off of Daimler Trucks & Buses including significant parts (but less than a majority) of the assets and liabilities of the Daimler Mobility division (together, **Daimler Truck**), and to begin preparations for a separate listing of Daimler Truck targeted before the end of 2021. Within the framework of the proposed transaction, as is currently contemplated, it is intended that a significant majority stake in Daimler Truck will be distributed to DAG's shareholders. DAG intends to maintain a minority interest in Daimler Truck after the proposed spin-off, which would lead to a deconsolidation of Daimler Truck from the consolidated financial statements of Daimler. Shareholder approval could be granted at an extraordinary shareholders' meeting of DAG at the end of the third quarter of 2021. It is envisaged that Daimler Truck will have fully independent management and a stand-alone corporate governance framework (including a Chairman of its supervisory board who is independent of the management of Daimler). Daimler Truck is targeted to qualify as a DAX company. The transaction and the listing of Daimler Truck on the Frankfurt stock exchange is targeted to be completed before year-end 2021. It is also DAG's intention to rename itself as "Mercedes-Benz" at the appropriate time. Pursuant to the proposal, both DAG and Daimler Truck will have direct access to the capital markets.

It is envisaged as part of the separation proposal that substantially all of the existing financial obligations of Daimler shall remain with Daimler. The obligations under Notes to be issued by the Issuer under the Programme shall remain with the Issuer, and DAG will continue to guarantee the Notes issued by the Issuer under the Programme. In addition, it cannot be excluded that Daimler may have to assume certain guarantees or liabilities for Daimler Truck for a transitional period. Daimler might need to indemnify Daimler Truck for certain liabilities, which could adversely impact Daimler's financial results or financial condition.

The intended spin-off will reduce the size and the diversification of the Group, which may be negative from a credit standpoint. The credit rating agencies have not yet evaluated or assessed the effects of the proposed separation and, therefore, the credit ratings of the Notes may not reflect the potential impact of all risks related to the proposed separation or other factors that may affect the market value of the Notes and credit rating agencies may downgrade Daimler's rating following the separation.

It cannot be excluded that the proposed separation of DAG into two separate listed companies may ultimately turn out to be less successful than currently expected, may involve costs exceeding even the substantial costs currently envisaged, may not yield the benefits that are sufficient to justify those costs and associated risks, or may not occur in the expected timeframe, if at all.

The risks involved in substantially changing company structures, policies or management include increased costs, missed financial or performance targets, loss of (cost) synergies, reduced customer and investor confidence, reduced size and diversification of DAG post-separation and increased reliance on and exposure to the passenger car industry and related challenges. The execution of the proposed separation will likely continue to require significant time and attention of Daimler's management, which could impact other strategic initiatives. Daimler's employees may also be uncertain about their future roles within the separated companies, which could lead to a decrease in employee productivity or significant personnel departures.

The scope of the proposed separation has not yet been finalized, and DAG only expects to be able to provide details on various financial and technical subjects, including the historical financial statements and any pro forma financial information, the specific assets to be separated, the exact stake to be listed and the allocation ratio, at a date closer in time to the extraordinary shareholders' meeting which shall resolve on the contemplated spin-off. As a result, the available financial information relating to the Daimler Trucks & Buses division does not provide complete information of the business to be spun-off and financial information with respect to Daimler Truck or DAG post-separation is not yet available and will not be available until a date closer in time to the extraordinary shareholders' meeting at the end of the third quarter of 2021.

However, as reflected in DAG's Annual Consolidated Financial Statements 2020 (which also contain additional information regarding the Daimler Trucks & Buses division) as set out in the DAG Annual Report 2020, revenue in 2020 for the Daimler Trucks & Buses division was €34.671 billion. In addition, as noted above, significant parts (but less than a majority) of the assets and liabilities of the Daimler Mobility division are expected to be separated and transferred to Daimler Truck as part of the transaction, albeit with a majority of such Daimler Mobility assets and liabilities currently expected to stay with Daimler subsequent to the proposed separation. As reflected in DAG's Annual Consolidated Financial Statements 2020, Daimler Mobility generated total revenue of €27.699 billion in 2020. The revenue and assets which will be transferred from Daimler to Daimler Truck will not be available to support interest and redemption payments of any Notes to be issued under the Programme as a result of the proposed separation.

Should any of the aforementioned risks materialize this could have an adverse effect on Daimler's business, net assets, financial condition or results of operations, and cause the combined market value of Daimler and Daimler Truck after the proposed separation to fall short of the market value of DAG's shares prior to the proposed separation. In addition, Daimler's cost of funding may increase, which could harm its financial position and reduce its operating flexibility and cash flows or otherwise impair its ability to repay or to fulfil its obligations under the Notes or the Guarantee or any other indebtedness.

3. Financial Risks

The Daimler Group is generally exposed to various financial risks, including risks from changes in market prices such as currency exchange rates, interest rates and commodity prices. In addition, the Daimler Group is exposed to credit risks, country risks, risks of restricted access to capital markets, risks of early credit repayment requirements, risks from pension plans and risks from changes in credit ratings. Should any of the following risks materialize, this could have material adverse effects on the Daimler Group's business, net assets, financial condition and results of operations.

Further information on financial risks is provided in Note 33 (Management of financial risks) of the Notes to the Annual Consolidated Financial Statements 2020 of DAG, incorporated by reference in this Information Statement. Information on the Group's financial instruments is provided in Note 32 (Financial instruments) of the Notes to the Annual Consolidated Financial Statements 2020 of DAG, incorporated by reference in this Information Statement.

Exchange Rate Risks

The Daimler Group's global orientation means that its business operations and financial transactions are connected with risks related to fluctuations in currency exchange rates. This applies in particular to fluctuations of the euro against the US dollar, Chinese renminbi, British pound and other currencies such as those of growth markets. An exchange rate risk arises in business operations primarily when revenue is generated in a currency different from that of the related costs (transaction risk). This applies in particular to Mercedes-Benz Cars & Vans, as a major portion of its revenue is generated in foreign currencies while most of its production costs are denominated in euros. Daimler Trucks & Buses is also exposed to such transaction risks, but to a lesser degree because of its worldwide production network. Exchange rate risks also exist in connection with the translation into euros of the net assets, revenues and expenses of the companies of the Group outside the euro zone (translation risk); these risks are not generally hedged.

Interest Rate Risks

Changes in interest rates can create risks for business operations as well as for financial transactions. Daimler employs a variety of interest-rate sensitive financial instruments to manage the cash requirements of its business operations on a day-to-day basis. Most of these financial instruments are held in connection with the financial services business of Daimler Mobility. To a certain extent, the funding between the asset and liability sides of the balance sheet does not match in terms of maturities and interest rates, which gives rise to the risk of changes in interest rates.

Commodity Price Risks

As already described in the subsection "*Procurement Market Risks*", the Group's business operations are exposed to changes in the market prices of purchased parts and raw materials.

Credit Risks

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt in accordance with the contractual terms. Credit risk encompasses both the direct risk of default and the risk of a deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risks which result primarily from its financial services activities and from the operations of its vehicle business. Credit risks also arise from the Group's liquid assets. Risks related to leasing and sales financing are addressed in the subsection entitled "*Industry and Business Risks – Risks Relating to the Leasing and Sales-Financing Business*". Should defaults occur, this would adversely affect the Group's financial position, cash flows and profitability.

Country Risks

Country risk describes the risk of financial loss resulting from changes in political, economic, legal or social conditions in the respective country, for example due to sovereign measures such as expropriation or a ban on currency transfers. Daimler is exposed to country risks that primarily result from cross-border financing or collateralization for Group companies or customers, from investments in subsidiaries and joint ventures, and from cross-border trade receivables. Country risks also arise from cross-border cash deposits with financial institutions.

Risks of Restricted Access to Capital Markets

Liquidity risks arise when a company is unable to fully meet its financial obligations. In the normal course of business, Daimler uses bonds, commercial paper and securitized transactions, as well as bank loans in various currencies, primarily with the aim of refinancing its leasing and sales-financing business. An increase in the cost of refinancing would have a negative impact on the competitiveness and profitability of Daimler's financial services business to the extent that the higher refinancing costs cannot be passed on to customers; a limitation of the financial services business would also have negative consequences for the vehicle business. Access to capital markets in individual countries may be limited by government regulations or by a temporary lack of absorption capacity. In addition, pending legal proceedings as well as Daimler's own business policy considerations and developments may temporarily prevent Daimler from covering any liquidity requirements by means of borrowing in the capital markets.

Risks of Early Credit Repayment Obligations

Daimler may be required to make premature repayment of special-purpose loans in the case of adverse results of ongoing legal proceedings. It is to be expected that the resulting refinancing requirement will have to be concluded at a higher cost.

Risks Relating to Pension Plans

Daimler has pension benefit obligations and, to a lesser degree, obligations relating to healthcare benefits, which are largely covered by plan assets. The balance of pension obligations less plan assets constitutes the carrying amount or funded status of those employee benefit plans. The measurement of pension obligations and the calculation of net pension expense are based on certain assumptions. Even small changes in those assumptions particularly changes in the discount rate may have a negative effect on the funded status and Group equity in the current financial year, and lead to changes in the periodic net pension expense in the following financial year. The fair value of plan assets is determined to a large degree by developments in the capital markets. Unfavorable developments, especially relating to equity prices and fixed-interest securities, reduce the carrying value of plan assets. A change in the composition of plan assets can also have a negative impact on the fair value of plan assets. Further information on the pension plans and their risks is provided in Note 22 (Pensions and similar obligations) of the Notes to the Annual Consolidated Financial Statements 2020 of DAG, incorporated by reference in this Information Statement.

