



Mercedes-Benz

**MERCEDES-BENZ SOUTH AFRICA LIMITED**(Pretoria, Republic of South Africa)  
(as Issuer)

unconditionally and irrevocably guaranteed by

**MERCEDES-BENZ GROUP 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).

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## GENERAL

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*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.**

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## RISK FACTORS - NOTES

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*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.



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

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*This section serves as a description of the risk factors related to Mercedes-Benz South Africa Limited (as Issuer) and Mercedes-Benz Group AG AG (as Guarantor). Capitalised terms used in this section headed "Risk Factors Related to Mercedes-Benz South Africa Limited and Mercedes-Benz Group 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 Mercedes-Benz Group AG (**MBAG**) and/or its consolidated subsidiaries shall include reference to the Issuer.

Many factors could affect MBAG's business, financial condition, cash flows and results of operations. MBAG 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 MBAG's business, financial condition, profitability, cash flows, results of operations and future business results are described below. MBAG'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. Industry and Business Risks**

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

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

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

**General Market Risks**

The possibility of markets developing worse than assumed in the planning, or of changing market conditions, generally exists for all segments of the Group. Possible declines in vehicle sales may be caused in particular by the partially unstable macroeconomic environment and in the context of political or economic uncertainties.

As a result of the Covid-19 pandemic, there are still risks – especially in China – which may lead to disruptions in global supply chains and have a negative impact on the sales development of Mercedes-Benz Cars. Rising energy prices, a persistently high inflation rate and volatile exchange rates may also lead to market uncertainty or a loss of purchasing power and have a negative impact on demand in the automotive sector. Other availability bottlenecks, in particular those affecting semiconductors, remain a large source of uncertainty. A lower-than-expected market acceptance of electric vehicles can also lead to risks in the development of unit sales and have a negative impact on earnings. This could also endanger the achievement of specific CO<sub>2</sub> targets. Industrial policy measures to strengthen local value creation in various countries as well as government purchase incentives for locally produced electric vehicles can also result in competitive disadvantages and declining vehicle sales in the respective markets.

The loss of important dealerships and vehicle importers can lead to customer demand not being fully served and lower unit sales. Due to the tense economic situation of some dealers and vehicle importers, possible loss of revenue for Mercedes-Benz Cars cannot be ruled out.

The launch of new products by competitors, more aggressive pricing policies and poorer effective pricing for products such as electric vehicles can give rise to increasing competitive and price pressure in the automotive segments and have a negative impact on profitability. The discontinuation or reduction of government subsidies for electric vehicles can also negatively affect their pricing and cut profit margins. There is also a risk of delayed market introduction of new technologies in vehicles.

Volatile energy and commodity prices, persistently high or repeatedly rising inflation rates, sharply rising interest rates and an even more pronounced slowdown in economic growth may also have a negative impact on the Mercedes-Benz Group's business, net assets, financial condition and results of operations.

### ***Risks Related to the General Legal and Political Framework***

Risks from the legal and political framework have a considerable influence on the Mercedes-Benz Group's future business success. Regulations concerning vehicles' emissions, fuel consumption, safety and certification, as well as tariff aspects and taxes in connection with the sale or purchase of vehicles or vehicle parts, play an important role. Complying with these varied and often diverging regulations all over the world requires strenuous efforts on the part of the automotive industry.

In particular, changes in the legal and political framework at short notice can be associated with additional costs or higher investments for the Mercedes-Benz Group. Legal limits on the fuel consumption and/or CO<sub>2</sub> emissions of car fleets exist in many markets, although the target values differ from market to market. Non-compliance with regulations applicable in the various markets might result in significant penalties and reputational harm, and might even mean that vehicles with conventional drive systems could not or could no longer be registered in the relevant markets.

Mercedes-Benz Cars and Mercedes-Benz Vans face the above-mentioned risks with respect to regulations concerning mandatory targets for the average fleet fuel consumption and CO<sub>2</sub> emissions of new vehicles especially in the markets of China, Europe and the United States. In some markets, the modalities for target achievement granted by law, including the acquisition of external credits, will have to be utilized, which could have a negative impact on earnings. The market success of alternative drive systems is greatly influenced not only by customer acceptance but also by regional market conditions such as the battery-charging infrastructure, state support and tax conditions.

Uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical and trade policy developments worldwide. The global economic conditions continue to be characterized by an exceptional degree of uncertainty. Political tensions and the associated danger of geopolitical conflicts have increased and are associated with far-reaching risks for the business development of the Mercedes-Benz Group. In addition to unexpected macroeconomic developments, uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical events and trade policy. A further escalation and possible geographical expansion of the Russia-Ukraine war could have a negative impact on purchasing and logistics processes and on the production and sales programme. Besides the Russia-Ukraine war, examples of this include a further exacerbation of tensions between the United States and China and a further deterioration of political relations between the European Union and China which could lead to increased uncertainty and adversely affect both global economic prospects and the business development of the Mercedes-Benz Group. Industry-specific and country-specific barriers to trade in foreign markets that are important for the Mercedes-Benz Group could have a negative impact on both production costs and the entire value chain. The position of the Mercedes-Benz 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 Mercedes-Benz has production facilities, this could result in a competitive disadvantage for Mercedes-Benz compared with competitors that produce in those countries which participate in these free-trade agreements. In addition, if the content of the free-trade agreements used by Mercedes-Benz is made significantly stricter, or the conditions of future free-trade agreements are more restrictive, this could also significantly impair the position of the Mercedes-Benz Group, as the Mercedes-Benz 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.

A possible bottleneck in energy supply in the EU could subsequently lead to potential production losses at the Mercedes-Benz Cars and Mercedes-Benz Vans plants. Moreover, there is an increasing risk of cyberattacks as a result of political tensions. Individual countries may attempt to defend and improve their competitiveness in the world's markets by increasingly resorting to interventionist and protectionist measures. For example, setting up or expanding production facilities, increasing local purchasing or the requirement to carry out local research and development can result in significantly increased investment or higher running costs. In addition, barriers to market access, such as more difficult or delayed certification processes or complicated tariff procedures, can make it more difficult to import into those countries.

### ***Risks Relating to the Leasing and Sales-Financing Business***

In connection with the sale of vehicles, the Mercedes-Benz Group offers customers a wide range of financing and leasing options. The resulting risks for the Mercedes-Benz 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). In connection with leasing agreements, risks also arise due to the development of the used vehicle market. These result when the market value of a leased vehicle at the end of the agreement term differs from the residual value that was originally calculated and forecasted on the basis of specific assumptions at the time the agreement was concluded and used as a basis for the leasing instalments.

Therefore, risks 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 which can adversely affect earnings.

### ***Risks Related to Research and Development***

Technical developments and innovations are of key importance for the safe and sustainable mobility of the future. The transformation towards electric mobility and comprehensive digitalization of vehicles has resulted in ambitious development targets and the market launch of new technologies. Decisions in favour of certain technologies and the continuously growing scope of emission, consumption and safety requirements to be met are associated with risks. In 2020, MBG and Mercedes-Benz USA, LLC ("MBUSA") reached agreements with various US authorities to settle civil and environmental claims regarding emission control systems of certain diesel vehicles, which have taken legal effect (for further explanations please refer to the subsection entitled "3. Legal and Tax Risks"). With the settlement reached, MBG 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.

### ***Production Risks***

Due to the increasing technical complexity and the goal of maintaining and constantly enhancing quality standards for the luxury vehicles of the Mercedes-Benz Group, risks can arise in the automotive segments in connection with the launch and manufacture of products. Production interruptions, for example due to disruptions in the supply chain or a bottleneck in the energy supply, cannot be ruled out as a result. In particular, the further development of the Covid-19 pandemic in China may have a negative impact on production.