Risks from Changes in Credit Ratings

Daimler's creditworthiness is assessed by the rating agencies DBRS Ratings GmbH,, Fitch Ratings Ireland Limited, Moody's Deutschland GmbH, Scope Ratings GmbH and S&P Global Ratings Europe Limited. Risks exist in connection with potential downgrades to credit ratings by the rating agencies, and thus to Daimler's creditworthiness. Downgrades could have a negative impact on the Group's financing if such a downgrade leads to an increase in the costs for external financing or restricts the Group's ability to obtain financing. A credit rating downgrade could also discourage investors from investing in DAG or notes to be issued by DAG or another Group company. A risk to the credit rating of the Daimler Group can also arise if the earnings and cash flows from the anticipated Group's growth cannot be realized.

4. Legal and Tax Risks

The Daimler Group is exposed to legal and tax risks. Should any of the following risks materialize, this could have material adverse effects on the Daimler Group's business, net assets, financial condition and results of operations.

Regulatory Risks

The automotive industry is subject to extensive governmental regulations worldwide. Laws in various jurisdictions govern occupant safety and the environmental impact of vehicles, including emissions levels, fuel economy and noise, as well as the emissions of the plants where vehicles or parts thereof are produced. In case regulations applicable in the different regions are not complied with, this could result in significant penalties and reputational harm or the inability to certify vehicles in the relevant markets. The cost of compliance with these regulations is considerable, and in this context, Daimler continues to expect a significant increase in such costs.

Risks from Legal Proceedings in General

DAG and its subsidiaries are confronted with various legal proceedings and claims as well as governmental investigations and orders (legal proceedings) on a large number of topics, including vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights (especially patent infringement lawsuits), warranty claims, environmental matters, antitrust matters (including actions for damages) as well as investor litigation. Product-related litigation involves claims alleging faults in vehicles. Some of these claims are asserted by way of class actions. If the outcome of such legal proceedings is detrimental to Daimler or such proceedings are settled, the Group may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions. Some of these proceedings and related settlements may have an impact on the Group's reputation.

Risks from Legal Proceedings in Connection with Diesel Exhaust Gas Emissions – Governmental Proceedings

Daimler is continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to environmental, criminal, antitrust and other laws and regulations in connection with diesel exhaust emissions.

Several authorities and institutions worldwide were, and still are, active in the form of inquiries, investigations, procedures and/or orders. These activities particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal, consumer protection and antitrust laws.

In the United States, DAG and Mercedes-Benz USA, LLC (**MBUSA**) reached agreements in the third quarter of 2020 with various authorities to settle civil and environmental claims regarding the emission control systems of certain diesel vehicles.

The authorities take the position that Daimler failed to disclose Auxiliary Emission Control Devices (**AECDs**) in certain of its US diesel vehicles and that several of these AECDs are illegal defeat devices. As part of these settlements, Daimler denies the allegations by the authorities and does not admit liability, but has agreed to, among other things, pay civil penalties, conduct an emission modification programme for affected vehicles, and take certain other measures. The failure to meet certain of those obligations may trigger additional stipulated penalties. On March 9, 2021, the court granted final approval of the settlements, upon which they became final and effective. Daimler expects costs of the settlements with the US authorities of approximately USD 1.5 billion of which DAG has already paid a substantial portion in the first quarter of 2021. The estimated cost of the US consumer class action described in the subsection set out below and entitled "*Risks from Legal Proceedings in Connection with Diesel Exhaust Gas Emissions – Civil Court Proceedings*" amounts to around USD 700 million. In addition, Daimler estimates further expenses of a mid-three-digit-million euro amount to fulfill requirements of these settlements.

In April 2016, the U.S. Department of Justice (**DOJ**) requested that Daimler conduct an internal investigation. While Daimler conducted such internal investigation as part of the DOJ's investigation, the DOJ's investigation remains open. In addition, further US state authorities have recently opened investigations pursuant to both state environmental and consumer protection laws and have requested documents and information. In Canada, the Canadian environmental regulator Environment and Climate Change Canada (**ECCC**) is conducting an investigation in connection with Diesel exhaust emissions based on the suspicion of potential violations of the Canadian Environmental Protection Act as well as potential undisclosed AECDs and defeat devices. Daimler continues to cooperate with the investigating authorities.

In Germany, the Stuttgart public prosecutor’s office is conducting criminal investigation proceedings against Daimler employees on the suspicion of fraud and criminal advertising. In February 2019, the Stuttgart district attorney's office also initiated a formal investigation proceeding against DAG with respect to an administrative offense. In September 2019, it issued a fine notice against Daimler based on a negligent violation of supervisory duties in the amount of €870 million which has become legally binding, thereby concluding the administrative offense proceedings against Daimler.

Since 2018, the German Federal Motor Transport Authority (**KBA**) has repeatedly issued subsequent auxiliary provisions for the EC type approvals of certain Mercedes-Benz diesel vehicles, and has ordered mandatory recalls as well as, in some cases, stops of the first registration. In each of those cases, it held that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices. Daimler has a contrary legal opinion on this question. Since 2018, however, Daimler has (in view of the KBA's interpretation of the law as a precautionary measure) implemented a temporary delivery and registration stop with respect to certain models, also covering the used car, leasing and financing businesses, and is constantly reviewing whether it can lift this delivery and registration stop in whole or in part. Daimler has filed timely objections against the KBA's administrative orders mentioned above. In early 2021, the KBA issued objection orders ("*Widerspruchsbescheide*") in certain of the proceedings not following the arguments brought forward by Daimler. Since Daimler still does have a different understanding of the relevant legal provisions, it filed lawsuits with the competent administrative court to have the controversial questions at issue clarified in a court of law. Irrespective of such objections and the lawsuits that are now pending, Daimler continues to cooperate fully with the KBA. The new calibrations requested by the KBA are being processed, and for a substantial proportion of the vehicles, the relevant software has already been approved by the KBA; the related recalls have insofar been initiated. It cannot be ruled out that under certain circumstances, software updates may have to be reworked, or further delivery and registration stops may be ordered or resolved by Daimler as a precautionary measure, also with regard to the used car, leasing and financing businesses. In the course of its regular market supervision, the KBA is routinely conducting further reviews of Mercedes-Benz vehicles and is asking questions about technical elements of the vehicles. In addition, Daimler continues to be in a dialogue with the German Ministry for Transport and Digital Infrastructure (BMVI) to conclude the analysis of the diesel-related emissions matter and to further the update of affected customer vehicles. In light of the aforementioned administrative orders issued by the KBA and continued discussions with the KBA and the BMVI, it cannot be ruled out completely that additional administrative orders may be issued in the course of the ongoing and/or further investigations. Since September 1, 2020, this also applies to other responsible authorities of other Member States and the European Commission which conduct market surveillance under the new European Type Approval Regulation and can take measures upon assumed non-compliance, irrespective of the place of the original type approval.

In the course of its formal investigation into possible collusion on clean emission technology, the European Commission sent a statement of objections to Daimler and other automobile manufacturers in April 2019. In this context, Daimler filed an application for immunity from fines (leniency application) with the European Commission some time ago.

In addition to the above-mentioned authorities, national cartel authorities and other authorities of various foreign States, the South Korean Ministry of Environment, the South Korean competition authority (Korea Fair Trade Commission) and the Seoul public prosecutor's office (South Korea) are conducting various investigations and/or procedures in connection with Diesel exhaust emissions.

Daimler continues to fully cooperate with the responsible authorities and institutions. Irrespective of such cooperation and in light of the recent developments, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Daimler and/or its employees will be taken or administrative orders will be issued. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur.

In light of the legal positions taken by U.S. regulatory authorities and the KBA it is likely that, besides these authorities one or more regulatory and/or investigative authorities worldwide will reach the conclusion that other passenger cars and/or commercial vehicles with the brand name Mercedes-Benz or other brand names of the Group are equipped with impermissible defeat devices. Likewise, such authorities could take the view that certain functionalities and/or calibrations are not proper and/or were not properly disclosed. Furthermore, the authorities have increased scrutiny of Daimler's processes regarding running change, field-fix and defect reporting as well as other compliance issues. Daimler cannot predict the outcome of the ongoing inquiries, investigations, legal actions and proceedings. Particularly due to the outcome of the administrative offense proceedings by the Stuttgart district attorney's office against Daimler and the civil settlements with the US authorities but also due to any ongoing and potential other information requests, inquiries, investigations, administrative orders and proceedings, it is possible that Daimler will become subject to, as the case may be, significant additional monetary penalties, fines, disgorgements of profits, remediation requirements, further vehicle recalls, further registration and delivery stops, process and compliance improvements, mitigation measures and the early termination of promotional loans, and/or other sanctions, measures and actions (such as the exclusion from public tenders), including further governmental investigations and/or administrative orders and additional proceedings. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative allegations, determinations or findings with respect to technical or legal issues by one of the various governmental agencies, other agencies – or also plaintiffs – could also adopt such allegations, determinations or findings, even if such allegations, determinations or findings are not within the scope of such authority's responsibility or jurisdiction. Thus, a negative allegation, determination or finding in one proceeding, such as the fine notice issued by the Stuttgart district attorney's office or the allegations underlying the civil settlements with the US authorities, carries the risk of being able to have an adverse effect on other proceedings, also potentially leading to new or expanded investigations or proceedings, including lawsuits.

In addition, Daimler's ability to defend itself in proceedings could be impaired by the fine notice issued by the Stuttgart district attorney's office, the civil settlements with the US authorities and by the underlying allegations and other unfavorable allegations, as well as by findings, results or developments in any of the information requests, inquiries, investigations, administrative orders, legal actions and/or proceedings discussed above.

Risks from Legal Proceedings in Connection with Diesel Exhaust Gas Emissions – Civil Court Proceedings

In a consolidated class action against DAG and MBUSA before the US District Court for New Jersey, plaintiffs alleged that DAG and MBUSA used devices that impermissibly impair the effectiveness of emission control systems in reducing nitrogen-oxide (NOX) emissions and which cause excessive emissions from vehicles with diesel engines. In addition, plaintiffs alleged that consumers were deliberately deceived in connection with the advertising of Mercedes-Benz diesel vehicles.