For the launch of new products – especially in the course of the transformation toward electric mobility and the integration of new technologies – the necessary components and equipment scopes as well as the required production capacities must be available, as there is a risk of internal delays in vehicle production and consequential costs being incurred.

Warranty and goodwill cases could arise if the quality of the products or the parts installed in the products does not meet requirements despite quality assurance processes, if regulations are not fully complied with, or if support cannot be provided in the required form in the event of problems and product maintenance. The Mercedes-Benz Group recognizes appropriate provisions for warranty and goodwill cases. Nevertheless, it cannot be ruled out that recalls and field measures will lead to expenses.

### ***Risks from Purchasing and Logistics***

Risks arise for the automotive segments in particular from fluctuations in prices of commodities, raw materials and energy. Certain raw materials and components that are purchased on the world market are required for the manufacture of vehicles and parts and. The level of costs depends on the price development of commodities, raw materials and energy. Inflation-related increases in raw material and energy prices are expected for 2023 and are associated with significant cost-side risks. They can also lead to higher logistics costs. Furthermore, intense competition for specific raw materials in the course of the introduction of new technologies can lead to increasing costs or possible shortages in the supply chain. Moreover, raw-material markets can be impacted by uncertainties and political crises – combined with possible supply bottlenecks – as well as by volatile demand for specific raw materials. In general, the ability to pass on the higher costs of commodities and other materials in the 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 profit margins of the vehicles sold and thus lead to lower earnings in the respective segment.

Interruptions in global supply chains, bottlenecks in the supply of intermediate goods, and production stoppages or under-utilization of suppliers' production capacities can have a negative impact on business activities in the automotive divisions. The increasing risk of cyberattacks within the supply chain also means that disruptions in the supply chain and, as a result, production stoppages and losses of unit sales cannot be ruled out. Interruptions in global supply chains, especially those caused by bottlenecks for electronic components and other important intermediate goods, as well as possible failures in supply by energy providers, can cause bottlenecks at Mercedes-Benz Cars and Mercedes-Benz Vans. Lack of availability and quality problems with certain vehicle parts can lead to production downtimes and cause costs that result in negative effects on profitability. The financial situation of some suppliers remains difficult. The reasons for this are continuing uncertainties in connection with rising commodity, raw-material and energy prices, the lack of availability of components, and the further impact of the Covid-19 pandemic. The resulting possible production stoppages or under-utilization of production capacities at suppliers can also cause disruptions of the supply chain in the automotive segments and prevent vehicles from being completed and delivered to customers on time. If suppliers cannot cover their fixed costs, there is also the risk that they may demand compensation payments. Necessary capacity expansions at suppliers could also require a contribution to cover costs. Due to the transformation to electric mobility and the increasing outsourcing of important components, there is also a risk that these will not be available on time in the planned quantity and required quality, thus delaying production. This could have negative effects on profitability.

### ***Information Technology Risks***

The systematically pursued digitalization strategy enables the Mercedes-Benz Group to utilize new opportunities to increase customer utility and the value of the Group. Nonetheless, the high degree of penetration of all business units by information technology (IT) also harbours risks for their business and production processes and the units' products and services. Extensive changes in the existing system landscape, for example the focus on strategic partnerships for the transformation of the IT infrastructure as well as 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 the misuse of sensitive data may under certain circumstances lead to a loss of reputation. In particular, stricter regulatory requirements such as the EU General Data Protection Regulation and related legislation 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 Mercedes-Benz 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.

### ***Personnel Risks***

The success of the Mercedes-Benz 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 the Mercedes-Benz Group operates. The Group's future success also depends on the extent to which it succeeds over the long term in recruiting, integrating and retaining specialist employees. In addition to the demographic development, the digital transformation also requires that the Group continues to adapt to changes and derives measures such as securing a qualified next generation of specialists and managers, especially with regard to technical developments.

### ***Risks Relating to Equity Investments and Partnerships***

Cooperation with partners in shareholdings and partnerships is of key importance to the Mercedes-Benz Group, both in the transformation towards electric mobility and comprehensive digitalization, and in connection with mobility solutions. The Mercedes-Benz Group generally participates in the risks of shareholdings in line with its equity interest, and is also subject to share-price risks if such companies are listed on a stock exchange. After the spin-off and hive-down of the Daimler commercial vehicle business, this also applies to the Group's remaining minority shareholding in Daimler Truck Holding AG. The remeasurement of shareholdings 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 result in risks. In addition, further financial obligations or an additional financing requirement can arise.

## **2. Financial Risks**

The Mercedes-Benz 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 Mercedes-Benz Group is exposed to credit risks, country risks, liquidity risks and risks of restricted access to capital markets, risks from changes in credit ratings and risks relating to pension plans. Should any of the following risks materialize, this could have material adverse effects on the Mercedes-Benz Group's business, net assets, financial condition and results of operations.

Further information on financial risks is provided in Note 34 (Management of financial risks) of the Notes to the Annual Consolidated Financial Statements 2022 of MBG, information on the Group's financial instruments is provided in Note 33 (Financial instruments) of the Notes to the Annual Consolidated Financial Statements 2022 of MBG.

### ***Exchange Rate Risks***

The Mercedes-Benz 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). 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. The Mercedes-Benz Group 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 Mercedes-Benz 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 entitled "1. Industry and Business Risks – Risks from

Purchasing and Logistics", the Group's business operations are exposed to changes in the market prices of purchased parts and raw materials.

### ***Credit Risks***

Credit risk describes the risk of financial loss resulting from a counterparty failing to meet its contractual payment obligations. Credit risk includes both the direct risk of default and the risk of a deterioration in 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. Risks related to leasing and sales financing are addressed in the subsection entitled "1. Industry and Business Risks – Risks Relating to the Leasing and Sales-Financing Business". Credit risks also arise from the Group's liquid assets.

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. The Mercedes-Benz Group 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.

### ***Liquidity Risks and 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, the Mercedes-Benz Group 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 the 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 the Group's own business policy considerations and developments may temporarily prevent the Group from covering any liquidity requirements by means of borrowing in the capital markets.

### ***Risks from Changes in Credit Ratings***

Mercedes-Benz' creditworthiness is assessed by the rating agencies DBRS Ratings GmbH, 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 Mercedes-Benz' 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 MBG or from purchasing bonds issued by MBG or another company of the Group.

### ***Risks Relating to Pension Plans***

The companies of the Mercedes-Benz Group grant defined-benefit pension commitments, which are covered by plan assets, as well as healthcare commitments to a small extent. 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 such as a change in the discount rate or changed inflation assumptions have a negative or positive 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 share 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 future development of the fair value of plan assets.

Further information on the pension plans and their risks is provided in Note 23 (Pensions and similar

obligations) of the Notes to the Annual Consolidated Financial Statements 2022 of MBG.

### **3. Legal and Tax Risks**

The Mercedes-Benz Group is exposed to legal and tax risks. Should any of the following risks materialize, this could have material adverse effects on the Mercedes-Benz 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, Mercedes-Benz Group continues to expect a significant level of costs.

#### ***Risks from Legal Proceedings in General***

MBG 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 Mercedes-Benz or such proceedings are settled, the Group may encounter substantial financial burdens, e.g. from damages payments, service actions or recall campaigns, which would adversely affect the earnings of the Group. Some of these proceedings and related settlements may also have an impact on the Group's reputation.

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

Mercedes-Benz is continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to various laws and regulations in connection with diesel exhaust emissions.

The corresponding activities of various authorities worldwide are partly ongoing, as described below. These activities particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or the interactions of Mercedes-Benz 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, MBG and Mercedes-Benz USA, LLC ("MBUSA") reached agreements in the third quarter of 2020 with various authorities to settle civil environmental claims regarding the emission control systems of certain diesel vehicles. These agreements have become final and effective.