In the third quarter of 2020, DAG and MBUSA reached a settlement with plaintiffs' counsel of this consumer class action. As part of the settlement, DAG and MBUSA deny the material factual allegations and legal claims asserted by the class action plaintiffs, but have agreed to provide payments to certain current and former diesel vehicle owners and lessees.

The estimated cost of the class action settlement is approximately USD 700 million. Daimler expects costs of the settlements with the US authorities described in the subsection set out above and entitled "*Risks from Legal Proceedings in Connection with Diesel Exhaust Gas Emissions – Governmental Proceedings*" in the amount of approximately USD 1.5 billion. In addition, Daimler estimates further expenses of a mid-threedigit-million euro amount to fulfill requirements of these settlements. The settlement with the US consumer class action plaintiffs is still subject to final court approval.

In a separate lawsuit filed by the State of Arizona in January 2019, the plaintiff claims that, among others, DAG and MBUSA deliberately deceived consumers in connection with advertising Mercedes-Benz diesel vehicles. Consumer class actions containing similar allegations were filed against DAG and further Group companies in Canada in April 2016, in the United Kingdom since May 2020, in the Netherlands in June and December 2020 as well as against DAG in Israel in February 2019. In a separate lawsuit filed by the Environmental Protection Commission of Hillsborough County, Florida in September 2020, the plaintiff claims that, among others, DAG and MBUSA violated municipal regulations prohibiting vehicle tampering and other conduct by using alleged devices claimed to impair the effectiveness of emissions control systems.

In Germany, a large number of customers of diesel vehicles have filed lawsuits for damages or rescission of sales contracts. They assert that the vehicles contained illegal defeat devices and/or showed impermissibly high levels of emissions or fuel consumption. They refer to, in particular, the KBA's recall orders mentioned in the subsection set out above and entitled "*Risks from Legal Proceedings in Connection with Diesel Exhaust Gas Emissions – Governmental Proceedings*". Given the current development of case numbers, Daimler expects a continued high number of lawsuits being filed in this respect.

Furthermore, class actions have been filed in the United States and Canada alleging anticompetitive behaviour relating to vehicle technology, costs, suppliers, markets, and other competitive attributes, including diesel emissions control technology.

In addition, investors have filed lawsuits in Germany alleging the violation of disclosure requirements.

In January 2021, the Stuttgart Regional Court (*Landgericht*) issued in this context an order for reference (Vorlagebeschluss) to commence a model case before the Stuttgart Higher Regional Court (*Oberlandesgericht*).

If court proceedings have an unfavorable outcome for Daimler, this could result in significant damages and punitive damages payments, remedial works or other cost-intensive measures. Court proceedings can in part also have an adverse effect on the reputation of the Group.

Furthermore, Daimler's ability to defend itself in the court proceedings could be impaired by the US consumer class action settlement as well as unfavorable allegations, findings, results or developments in any of the governmental or other court proceedings discussed above, in particular by the fine notice issued by the Stuttgart district attorney's office and by the civil settlements with the US authorities.

Risks from Other Legal Proceedings

Following the settlement decision by the European Commission adopted on July 19, 2016 concluding the trucks antitrust proceedings, DAG and Daimler Truck AG are facing customers' claims for damages to a considerable degree. Respective legal actions, class actions and other forms of legal redress have been initiated in various states in and outside of Europe and should further be expected.

Accounting Estimates and Management Judgments Relating to All Legal Proceedings

The Group recognizes provisions in connection with pending or threatened proceedings to the extent a loss is probable and can be reasonably estimated. Such provisions are recognized in the Group's consolidated financial statements and are based on estimates. If quantifiable, contingent liabilities in connection with legal proceedings are disclosed in the Group's consolidated financial statements. Risks resulting from legal proceedings sometimes cannot be assessed reliably or only to a limited extent. Consequently, provisions recognized for some legal proceedings may turn out to be insufficient once such proceedings have ended. The Group may also become liable for payments in legal proceedings for which no provisions were recognized and/or contingent liabilities were disclosed. Uncertainty exists with regard to the amounts or due dates of possible cash outflows.

It cannot be ruled out that the regulatory risks and risks from legal proceedings discussed above individually or in the aggregate may materially adversely impact the profitability, cash flows and financial position of the Group or any of its segments.

Further information on legal proceedings is provided in Note 23 (Provisions for other risks), Note 30 (Legal proceedings) and Note 31 (Contingent liabilities and other financial obligations) of the Notes to the Annual Consolidated Financial Statements 2020 of DAG and in Note 20 (Legal proceedings) of the Interim Financial Statements Q1 2021 incorporated by reference in this Information Statement.

Tax Risks

DAG and its subsidiaries operate in many countries worldwide and are therefore subject to numerous different statutory provisions and tax audits. Any changes in legislation and jurisdiction, as well as different interpretations of the law by the fiscal authorities – especially in the field of cross-border transactions – may be subject to considerable uncertainty. It is therefore possible that the provisions recognized will not be sufficient, which could have negative effects on the Group's net profit and cash flows.

In addition, if future taxable income is not earned or is too low, there is a risk that the tax benefit from loss carryforwards and tax-deductible temporary differences may not be recognized or may no longer be recognized in full, which could have a negative impact on net profit.

5. Risks Relating to Stakeholders' Perception and Reputation of the Daimler Group

As a company with worldwide activities, DAG is at the focus of public interest. The relevant stakeholders' perception is of crucial importance and can affect the reputation of the entire Daimler Group. A key role in the public's current perception is played by Daimler's approach to environmental, employee and social matters, fighting corruption and bribery, and respecting human rights and may lead to non-financial risks.

Risks arise above all in connection with the public debate about diesel vehicles and the related fundamental reconsideration of methods for measuring emissions. Due to the replacement of the NEDC (New European Driving Cycle) with the new measuring method WLTP (Worldwide Harmonized

Light Vehicles Test Procedure), the fleet CO_2 average has worsened. In light of today's knowledge, this makes it more difficult to achieve the CO_2 targets as of 2020. Furthermore, there has been some pressure in the past two years on diesel technology, which is important for compliance with the challenging CO_2 targets in the EU, because of NOX levels exceeding the limits at some measuring stations in cities. The current public focus on vehicle emissions as well as possible certifications stops and recalls jeopardize the reputation of the automotive industry and in particular of the diesel engine, and could result in damage to Daimler's reputation. In general, legal risks – for example in connection with antitrust investigations – as well as possible legal and social violations by partners and suppliers can have a negative impact on the reputation of the entire Daimler Group.

6. Other Risks

As well as the risk categories described above, unpredictable events such as natural disasters, political instability or terrorist attacks can disturb production and business processes. Disruptions of business processes can also occur in connection with projects as a result of system changes. In addition to the described risks, other risks can occur that adversely affect the public perception and therefore the reputation of the Daimler Group. Public interest is focused on Daimler's position with regard to individual issues in the fields of sustainability, integrity and social responsibility. Furthermore, customers, business partners and capital markets are interested in how the Group reacts to the technological challenges of the future, how it succeeds in offering up-to-date and technologically leading products in the markets, and how business operations are conducted under the given conditions.

New competitors in the IT sector for example and the Group's current strategy, among other things in connection with electric mobility, pose further challenges for the Daimler Group and are connected with risks.

Finally, there will be a negative effect from the continuing high advance expenditure for new products and technologies. In addition, there will be costs for Project Future for the implementation of the new Group structure.

DESCRIPTION OF MERCEDES-BENZ SOUTH AFRICA LIMITED

Capitalised terms used in this section headed "Description of Mercedes-Benz South Africa Limited" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

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 Mercedes-Benz AG. Daimler AG, the Guarantor, is the ultimate holding company. 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 Mercedes-Benz passenger cars and finances Mercedes-Benz passenger. The Issuer, through its wholly-owned subsidiaries, provides financial services for Daimler Truck and Bus products.

In East London, Mercedes-Benz passenger cars (C-Class) are manufactured for local and export markets in both left- and right-hand drive.

3. COMPANY SECRETARY

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

Mr. Stewart Bishop

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

4. MANAGEMENT, THE BOARD AND DEBT OFFICER

None of the Directors have anything to declare in terms of section 4.10 (b)(ii) to (xii) of the Debt Listing Requirements.

Directors' Declarations

A brief CV of each director, including a list of all other companies of which he/she is a director is attached hereto as **Annexure A**. In relation to each of the directors listed under Annexure A, the Issuer confirms that none of them have:

(i) ever been convicted of an offence resulting from dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;

(ii) ever been adjudged bankrupt, insolvent or sequestrated in any jurisdiction;

(iii) at any time been a party to a scheme or arrangement or made any other form of compromise with their creditors;

(iv) ever been involved, as a director with an executive function, in any business rescue plans and/or by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company at the time of, or within the 12 months preceding, any such event(s);

(v) ever been found guilty in disciplinary proceedings by an employer or regulatory body due to dishonest activities;

(vi) ever been involved in any receiverships, compulsory liquidations, administrations or partnership voluntary arrangements of any partnership where they were partners at the time of, or within 12 months preceding, any such event(s);

(vii) ever received public criticisms from statutory or regulatory authorities, including professional bodies, and none has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

(viii) ever been barred from entry into a profession or occupation;

(ix) ever been convicted in any jurisdiction of any criminal offence or an offence under legislation relating to the Companies Act, and no company of which he or she was a director, alternate director or officer at the time of the offence has been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;

(x) ever been removed from an office of trust on the grounds of misconduct and involving dishonesty; or

(xi) ever been declared delinquent or placed under probation in terms of section 162 of the Companies Act or disqualified from taking part in the management of a corporation in terms of section 47 of the Close Corporations Act, or disqualified to act as a director in terms of section 219 of the 1973 Companies Act or section 69 of the Companies Act.

Board of Directors as at the date of this Information Statement (the **Board**):

4.1. **Executive Directors**

(a) Mr. Andreas Engling (Chief Executive Officer)

(b) Mr. Johannes Herbert Fritz (Co-Chief Executive Officer)

(c) Mr. Klaus Eser (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) Dr. Joerg Burzer (Non-Exec)

(h) Mr. Matthias Luhrs (Alternate Director: Ms Britta Seeger)

(i) Mr. Florian Hohenwarter (Alternate Director: Dr Joerg Burzer)

4.2. **Board Committees**

The Board is assisted by the following specialist committees (the **Committees**) as at the date of this Information Statement:

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. Klaus Eser (Chief Financial Officer)

(d) Mr. Abey Kgotle

(e) Mr. Robert Hoffmann

(f) Ms. Nadia Trimmel

4.6. **Debt Officer**

Details of the Debt Officer:

Name: Dirk van der Bank

Appointed as the Debt Officer on 30 October 2020

Email address: mbsa_debt_officer@daimler.com

Telephone number: +27 82 581 3452

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 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—

(i) providing the directors of the Company collectively and individually with guidance as to their duties, responsibilities and powers;

(ii) making the directors aware of any law relevant to or affecting the Company;

(iii) 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;

(iv) 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;

(v) 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;

(vi) 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

(vii) 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 Report on Corporate Governance for South Africa 2016 (King IV^{TM})**

The Issuer is a wholly owned subsidiary of Mercedes-Benz AG. Daimler AG, the Guarantor, is the ultimate holding company, which is listed on the stock exchanges of Frankfurt and Stuttgart. The Issuer follows international best practice and Daimler Group 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^{TM} and endorses the code of corporate practices as set out in the King IV^{TM} report and confirms that the Issuer is compliant with the provisions thereof.

Principle 1: The governing body *should lead ethically and effectively*

Daimler Group-wide standards

The Daimler group and all subsidiaries' business conduct is based on Group-wide standards that go beyond the requirements of relevant legislation in the respective jurisdictions and territories:

Locally these standards are accepted and enacted by the Board of Directors to ensure that the Company's operations contribute to Daimler AG's governance principles.

Integrity Code

The Integrity Code is based on the shared values developed globally with employees and has been accepted and implemented by the Board. It defines the basis for all actions at the workplace such as fairness, responsibility, mutual respect, transparency, openness and compliance with laws and rights. It covers interpersonal conduct within the Company as well as conduct toward customers, business partners and other key stakeholders thus defining the underlying principles of behaviour of the Company in daily business.

The Integrity Code includes general rules of conduct along with requirements and regulations on the following topics:

- Respect for and protection of human rights;
- Compliance with laws and internal regulations;
- Appropriate conduct within the Group and in dealings with government officials, business partners and customers;
- Dealing with conflicts of interest;
- Prevention of all forms of corruption;
- Protection of company assets; and
- Principles of Social Responsibility.

Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

The Board is the main governing body of the Company and ensures that codes of conduct and ethics policies articulates and give effect to the Board's direction on ethical behavior. The Board assigns tasks of regular compliance reviews to ensure the highest level of compliance.

The main governance responsibilities which the Board takes primary responsibility for are ensuring:

- that codes of conduct and ethics policies that articulate and give effect to the Board's direction on organisational ethics are approved;
- that the codes of conduct and ethics policies encompass the Group's interaction with both internal and external Stakeholders, the broader society and addresses the key ethical risks of the Group;
- regulations by the Group and the Group's own governing documents, codes of conduct, legal and ethics policies;
- that it assumes responsibility for corporate citizenship by setting the direction for how it should be approached and addressed by the Group;
- that it oversees that the Group's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen;
- that it assumes responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions;
- that it satisfies itself that the combined assurance model is effective and sufficiently robust for the Board to be able to place reliance on the combined assurance underlying the statements that the Board makes concerning the integrity of the Group's external reports;
- the Group's commitment to the principles of good corporate governance and ensuring that compliance is reviewed regularly;
- comprehensive reporting to the Shareholder; and that a specific task is delegated to an individual Board member, this is recorded clearly in the minutes of Board meetings.
- ensure that the organisation is and is seen to be a responsible corporate citizen.

Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen

The Company operates as a socially responsive and responsible corporate citizen, with a history and heritage that spans more than six decades in South Africa. It is of the utmost importance to the Board and its respective Committees that the Company plays its part in ensuring that all of South Africa continues to grow economically and socially. Understanding, engaging, and forming cooperative relationships, with all of the Company's internal and external stakeholders is the only way this goal can be achieved.

It is the Company's aim to be socially responsive, a responsible corporate citizen and, at all times, to conduct its businesses in South Africa ethically and sustainable. As part of this goal, the Company understands that it is important to function within the larger framework of the societies that the Company impacts with business functions and operations.

The Board and its Committees maintain oversight over all actions and activities that could impact its status as a responsible corporate citizen.

The Company addresses its societal impact through Skills Development, Enterprise and Supplier Development, Preferential Procurement and Corporate Social Responsibility initiatives each with their own approved strategic focus areas to ensure to most sustainable results.

The Company's Corporate Social Responsibility (**CSR**) interventions are focused on the direct communities in which it operates, as well as neighboring communities. The support to the CSR beneficiary partners is determined on an annual basis as part of the governance process by the Board and all approved funding is directed towards these organisations for the benefit of the beneficiaries.

The Company's daily operations also impact significantly on society. As the business grows, so too does the number of people it employs and the contribution it makes to the national economy. The Board monitors management's progress against growth plans, ensuring sustained employment and contribution to the national economy.

As the country's biggest exporter of premium vehicles to the rest of the world, the Company is actively addressing the shortage of skilled and trained automotive technicians in the country through the Mercedes-Benz South Africa Learning Academy, based in East London.

Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

The Board exercises oversight of and monitors the overall strategy of the Company, which is aligned to the values of the Company. The Board also oversees and monitors, with the support of its Committees as set out in the Board Charter, the implementation and execution by management of all applicable policies and priorities as it pertains to the overall strategy of the Company. Each Committee structures its functions according to its mandate and adopted Charter to prioritize the different objectives on an annual basis, taking into consideration all stakeholder needs as well as expectations and the materiality thereof.

In the execution of the strategy, the Board mandates authority to the various members of the Executive Management Committee to fulfill duties as set out in the Charter. This responsibility is cascaded down into the strategies and business plans of all the different business units. The Board expects the Committees to report back twice each calendar year on the progress and developments in line with the strategic direction. Thus, the Board assesses key performance measures throughout the year and actively exercises its oversight role.

The Board also ensures that the Company accounts for its performance by reporting and making disclosures as required by the applicable laws of South Africa, as well as in line with the various guidelines that stipulate that responsible collaboration requires decisions that are transparent and comprehensible. Accordingly, even when conducting checks, audits, and investigations, the Company places high importance on transparency and treat those concerned fairly.

The Board recognizes the inter-connectivity and interdependence of the various forms of capital at its disposal (financial, manufactured, human, intellectual, natural, social and relationship capital) and assesses strategy in light thereof. All material issues, risks and opportunities which could impact positively or negatively on sustained value creation are brought to the Board through the Committees.

The Board is satisfied that the Company has adequate resources to continue operating for the next twelve months and the foreseeable future

Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long term prospects

The Board, assisted by the Audit Committee, assumes responsibility for transparent reporting on the activities and financial performance of the Company, all other statutory reporting on key matters affecting the Company and its stakeholders. The individual and consolidated Annual Financial Statements are reviewed and assured by a combined assurance model. Certain indicators such as Broad-Based Black Economic Empowerment status, is verified by external, independent and accredited specialists.

All relevant information relating to the stakeholders of the Company is published on the Company's website. Disclosures required in regulatory reporting such as those by the National Consumer Commission are transparently available for all to inspect and make informed decisions.

Reporting requirements as set out by the Johannesburg Stock Exchange of South

Africa for debt issuers are also adhered to in terms of the Domestic Medium Term Note Programme of the Company and distributed by the debt sponsor via the stock exchange news system (SENS) of the JSE.

Information is further disseminated through the media, as an important stakeholder, for the public to be aware of the business operations of the Company. The Board delegates the responsibility for publishing all required reports and any release to the media to the Executive

Management Committee of the Company.

Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation

The manner in which the Board approaches leadership strengthens the governance and performance of the Company, holistically. The Board is guided by a formal Board Charter that outlines the role and responsibilities of the Board. The Charter is subject to the provisions of the Companies Act, the Memorandum of Incorporation and any applicable law or regulatory provision which applies to the Company, as well as the Governance Authorities and the Daimler Policies.

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

The Board accordingly has the power to make any decisions in respect of the Company, which has not been specifically reserved for decision-making by the Shareholder (Daimler AG). The Board exercises its powers responsibly in the best interests of the Company with due regard to the interest of its stakeholders.

Each subsidiary company has its own directors. Through the Committees, the Board ensures that the necessary and proper governance principles and policies are implemented.

To support the balance of power in decision-making within the Group, independence exists for the subsidiaries.

Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The diversity in constitution of the Board of the Company enables the different members to provide balanced and independent advice throughout the governance and decision-making processes of the Company.

Succession is managed by Daimler AG and is subject to discretionary rotation in terms of a global rotation with cognisance to the nine year tenure threshold recommended by King IV™. Independent non- executive directors are typically rotated after serving a term of four to six years.

The Board actively promotes gender and race diversity at Board and management levels. Daimler AG and the Board promotes race and gender diversity when appointments are made to the Board.

The Board considers the Chairperson to be independent in terms of the considerations set out in King IV™. To further enhance independent leadership of the Board a lead independent director, Ms Nozipho January-Bardill, was appointed on 21 November 2018 with roles and responsibilities assigned in the Board Charter as defined in King IV™.