The authorities take the position that Mercedes-Benz failed to disclose Auxiliary Emission Control Devices ("AECs") in certain of its US diesel vehicles and that several of these AECs are illegal defeat devices. As part of these settlements, Mercedes-Benz has denied the allegations by the authorities and has not admitted liability, but has agreed to, among other things, pay civil penalties, conduct an emission modification programme for the affected vehicles, and take certain other measures. The failure to meet certain of those obligations may trigger additional stipulated penalties. In the first quarter of 2021, Mercedes-Benz paid the civil penalties.

In April 2016, the U.S. Department of Justice ("DOJ") requested that Mercedes-Benz conduct an internal investigation. Mercedes-Benz conducted such internal investigation in cooperation with the DOJ's investigation; the DOJ's investigation remains open. In addition, further US state authorities have opened investigations pursuant to both local 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, among others, the Canadian Environmental Protection Act as well as potential undisclosed AECs and defeat devices. Mercedes-Benz continues to cooperate with the investigating authorities.

In Germany, the Stuttgart public prosecutor's office issued a fine notice against Mercedes-Benz in September 2019 based on a negligent violation of supervisory duties, thereby concluding the related administrative offence proceedings against Mercedes-Benz. The Stuttgart public prosecutor's office is still conducting criminal investigation proceedings against Mercedes-Benz employees on the suspicion of, among others, fraud. In July 2021, the local court (Amtsgericht) of Böblingen issued penal orders against three Mercedes-Benz employees based on, among others, fraud, which have become final.

Between 2018 and 2020, the German Federal Motor Transport Authority ("KBA") issued subsequent auxiliary provisions for the EC type approvals of certain Mercedes-Benz diesel vehicles, and ordered mandatory recalls as well as, in some cases, stops of the first registration. In autumn 2022, the KBA issued further decisions regarding vehicles equipped with an OM607 EU6 or EU5 diesel engine. In each of those cases, it held that certain calibrations of specified functionalities are to be qualified as impermissible defeat devices. Mercedes-Benz has a contrary legal opinion on this question and has filed timely objections against the KBA's administrative orders and determinations mentioned above. Insofar as the KBA has not remedied the objections, Mercedes-Benz has 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, Mercedes-Benz continues to cooperate fully with the KBA. The new calibrations requested by the KBA were developed by Mercedes-Benz and assessed and approved by the KBA; the related recalls were 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 Mercedes-Benz 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 routinely conducts further reviews of Mercedes-Benz vehicles and asks questions about technical elements of the vehicles. In addition, Mercedes-Benz continues to be in a dialogue with the German Federal Ministry for Digital and Transport ("BMDV") 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 BMDV, 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 responsible authorities of other EU member states and the European Commission which conducts 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, and also to the British market surveillance authority DVSA (Driver and Vehicle Standards Agency).

In addition to the aforementioned authorities, national cartel authorities and other authorities of various foreign states, including 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. In this context, South Korean authorities have made determinations and imposed sanctions against Mercedes-Benz. Mercedes-Benz has lodged an appeal against the determinations and the sanctions of the South Korean administrative authorities (the Ministry of Environment and the Korea Fair Trade Commission). The proceedings described in this paragraph are still ongoing.

Mercedes-Benz continues to fully cooperate with the authorities and institutions. Irrespective of such cooperation and in light of the past developments, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Mercedes-Benz 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 as well as the South Korean Ministry of Environment, among others, it cannot be ruled out that, besides these authorities, one or more authorities worldwide will reach the conclusion that other passenger cars and/or vans with the brand name Mercedes-Benz or other brand names of the Mercedes-Benz 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. It cannot be ruled out that Mercedes-Benz will become subject to, as the case may be, significant additional fines and other sanctions, measures and actions. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative allegations 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 or findings. Thus, a negative allegation or finding in one proceeding 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, the ability of Mercedes-Benz to defend itself in proceedings could be impaired by concluded proceedings and their underlying allegations as well as by results or developments in any of the information requests, inquiries, investigations, administrative or criminal orders, legal actions and/or proceedings discussed above.

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

The State of Arizona filed a lawsuit in January 2019 claiming that, among others, MBG and MBUSA deliberately deceived consumers in connection with advertising Mercedes-Benz diesel vehicles. In the fourth quarter of 2022, MBG and MBUSA reached a binding settlement with the State of Arizona. In a separate lawsuit filed by the Environmental Protection Commission of Hillsborough County, Florida in September 2020, the plaintiff claims that, among others, MBG and MBUSA violated municipal regulations prohibiting vehicle tampering and other conduct by using alleged devices claimed to impair the effectiveness of emission control systems. The lawsuit was dismissed in the third quarter of 2022. The plaintiff has appealed the decision.

Consumer class actions containing allegations similar to those raised by the State of Arizona were filed against MBG in Israel in February 2019 as well as against MBG and further Group companies in the United Kingdom since May 2020, in the Netherlands, in Portugal as well as in November 2022 in Australia. The plaintiffs assert that Mercedes-Benz had 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 Germany, a large number of customers of diesel vehicles has filed lawsuits for damages or rescission of sales contracts based on similar allegations. They refer to, in particular, the KBA's recall orders mentioned above. Based on similar allegations, the Federation of German Consumer Organizations (Verbraucherzentrale Bundesverband e.V.) filed a model declaratory action (Musterfeststellungsklage) against MBG with the Stuttgart Higher Regional Court (Oberlandesgericht) in July 2021. Such action seeks a ruling that certain preconditions of alleged consumer claims are met. In the first quarter of 2023, the European Court of Justice ("CJEU") ruled in connection with one of these cases that under certain circumstances a vehicle purchaser may be entitled to claim damages on the basis of negligence rather than intentional acts. The CJEU's decision is still subject to application by the German courts.

Furthermore, class actions have been filed in Canada alleging anti-competitive behavior relating to vehicle technology, costs, suppliers, markets and other competitive attributes, including diesel emissions control technology. In 2022, the proceedings in the United States were concluded in favour of MBG and MBUSA.

In addition, investors from Germany and abroad have filed lawsuits for damages with the Stuttgart Regional Court (Landgericht) alleging the violation of disclosure requirements (main proceedings) and also raised out-of-court claims for damages. In December 2021, the Stuttgart Higher Regional Court initiated model case proceedings under the German Act on Model Case Proceedings in Disputes under Capital Markets Law (KapMuG) (model case proceedings). Multiple investors have used the possibility to register claims in a considerable amount with the model case proceedings in order to suspend the period of limitation. If court proceedings have an unfavourable outcome for Mercedes-Benz, the Group may encounter substantial financial burdens, e.g. from damages payments, remedial works or other cost-intensive measures. Court proceedings can also have an adverse effect on the reputation of the Group.

Furthermore, the ability of Mercedes-Benz to defend itself in the court proceedings could be impaired by the settlements of the consumer class actions in the US and in Canada, as well as by unfavourable allegations, findings, results or developments in any of the governmental or other court proceedings discussed above.

### ***Risks from Other Legal Proceedings***

In September 2021, individual persons associated with Deutsche Umwelthilfe e.V. ("DUH") filed a lawsuit before the Stuttgart Regional Court (Landgericht) against Mercedes-Benz AG. They claim

injunctive relief, demanding that Mercedes-Benz AG refrains from distributing passenger cars with combustion engines after November 2030 and reduces its respective sales prior to this point in time. In the third quarter of 2022, the Stuttgart Regional Court dismissed the claim in its entirety. The plaintiffs have appealed the decision.

As legal proceedings are fraught with a large degree of uncertainty, it is possible that after their final resolution, some of the provisions Mercedes-Benz has recognized for such legal proceedings could prove to be insufficient. As a result, substantial additional expenditures may arise. This also applies to legal proceedings for which the Group has seen no requirement to recognize a provision.