Each Board member has the necessary qualifications to exercise their responsibilities effectively. Board members have extensive business experience and specialist skills across a range of sectors, these being highlighted in this report.

The Board has concluded that it has an appropriate mix of knowledge, skills, experience, diversity and independence in order to carry out its mandate and responsibilities in accordance with the Board Charter

Principle 8: The governing body should its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties

The Board ensures that the necessary delegation of power and segregation of duties exists in its structures and in the organisation as a whole. The Committees of the Board have been established to assist the Board in discharging its responsibilities.

The Committees are appropriately constituted and members are appointed by the Board, with the exception of the Audit Committee whose members are nominated by the Board, but appointed by the Shareholder.

External advisers, executive directors and members of management attend Committee meetings by invitation to ensure that all the dimensions of the business are properly represented and taken into consideration.

Each subsidiary in the structure of the Company functions independently. The Board, through its Social and Ethics Committee and Audit Committee monitors the compliance of the subsidiaries with the various governance principles to ensure a healthy governance environment exists.

The general roles and responsibilities of each of the Committees as well as the Board is properly recorded in the approved applicable Charters.

The ECM is constituted to have representation of the Company and the subsidiaries. Based on this format, the ECM has the ability to holistically manage the Group and to find possible synergies to support governance compliance.

Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness

The Board is conscious of its responsibility to evaluate its own performance along with that of its Committees. These evaluations can be conducted with the help of external experts and advisors if the Board so decides in a formally constituted Board meeting. Contained in the Board Charter is the responsibility that resides with the Chairperson to ensure that performance evaluations of the Board, the Board Committees, the Audit Committee and individual Directors are conducted.

Given a rotation of Directors, the Board has planned the next facilitated performance evaluation which will be focused on the King IV™ principles, in 2020. The Board is of the view that the performance evaluation process improves the performance and effectiveness of the Board. The performance evaluation of the Executive Directors is conducted by Daimler AG in accordance with group performance management and remuneration incentive programs.

Notwithstanding the aforementioned, the Board is satisfied with its performance in general and that of its Committees.

Principle 10: The governing body should ensure that the appointment of, and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities

The Board appointed an Executive Management Committee that represents the Company and its subsidiaries. The roles, responsibilities and authority of the members of the Executive Committee are clearly defined.

Through the structure put in place by the Charters of the Board and the Committees, it clearly delineates the roles and responsibilities of all members of the Board. The Board is fully supported by suitably qualified and experienced Company Secretary who exercises his duties as per the Companies Act

On light of the role clarity and the effective authority granted to the Board and its Committees, there is a substantial contribution to the success of the Company and its long term sustainability.

Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives

The Board delegates the responsibility for the oversight and evaluation of risk management to the Audit Committee as contained in the Audit Committee Charter. The Audit Committee's overall objective is to determine whether the organisation's network of risk management, internal control, and governance processes designed and represented by management is adequate and functioning in a manner to ensure that risks are appropriately identified and managed and operations work efficiently. In a complex and interconnected world, risk management is imperative to any business.

An Opportunity Management System is integrated in the Risk Management System which the Company follows and reports into. There is an internal control system in the Company, described as the entirety of all regulations that serve the business purpose (policies, process descriptions, procedural instructions, working instructions etc.), which ensures that the business processes function properly. Risk Management is a group-wide standardised, continuous and systematic process, aiming to protect the Company's existence and the achievement of corporate targets, while increasing risk awareness.

Consequently, Risk Management and Opportunity Management are closely integrated into planning activities. Risks and opportunities are reported through the different business units and escalated to the relevant subcommittees of the Board. Once a year a full Daimler Risk and Opportunities Management System audit is conducted. Risk reporting thresholds are set within the framework provided by the Daimler AG Group risk management policies.

Actual risk exposures are regularly reported against these thresholds and mitigating actions are implemented where thresholds have been exceeded. There were no unexpected, unusual or unforeseen risks outside of tolerance levels during the period under review, other than that disclosed on the JSE. Continued focus areas include regulatory and policy developments affecting the automotive sector, including the future of the Automotive Production and Development Programme (**APDP**), economic and socio-political developments, automotive sector technological developments and disruption, consumer trends and cyber risk especially affecting data privacy and protection.

The Daimler Risk and Opportunities Management System and Internal Control System was adopted by the Board of the Company and was fully implemented accordingly.

Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives

The Board monitors and exercises oversight of the direction for management and development of information technology with due consideration of the overall risk, strategy and direction of Daimler AG and the Company. Therefore, policies that articulate and give direction to the governance of information technology management framework leveraging upon the well established international information technology governance framework of Daimler AG.

The Company, as part of the global network, capitalize on enhancements and efficiencies with regard to the cyber security, management of data and other information technology areas to ensure that the highest international standards and practices are incorporated into the digital environment of the Company.

Digitization of processes and interfaces with stakeholders are a focus area to ensure that service delivery and efficiencies are further enhanced. Data is the “new oil” within the Company and strategic priorities are identified to ensure an agile, responsive and secure information technology eco-system with full integration of people, processes and technology.

Processes, policies and frameworks are put in place to manage risks with the necessary business continuity and data recovery plans. The aforementioned structure is securely built on the Company’s corner stones for enhancement of cyber security i.e. protection, detection, respond and recover. With the necessary infrastructure and action plans that are in place, the Company can ensure the integrity, security, sustainability and stability of data from stakeholders. Internal and external assurances are in place to monitor the technology environment of the Company so that the highest standard can be met. As key focus area, the Board prioritized security and privacy, infrastructure, technology operation and management of data

Principle 13: The governing body should govern compliance with applicable laws and adopted, nonbinding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

The Board exercises oversight of how compliance should be approached and addressed in the Company. The Board approves and enacts policies that articulates and gives effect to this direction on compliance and delegates the responsibility for the implementation of compliance to the Executive Management Committee. The function resides in the structures of the Company within the legal and compliance departments.

Legal compliance systems and processes are in place to mitigate the risk of noncompliance with the law. The regulatory environment is monitored to ensure appropriate responses to changes and developments in applicable regulations and law. The Company's compliance and legal departments have teams that reports back to the Executive Management Committee regarding the programs it employs. The compliance department extends training to all employees, including compulsory induction training, to educate the staff complement about the use and function of the department in the organisation. The compliance department have implemented a compliance management system.

There were no material fines or penalties for regulatory transgressions imposed against Group during the period under review

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

The Company and Daimler AG have had comprehensive and binding compensation and benefits policies in place since 2007. These policies regulate the framework for the structure and application of the Company's compensation system, elements and processes and formulate the framework requirements for compensation within the Company. These requirements ensure transparency and enhance process reliability in the configuration and application of employee compensation and benefits arrangements in line with global directives which is relevant to local market conditions. Daimler AG remunerates work in accordance with the same principles at all its affiliates around the world.

The Corporate Compensation Policy, which is valid for all groups of employees, establishes the framework conditions and minimum requirements for the design of the remuneration systems. In the desire to offer salaries and benefits that are customary in the industry and the respective markets, consideration is given to local market conditions within the specified framework. The salaries are determined on the basis of the employees' tasks and performance, and in line with their qualifications and experience. In setting the remuneration of the employees, the Company is not guided by gender or place of origin, but exclusively by the employee's job and responsibility.

These policies regulate the framework for the structure and application of the Company's compensation system, elements and processes and formulate the framework requirements for compensation within the Company.

The Board accepted and approved the principles for the configuration and application of the compensation system as defined, and set out above, of Daimler AG. Daimler AG sets the compensation policy by specifying the compensation principles and decisions related to their implementation. These are then interrogated and implemented by the Company.

Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation’s external reports

Combined assurance emanates from the Risk and Opportunities Management System linked through to the Internal Control System. Assurance layers run through the establishment of sound control environments, assessments of risks, control activities, information and communication processes linked to monitoring procedures. These systems are overseen by management with internal assurance from Daimler AG Corporate Audit and various other Daimler AG oversight bodies.

In addition, external assurance is sought from various independent sources, from external auditors to certification agencies like ISO.

The extent of assurance is determined with reference to risk assessments annually and executed by Daimler AG Corporate Audit, and the outcomes of such assessments are reported to the Audit Committee for monitoring and oversight

Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time

The Company defines stakeholders as "those groups or individuals that can reasonably be expected to be significantly affected by an organisation's business activities, outputs or outcomes, or whose actions can reasonably be expected to significantly affect the ability of the organisation to create value over time". There is a greater expectation on stakeholders today to fulfill their role as social activists in a world where the triple context of the economy has become the norm.

It is of the utmost importance to the Board and its respective Committees that the Company plays its part in ensuring that all of South Africa continues to grow economically and socially.

This requires a stakeholder-inclusive model of governance. As part of its decision making in the best interests of the organisation, the Board of the Company strives to take into account all stakeholder groups in order to balance their legitimate and reasonable needs, interests and expectations. All of this is performed in line with the overall fiduciary duty to act in the best interest of the organisation.

The internal and external corporate affairs teams oversee the stakeholder engagement process to ensure that appropriate policies and escalation procedures are in place. There are then reported to the Social and Ethics Committee.

Management needs an ongoing relationship with stakeholders. The Company's external affairs department, closely liaising with Daimler AG, assist the management in the execution of this responsibility.

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.

DESCRIPTION OF DAIMLER AG

Capitalised terms used in this section headed "Description of Daimler AG" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. INTRODUCTION

DAG is a stock corporation organized under the laws of the Federal Republic of Germany and registered at the commercial register of the Stuttgart district court under HRB 19360 with its executive offices at Mercedesstraße 120, 70327 Stuttgart, Federal Republic of Germany, telephone +49 (0)711-17-0. The legal name of DAG is Daimler AG.

It was incorporated on 6 May 1998 under the name DaimlerChrysler AG for an unlimited duration. On 19 October 2007, following the transfer of a majority interest in Chrysler, it changed its corporate name from DaimlerChrysler AG into Daimler AG.