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 31 (Legal proceedings) of the Notes to the Annual Consolidated Financial Statements 2022 of MBG incorporated by reference in this Prospectus.

### ***Tax Risks***

Mercedes-Benz Group 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.

## **4. 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 Mercedes-Benz Group. Public interest is focused on Mercedes-Benz' 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 Mercedes-Benz Group and are connected with risks.

Finally, there will be a negative effect from the continuing high advance expenditure for new products and technologies.

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## DESCRIPTION OF MERCEDES-BENZ SOUTH AFRICA LIMITED

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*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. Mercedes-Benz Group 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 Pretoria, Gauteng.

The Pretoria 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 Vans and finances Mercedes-Benz Cars and Vans.

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. Denis Peterson

210 Aramist Ave, Waterkloof Glen, Pretoria, 0010

### 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 Brand (Chief Executive Officer)
- (b) Mr. Mark Raine (Co-Chief Executive Officer)
- (c) Ms. Taryn Woodbridge (Chief Financial Officer)
- (d) Mr. Abram Mojela Kgotle

#### **Independent Non-Executive and Non-Executive Directors**

- (a) Mr. Wilfried Porth (Independent) (Chairman of the Board of Directors)
- (b) Ms. Sindi Zilwa (Independent)
- (c) Ms. Fikile De Buck (Independent)
- (d) Ms. Thuthu Mbhele (Independent)
- (e) Mr. Nozipho January-Bardill (Independent)
- (f) Ms. Britta Seeger (Non-Exec)
- (g) Mr. Matthias Lühns (Alternate Director: Ms Britta Seeger)

#### 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 Brand (Ex-Officio)

4.5. **Executive Committee**

- (a) Mr. Andreas Brand (Chief Executive Officer)
- (b) Mr. Mark Raine (Co- Chief Executive Officer)
- (c) Ms. Taryn Woodbridge (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@mercedes-benz.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 Mercedes-Benz 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™)**

The Issuer is a wholly owned subsidiary of Mercedes-Benz AG. Mercedes-Benz Group 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 Mercedes-Benz 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 Mercedes-Benz Group and in dealings with Government officials, business partners and customers;
- (c) dealing with conflict of interest;
- (d) prevention of all forms of corruption;
- (e) protection of company assets; and
- (f) principles of social responsibility.

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

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

The business behaviour of the Mercedes-Benz Group AG and all of its subsidiaries is governed by group-wide standards that underpin and exceed the requirements of applicable local legislation in the individual local authorities and territories. Locally, the Board accepts and enacts these standards to ensure that the Company's operations contribute to Mercedes-Benz Group AG's position as one of the world's leading automotive manufacturers and retailers, and that the Company's governance principles adhere to the highest international standards. Thus, the Company works at all times to guarantee that its actions are in harmony with both the environment and society, exhibiting agility and responsiveness.

The Board has accepted and implemented the Code of Integrity, which is based on the shared principles developed globally with employees. It establishes the foundation for all workplace behaviors, including justice, responsibility, mutual respect, transparency, openness, and adherence to laws and rights. It encompasses interpersonal conduct within the company as well as conduct toward customers, business partners, and other essential stakeholders, thereby defining the fundamental business conduct principles of the Company.

### **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 primary governing body of the Company. It is the Board's responsibility to ensure that the Company's codes of conduct and ethics policies define and give effect to the Board's direction on ethical behavior. In order to guarantee the highest possible level of compliance, the Board delegates tasks consisting of routine compliance reviews to various departments in the Company. The Board fulfills its charge for taking the primary responsibility for governance.