2. ORGANISATIONAL STRUCTURE

DAG is the parent company of the Daimler Group and its headquarters are in Stuttgart. Since 1 January 2020, the Group's business operations under the umbrella of Daimler AG are no longer managed in five divisions, but in three. Mercedes-Benz AG is responsible for the business of Mercedes-Benz Cars & Vans and Daimler Truck AG combines the activities of Daimler Trucks & Buses. Daimler Financial Services, which had already been legally independent for many years, was renamed as Daimler Mobility AG in July 2019.

DAG carries out the functions of steering and governance and provides services for the companies of the Group. As the parent company, it also defines the Group's strategy, makes strategic decisions for business operations, and ensures the effectiveness of organizational, legal, and compliance-related functions throughout the Group.

3. GENERAL OBJECT OF DAG

Pursuant to article 2 of DAG's articles of incorporation the general object of DAG is to engage, directly or indirectly, in the business of developing, producing and selling products and providing services, especially in the following lines of business:

- vehicles, engines and technical drives of all kinds, including their parts, assemblies and accessories,
- other traffic engineering products,
- electronic equipment, devices and systems,
- communication and information technology,
- mobility and transport services and concepts,
- banking and insurance activities, financial and payment services and insurance brokerage, and
- management and development of real property.

DAG may take all actions and measures which are incidental to the accomplishment of DAG's purposes. DAG may limit its business activities to a part of the lines of business referred to above.

DAG may set up domestic and foreign branches and may acquire interests in other companies. DAG may acquire and dispose of other companies, may place them under joint management and conclude intercompany agreements with them, may provide services for these companies or may limit itself to the management of its interests in such companies. DAG may place all or part of its business operations into subsidiaries, joint ventures or associated companies.

DAG may not directly carry out banking or insurance transactions, financial or payment services or real estate transactions that are subject to permits.

4. PRINCIPAL ACTIVITIES

The Guarantor and the Daimler Group

The Daimler Group, which includes Daimler AG and its consolidated subsidiaries, is one of the globally leading vehicle manufacturers, with a wide range of premium cars, trucks, vans and buses. The Group's product portfolio also includes a range of customized financial services and mobility services. Daimler AG is the parent company of the Daimler Group.

With the new corporate structure, effective as of January 1, 2020, the Group's business operations under the umbrella of Daimler AG are no longer managed in five divisions, but in three: Mercedes-Benz Cars & Vans; Daimler Trucks & Buses; and Daimler Mobility. Mercedes-Benz AG is responsible for the business of Mercedes-Benz Cars & Vans and Daimler Truck AG combines the activities of Daimler Trucks & Buses. Daimler Financial Services AG, which had already been legally independent for many years, was renamed as Daimler Mobility AG in July 2019; this was accompanied by the renaming of the Daimler Financial Services division as Daimler Mobility. The Group's business operations are expected to be affected by the spin-off of Daimler's Truck & Bus business currently being evaluated. Please see "*Risks Resulting from the Proposed Spin-off and Separate Listing of Daimler Truck*" for more information in regard to this evaluated spin-off.

In 2020, Daimler posted revenues of €154.3 billion (2019: €172.7 billion). The individual divisions contributed to this total in 2020 as follows: Mercedes-Benz Cars & Vans 62% (2019: Cars, 52% and Vans 8%), Daimler Trucks & Buses 22% (2019: Trucks, 22% and Buses 3%) and Daimler Mobility 17% (2019: 15%).

Mercedes-Benz Cars & Vans

The products supplied by the Mercedes-Benz Cars division consist of the premium automobiles of the Mercedes-Benz umbrella brand which is supplemented by the sub-brands Mercedes-EQ, Mercedes-AMG and Mercedes-Maybach, as well as by the Mercedes me brand. The most important markets for Mercedes-Benz Cars in 2020 were China with 36% of unit sales (2019: 29%, Germany with 14% of unit sales (2019: 14%), the other European markets with 24% of unit sales (2019: 28%), and the United States with 12% of unit sales (2019: 13%). In addition to China, South Korea and Japan were the largest Asian markets for Mercedes-Benz Cars in 2020.

The product range of Mercedes-Benz Vans comprises a portfolio of vans and related services. The models offered in the commercial segment comprise the Sprinter large van, the Vito mid-size van (marketed as the "Metris" in the United States) and the Citan urban delivery van. In the private customer segment, Mercedes-Benz Vans offers the V-Class full-size MPV and Marco Polo camper vans and recreational vehicles. Within the framework of its eDrive@VANS activities, Mercedes-Benz Vans demonstrates how systematically the Group is moving forward with the electrification of the van model segment with the eVito, the eVito Tourer, the eSprinter and the first all-electric full-size MPV from Mercedes-Benz –the EQV. The division is active in the Chinese market through the joint venture Fujian Benz Automotive Co. Ltd. Production of the Citan is part of the strategic alliance with Renault-Nissan-Mitsubishi. The most important markets for vans in 2020 were in the EU30 region (European Union, the United Kingdom, Switzerland and Norway) with 65% of unit sales (2019: 68%), North America with 15% of unit sales (2019: 13%) and Asia with 10% of unit sales (2019: 9%).

Daimler Trucks & Buses

Daimler Trucks & Buses operates a global network in which it produces trucks under the brands Mercedes-Benz, Freightliner, Western Star, FUSO and BharatBenz and buses under the brands Mercedes-Benz, Setra, Thomas Built Buses and FUSO. In China, Beijing Foton Daimler Automotive Co., Ltd. (BFDA), a joint venture with the Chinese partner Beiqi Foton Motor Co., Ltd., has been producing trucks under the Auman brand name since 2012. Daimler Trucks' product range includes light-, medium- and heavy-duty trucks for long-distance, distribution and construction-site haulage, as well as special vehicles that are used mainly in municipal applications. Due to close links in terms of production technology, the product range of Daimler Trucks also includes buses of the Thomas Built Buses and FUSO brands. Daimler Trucks' most important sales markets in 2020 were North America with 39% of unit sales (2019: 41%), Asia with 27% of unit sales (2019: 28%) and the EU30 region (European Union, the United Kingdom, Switzerland and Norway) with 17% of unit sales (2019: 16%). The Daimler Buses product range comprises city and inter-city buses, touring coaches and bus chassis. Whereas we mainly sell complete buses in Europe, our business in Latin America, Mexico, Africa and Asia focuses on the production and distribution of bus chassis. Daimler Buses' most important sales markets in 2020 were the EU30 region (European Union, the United Kingdom, Switzerland and Norway) with 37% (2019: 68%) and Latin America with 38% of unit sales (2019: 15%).

Daimler Mobility

The Daimler Mobility division supports the sales of the Daimler Group's automotive brands worldwide with tailored mobility and financial services. These services range from customized leasing and financing packages and insurance solutions to flexible subscription and rental models and fleet management services for business customers. The mobility ecosystem is rounded out by flexible-use services such as Mercedes-Benz Rent (rental vehicles) as well as investments in companies that offer mobility services. Along with the services offered by the YOUR NOW joint ventures, Daimler Mobility also provides premium ride-hailing services with luxury vehicles via StarRides and Blacklane.

5. ADMINISTRATION AND MANAGEMENT

The Board of Management

The Board of Management, which acts under the principle of collective responsibility, manages the day-to-day-business in accordance with the Stock Corporation Act and DAG's Articles of Incorporation. The Board of Management is authorized to represent DAG and to enter into binding agreements with third parties on its behalf.

The members of the Board of Management, as at the date of this Information Statement, are:

- Ola Källenius, Chairman of the Board of Management DAG / Mercedes-Benz Cars
- Renata Jungo Brüngger, Integrity and Legal Affairs
- Martin Daum, Daimler Trucks and Buses
- Wilfried Porth, Human Resources & Director of Labor Relations
- Markus Schäfer, Group Research & Mercedes-Benz Cars Chief Operating Officer
- Britta Seeger, Mercedes-Benz Cars Marketing & Sales
- Hubertus Troska, Greater China
- Harald Wilhelm, Finance & Controlling / Daimler Mobility

The Supervisory Board

The principal function of the supervisory board of DAG (the **Supervisory Board**) is to supervise the board of management of DAG (the **Board of Management**). The Supervisory Board is also responsible for appointing and removing members of the Board of Management. The Supervisory Board may not make management decisions. However, in accordance with the German Stock Corporation Act (Aktiengesetz; the "Stock Corporation Act"), DAG's Supervisory Board has determined that several matters which do not belong to the ordinary course of business and which are of fundamental importance require the approval of the Supervisory Board.

The members of the Supervisory Board, as at the date of this Information Statement, are:

- **Dr. Manfred Bischoff**, Munich, Chairman of the Supervisory Board of DAG, elected until 2021
- **Michael Brecht***, Gaggenau, Deputy Chairman of the Supervisory Board of DAG, elected until 2023, Chairman of the General Works Council, Daimler Group and DAG; Chairman of the Works Council of Mercedes-Benz, Gaggenau Plant.
- **Bader M. Al Saad**, Kuwait, Member of the Executive Committee of the Board of Directors of Kuwait Investment Authority, elected until 2022
- **Sari Baldauf**, Helsinki, Former Executive Vice President and General Manager of the Networks Business Group of Nokia Corporation, elected until 2023
- **Michael Bettag***, Nuremberg, Chairman of the Works Council of the Nuremberg

Dealership, DAG, elected until 2023

- **Dr. Clemens Börsig**, Frankfurt am Main, Former Chairman of the Supervisory Board of Deutsche Bank AG, elected until 2022
- **Raymond Curry***, Detroit, Secretary-Treasurer United Auto Workers (UAW), elected until 2023
- **Michael Häberle***, Stuttgart, Chairman of the Works Council at the Mercedes-Benz Untertürkheim Plant, elected until 2023
- **Dr. Jürgen Hambrecht**, Ludwigshafen, Former Chairman of the Supervisory Board of BASF SE, elected until 2023
- **Petraea Heynike**, Vevey, Former Executive Vice President of Nestlé S.A., elected until 2021
- **Timotheus Höttges**, Bonn, Chairman of the Board of Management of Deutsche Telekom AG, elected until 2025
- **Joe Kaeser**, Munich, Chairman of the Supervisory Board of Siemens Energy AG, elected until 2024
- **Ergun Lümali***, Sindelfingen, Deputy Chairman of the General Works Council of Daimler Group, Deputy Chairman of the General Works Council of DAG, Chairman of the Works Council of Mercedes-Benz Sindelfingen Plant, elected until 2023
- **Dr. Ing. e.h. Dipl.-Ing. Bernd Pischetsrieder**, Former Chairman of the Supervisory Board of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in Munich, elected until 2024
- **Elke Tönjes-Werner***, Bremen, Deputy Chairwoman of the Works Council of Mercedes-Benz Bremen Plant, elected until 2023
- **Sibylle Wankel**, Frankfurt am Main, General Legal Counsel of the German Metalworkers' Union (IG Metall), elected until 2023
- **Dr. Frank Weber***, Sindelfingen, Centre manager BodyTEC, Mercedes-Benz AG, Chairman of the Management Representative Committee, Daimler Group, elected until 2023
- **Marie Wieck,** Cold Spring/New York, Former General Manager of IBM Blockchain, elected until 2023
- **Dr. Sabine Zimmer***, Stuttgart, Manager Vocational Training Policies Germany, Daimler Group, elected until 2023
- **Roman Zitzelsberger**, Stuttgart, German Metalworker's Union (IG Metall) - District Manager – Baden-Württemberg, elected until 2023

* Representative of the employees

The business address of the members of the Supervisory Board as well as the members of the Board of Management is that of DAG.

6. RECENT DEVELOPMENTS

On February 3, 2021, the Board of Management of DAG, with the consent of the Supervisory Board of DAG, decided to evaluate a spin-off of Daimler Trucks & Buses including significant parts (but less than a majority) of the assets and liabilities of the Daimler Mobility division (together, **Daimler Truck**), and to begin preparations for a separate listing of Daimler Truck targeted before the end of 2021. Please refer to the "*Risk Factors Related to Mercedes-Benz South Africa Limited and Daimler AG"* section above for further details on the proposed spin-off.

SIGNED at East London on this the 24th day of June 2021.

For and on behalf of
MERCEDES-BENZ SOUTH AFRICA LIMITED

Name: Andreas Engling	Name: Klaus Eser
Capacity: Director	Capacity: Director
Who warrants his/her authority hereto	Who warrants his/her authority hereto

ISSUER

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Contact: Mr D van Der Bank

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JSE DEBT SPONSOR

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30 Baker Street
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South Africa
Contact: Head – Debt Capital Markets

CALCULATION AGENT, PAYING AGENT AND ISSUER AGENT

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Contact: Head – Debt Finance Group

TRANSFER AGENT

COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED
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ANNEXURE A: CVs

Executive Directors

Mr. Andreas Engling (Chief Executive Officer)

Mr Andreas Engling is the Executive Director Manufacturing and CEO of Mercedes-Benz South Africa Ltd. With an inclusive leadership approach, Mr Engling takes the people with him on the journey of decision-making to ensure the outcome benefits all.

He was born and raised in the north of Germany and qualified as a mechanical engineer before starting his career with Daimler in 1987. His career with the Daimler organisation now spans three decades.

Previous Positions

- His previous positions, before joining Mercedes-Benz South Africa from 1 April 2017, include: Head of Engine Production for Daimler's Untertürkheim plant in Germany.
- Prior to that, in 2014 he held the position of CEO of MDC Power GmbH and MDC Technology Arnstadt.

Mr Engling does not serve on the Board of any other company.

Mr. Johannes Herbert Fritz (Co-Chief Executive Officer)

Born in 1965, Mr Johannes Fritz graduated from the Baden-Wuerttemberg Cooperative State University Stuttgart, and also holds an MBA from Brunel University London. In September 2017, Johannes Fritz took over his current responsibility as Co-CEO of Mercedes-Benz South Africa and Executive Director of Mercedes-Benz Cars. In this role he is managing the Mercedes-Benz Cars Sales, Marketing & Customer Services business, he is the site leader of the MBSA marketing and sales campus at Zwartkop and the Chairman of Sandown Motors Holdings (Pty) Ltd (own retail).

Previous Positions

- Mr Fritz started his career with Mercedes-Benz in the German market in 1989, and subsequently held the positions of Sales Training Manager with Global Training and Executive Assistant to the President & CEO of the Mercedes-Benz Overseas organisation, before he was appointed CEO of the Chrysler Jeep Sales Company in Turkey.
- In 2004, Johannes Fritz moved to Dubai and joined Daimler Chrysler Middle East & Levant as Director Sales & Marketing MBC, before returning to Stuttgart in 2008 to head the Chrysler/Jeep/Dodge Division at Daimler Central/Eastern Europe, Africa & Asia (DCAA).
- This was followed by six years as Director Sales & Marketing Mercedes-Benz Cars with DCAA before taking on the role of Director Sales Operations Mercedes-Benz Cars for the 179 markets of the Region Overseas in Stuttgart.

Mr Fritz serves as the Chairperson of the Board of Directors for Sandown Motor Holdings (Pty) Ltd from 25 January 2018.

Mr. Klaus Eser (Chief Financial Officer)

Born in 1962 in Stuttgart, Klaus Eser graduated from University of Stuttgart with a Business Degree.

He started his career with Mercedes-Benz in 1989 within an international Trainee Program and subsequently held different positions in Finance & Controlling in Stuttgart Headquarter. In December 2019, Klaus Eser took over his current responsibility as CFO of Mercedes-Benz South Africa and Executive Director Finance & Controlling. In this role he is responsible for Finance, Controlling, Accounting, Treasury, IT and Procurement for Pretoria Campus (Administration and Sales incl. Own Retail) and the Production site in East London South Africa.

Previous Positions

- From 1995 until 2003, he worked for EvoBus GmbH in Ulm, Mannheim and Stuttgart as a Senior Manager and later as Director for Product and Market Management.
- In 2003, Klaus Eser moved to Sao Paulo as Director Controlling Mercedes-Benz Brasil. After

returning to Germany in 2006, he headed the Controlling and Accounting for Mercedes-Benz Truck in Woerth.

- Between 2008 and 2013, Klaus Eser developed and led the Global Shared Service Organization FC for Daimler with locations in German Plants, Berlin, Madrid and Cebu/Philippines.
- From 2013 until 2019, Klaus Eser was appointed as CFO for the German (and later European) Own Retail Organisation supporting a far-reaching restructuring program.

Mr. Abram Mojela Kgotle

Mr Abram Kgotle is the Executive Director: Human Resources of Mercedes-Benz South Africa Ltd.

Mr Kgotle has extensive experience in the Human Resources field.

Previous Positions

- His career started in government in 1994 as a Community Development Officer.
- He has subsequently held various management and executive positions in local government and the mining industry for Human Resource Development and Human Capital Development respectively.
- He was appointed Executive Vice-President Human Resources for Lonmin Plc on the 1st of August 2013, the position he held until joining Mercedes-Benz South Africa on the 4th of April 2017.
- Mr Abram Kgotle serves as: Non-Executive Director and Chairperson of the Board of Directors of Daimler Trucks and Buses Southern Africa (Pty) Ltd.
- Mr. Abram Kgotle also serves as the Chairperson of the Board of Directors of Mercedes-Benz Financial Services South Africa (Pty) Ltd.

Non-Executive Directors

Dr. Joachim Schmidt (Independent) (Chairman of the Board of Directors)

Dr Joachim Schmidt is the Chairman of the Board of Directors of Mercedes-Benz South Africa Ltd. He served Daimler AG in various roles for more than 34 years until his retirement in 2013.

Dr Schmidt was born on 7 September 1948 in Sindelfingen, Germany. He studied mathematics at the University of Stuttgart, obtaining his science doctorate there in 1976.

Previous Positions

- In 1979, Dr Schmidt joined what was then known as Daimler-Benz, working initially in passenger car development and then for over 20 years in various sales and marketing management positions.
- He was also the Head of Sales and Marketing for Mercedes-Benz Cars of Daimler AG for more than 10 years.
- Dr Joachim Schmidt does not serve on the Board of any other company.

Ms. Sindi Zilwa (Independent)

Sindi Zilwa CA(SA), CD(SA) qualified as the second black woman Chartered Accountant in South Africa in 1990 and co-founded Nkonki in 1993). She led the firm as a CEO from 1998 until retirement through a management buyout in October 2016. As a retired entrepreneur in the Accounting and Auditing profession, Sindi is a Chartered Director as certified by the Institute of Directors in 2016. Her other qualifications include Advanced Diploma in Taxation from Unisa, Advanced Diploma in Financial Planning from UOFS and the Higher Diploma in Banking from RAU.

Ms Zilwa serves on the following Boards:

- Discovery Limited
- Aspen Limited
- Metrofile Limited

- Sibanye Stillwater
- Cell C
- Gijima Limited

Ms. Fikile De Buck (Independent)

Ms Fikile De Buck is a chartered certified accountant. She was the second person to obtain this qualification in Botswana. She was awarded the Stuart Crystal Prize for Best Accounting Student at Birmingham Polytechnic (UK), now Birmingham University, the first black overseas student to be awarded this prize. Ms Fikile De Buck is a fellow of the Association of Chartered Certified Accountants United Kingdom.

From 2000 to 2008, she worked in various capacities, including as chief financial officer and chief operations officer at the Council for Medical Schemes in South Africa.

Prior to that, she worked in various capacities at the Botswana Development Corporation and was its first treasurer. She also served on various boards representing the corporation's interests, and was the founding chairman of the Credit Guarantee Insurance Corporation of Africa Limited.

She has 24 years' experience in financial reporting at executive level. Ms Fikile De Buck is a director of D&D Company Proprietary Limited, a non-executive director and chairman of the social and ethics committee and a member of the audit committees of AECI Limited. Fikile is chairman of the audit committee of Harmony Gold Mining Company Ltd and a member of the social and ethics committee, the remuneration committee and the nomination committee. She is also a non-executive director and chairman of the audit committee and a member of the social and ethics committee of Mercedes-Benz South Africa.

Ms Fikile De Buck was included in the coffee table book, "South Africa's Most Inspirational Women" in 2011. She mentors a number of young people, mostly women, and is also a member of Women In Mining South Africa.

Ms. Thuthu Mbhele (Independent)

Ms Nontuthuko Mbhele is a Chartered Accountant - CA (SA) and Director with over 21 years' experience in ensuring complete and appropriate compliance with IFRS, accounting and audit requirements as imposed by various accounting and regulatory bodies. Her industry experience includes small, medium and large organisations in manufacturing, automotive, gaming and entertainment, media and publishing, logistics and non-profit entities.

She is recognised for strong leadership skills with proven ability to positively influence others to achieve results. Ms Mbhele holds a Postgraduate diploma in Accounting and a Bachelor of Commerce in accounting degree through the University of Cape Town.

Previous Positions

In one of her previous roles, she was the operating division lead and client relationship director for a local port terminal on all internal audit projects including audits of finance, information technology, safety, health, environmental, quality, enterprise risk management, capital projects, human capital management, commercial and supply chain management.

In her current role as the Chief Finance Officer of one of the biggest public universities in South Africa, she provides strategic financial direction that ensures that the University's strategy can be delivered in a manner that takes into account all elements of sustainability.

- Ms Mbhele is the Prescribed Officer for the University of KwaZulu-Natal, appointed 1 March 2017.
- Ms Mbhele is the Shareholder and Director of Zemonde Trading (Pty) Ltd, appointed 22 December 2015.
- For MB Assurance (Pty) Ltd, Ms. Mbhele has been a Shareholder and Director from 9 February 2016.
- Lastly, for the Durban Chamber Foundation, Ms. Mbhele has been Director since 5 June 2017.

Mr. Nozipho January-Bardill (Independent)

Ambassador Nozipho January- Bardill is the Chairperson of the Council of the Nelson Mandela University and the United Nations (UN) Global Compact Local Network in South Africa (SA). She is also an independent non-executive director of Mercedes Benz SA, the MTN Foundation, and 2 NGOs, Tshwaranang Legal Services (for women who are victims of gender-based violence) and Phenduka Literacy (for under educated primary school pupils in Alexander Township). At the start of 2021 she was appointed to the Board of Trustees of the United Nations Voluntary Fund for Technical Assistance and the Implementation of the Universal Periodic Report (UPR) in the office of the UN High Commissioner for Human Rights. Her own company: Bardill and Associates, advises companies on integrating race, gender and sustainable development into their business strategies.

Nozipho served as SA's Ambassador to Switzerland, Lichtenstein and the Holy See as well as Deputy Director General, responsible for Human Resources and the Foreign Service Institute in the South African Department of Foreign Affairs. She was interim Chief of Staff and special advisor to UN Women and the UN Environmental Programme (UNEP) respectively. A 4-year position as Corporate Affairs Executive at MTN Group, the largest and most diverse mobile telecommunications company in Africa, exposed her to executive leadership in the private sector at home and on the continent, and the challenges of creating a human rights culture in business. Ethical leadership and governance, social justice and sustainable development are central to her life and work.

Ms. Britta Seeger (Non-Exec)

Britta Seeger has been a member of the Board of Management of Daimler AG since January 1, 2017. In this function, she is responsible for Mercedes-Benz Cars Marketing & Sales. Previously, she was President and CEO of Mercedes-Benz Türk A.S. for over a year, with overall responsibility for the production and sales of trucks and buses in Turkey.

From 2013 to 2015, Britta Seeger was President and CEO of Mercedes-Benz Korea and Daimler Trucks Korea in Seoul, South Korea.

Britta Seeger started her career at the former Mercedes-Benz AG in 1989 and has extensive sales and management experience. After working as an international sales trainer for passenger cars and holding other positions in the areas of retail and marketing, she was appointed head of the eBusiness Unit in 2000. Additional positions in sales-related management positions followed within Daimler AG, including in product management at Mercedes-Benz Passenger Cars & smart, starting in 2006. After that, Britta Seeger took over the position as a director, first for the area of Service Operations & Service Sales, and then for Sales & Marketing Parts, in each case across all divisions of Daimler AG.

Ms Seeger holds Board Member and Chairman of the Board / Supervisory Board positions at the following entities:

- Mercedes-Benz AG;
- Daimler Mobility AG;
- Mercedes-Benz China Ltd.;
- Mercedes-Benz South Africa Ltd.;
- Mercedes-AMG GmbH;
- Mercedes-Benz Grand Prix Ltd.; and
- Mercedes-Benz Formula E Ltd.

Dr. Joerg Burzer (Non-Exec)

Dr. Jörg Burzer is a Member of the Board of Management of Mercedes-Benz AG, Production and Supply Chain Management. Dr. Burzer started his career in 1999 at the former DaimlerChrysler AG in vehicle pre-development. The doctorate engineer studied material science with a focus on metallurgy at the University of Erlangen (Germany) and spent study periods abroad at the Technical University of Copenhagen (Denmark) as well as at the Council for Scientific and Industrial Research Pretoria (South Africa). Dr Jörg Burzer was born in Nuremberg, Germany in 1970.

Previous positions have included but are not limited to: Member of the Divisional Board Mercedes-Benz Cars, Production and Supply Chain Management, Daimler AG, Sindelfingen (Germany), 2019; Head of Quality Management Mercedes-Benz Cars, Daimler AG, Sindelfingen, 2016; Executive Vice

President, Product Group Business, Supplier Quality, Product and Site Strategy, Daimler Greater China, Beijing (China), 2013; Vice President, Logistics and Production Control, Mercedes-Benz U.S. International Inc., Tuscaloosa (USA), 2010.

Dr Burzer holds Board Member and Chairman of the Board / Supervisory Board positions at the following entities:

- Member of the Beijing Benz Automotive Co. Ltd since June 2019;
- A Member of Mercedes-Benz AG since October 2019;
- A Member of Mercedes-Benz US International since October 2019; and
- A Member of International Department des Karlsruhe Instituts fur Technologie GmbH.

Mr. Matthias Luhrs (Alternate Director: Ms Britta Seeger)

Mr Matthias Lührs is the Head of Region Overseas Mercedes-Benz Cars at Daimler AG since July 2017. After graduating from the University of Hamburg with a degree in Business Administration he started his career at Daimler AG in 1987 and obtained various positions within the Mercedes-Benz sales organisation in Germany, Mexico and Singapore.

Previous Positions

- From 2000 to 2003 Mr Lührs served as Managing Director of Mercedes-Benz Passenger Cars responsible for the Region Asia/Pacific.
- At the beginning of 2003 he became Director of the DaimlerChrysler Employee Car Business at Daimler AG.
- Thereafter he acted as Director of Central/Eastern Europe, Africa and Asia, Sales and Marketing for Mercedes-Benz Passenger Cars, smart and Maybach at Daimler AG.
- Since 2009 he had been responsible for the global sales of Mercedes-Benz Cars including smart.

From April 2015 to June 2017 Mr Lührs was Vice President: Sales Functions Mercedes-Benz Cars and Product Management Mercedes-Benz Passenger Cars, before he took over his current position. Mr Lührs holds Board Member and Chairman of the Board / Supervisory Board positions at the following entities:

- Board of Directors for Mercedes-Benz Korea Limited from 1/7/2017.
- CEO and sits on the Board of Directors of Cuspide GmbH from 1/8/2017
- Board of Directors for Mercedes-Benz Thailand Limited from 1/8/2017.
- Board of Directors for Mercedes-Benz Vietnam Ltd from 1/1/2018.
- Supervisory Board for Mercedes-Benz Otomotiv Ticaret ve Hizmetler from 9/4/2019.

Mr. Florian Hohenwarter (Alternate Director: Dr Joerg Burzer)

- Mr Florian Hohenwarter commenced in 1999, after obtaining his degree in electrical engineering, as a quality engineer at Daimler before he moved on to Procurement (Mercedes-Benz Cars) in 2001 for various functions.
- In 2008, he took over the management of the Quality Engineering Center in combination with the supplier recourse MBC.
- From 2011 he was responsible for the BBAC localization project management at Beijing location, followed by the construction of the platform management GRC and then BBAC plant logistics in China.
- At the end of 2015, he moved to Sindelfingen to take over responsibility for the supply chain S-/ E-Class.
- Since 2018, he has been managing the Production Structural Parts Powertrain and Chassis' production network for cast/forged components and axles with the main locations in Mettingen, Maribor (Slovenia) and Most (Czech Republic).

Mr Florian Hohenwarter does not serve on the Board of any other company.

Debt Officer

Mr Dirk van der Bank

Dirk van der Bank is the Funding Manager and Debt officer of Mercedes-Benz South Africa Ltd. He leads the team responsible for Treasury Financial Risk Management, including Funding, Liquidity Management, Export Credit and Pension Funds.

Dirk holds a BCom Accounting degree as well as a BCom Accounting Honours degree. In addition, he is a Chartered Accountant.

Previous Positions

- Prior to joining Mercedes-Benz South Africa on 1 November 2017, he held various roles at KPMG, BASF and TransUnion.

Mr Dirk van der Bank serves on the Board of the following companies:

- Beautus (Pty) Ltd
- Princo Ltd