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

The Company acts as a socially relevant and responsible corporate citizen in South Africa, with a history and legacy spanning over six decades. It is of the utmost significance to the Board and its different Committees that the Company contributes to South Africa's continued economic and social development. This objective can only be attained through comprehending, engaging, and building cooperative relationships with all of the Company's internal and external stakeholders. The Company aspires to be socially responsive, a responsible corporate citizen, and to conduct its business in South Africa in an ethical and sustainable manner at all times. As part of this objective, the Company recognizes the importance of functioning within the greater context of the societies that its business functions and operations touch. The Board and its

Committees oversee all actions and activities that potentially have an effect on the Company's reputation as a responsible corporate citizen. Each initiative - Skills Development, Enterprise and Supplier Development, Preferential Procurement, and Corporate Social Responsibility - has its own strategic emphasis area to achieve the best lasting outcomes.

As part of the Board's yearly governance process, support for the Company's corporate social responsibility beneficiary partners is selected, and all approved funding is allocated to these organizations for the benefit of the beneficiaries.

The Company's daily operations have a substantial impact on society. When the business expands, its number of employees and contribution to the national economy also increase. The Board reviews management's execution of growth objectives, assuring ongoing employment and economic contribution. Being one of the largest exporter of luxury vehicles from South Africa to the rest of the globe, the Mercedes-Benz South Africa Learning Academy in East London is actively addressing the country's lack of experienced and educated automotive mechanics.

**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 oversees and monitors the Company's overall strategy, which is consistent with the Company's core values. In addition, the Board oversees and monitors, with the assistance of its Committees, as outlined in the Board Charter, the implementation and execution by management of all applicable policies and priorities pertaining to the Company's overall strategy. Each Committee operates in accordance with its mandate and accepted Charter to annually prioritize the various objectives, taking into account the requirements and expectations of all stakeholders as well as their significance.

In executing the plan, the Board delegates authority to the various members of the EMC to carry out their charter-mandated responsibilities. This obligation is reflected in the business strategy and plans of all business units. The Board expects the Committees to report progress and developments in keeping with the strategic direction twice every calendar year. Hence, throughout the year, the Board evaluates important performance metrics and actively exercises its supervision responsibilities.

The Board also guarantees that the Company accounts for its performance by reporting and disclosing information, as needed by South African legislation, and in accordance with the numerous principles that dictate that responsible collaboration necessitates transparent and understandable decisions. Hence, even while performing checks, audits, and investigations, the Company places a premium on openness and is fair with all individuals involved.

The Board evaluates strategy in light of the interconnectedness and interdependence of the many forms of capital at its disposal (financial, manufactured, human, intellectual, natural, social, and relational capital). Committees report to the Board all the important concerns, risks, and opportunities that could have a positive or negative influence on sustainable value development.

The Board is confident that the Company has the resources to continue operations 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.**

With the help of the Audit Committee, the Board is responsible for providing accurate and timely information to stakeholders, regulators, and other interested parties about the Company's operations and financial performance, as required by law.

Using a combined assurance model, the Company's Annual Financial Statements are reviewed



and assured. External, unbiased, and authorized professionals verify certain indicators including Broad-Based Black Economic Empowerment status. Disclosures required in regulatory reporting and any other information that may be of interest to the Company's stakeholders can be found on the Company's website.

The debt sponsor disseminates information about the Company's Domestic Medium Term Note Programme on the JSE's stock exchange news system (SENS) and complies with JSE's reporting requirements for debt issuers.

The media is also used to inform the public about the Company's commercial activities, because the public is a key stakeholder. The Board has delegated all media relations and press release writing to the Company's Executive Management Committee.

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

The Board's methodical approach to leadership improves the Company's overall performance and governance. There is a formal Board Charter in place that specifies the Board's function and mandate. The governing framework and the Mercedes-Benz Group AG policies, as well as the Companies Act, the Company's Memorandum of Incorporation and any applicable law or regulatory regulation which applies to the Company, take precedence over the Charter. The Board is ultimately responsible for achieving the strategy, operating performance, and financial results within the corporate governance frameworks of the Company that is in place, as well as those of Mercedes-Benz Group AG, and it is charged with guiding the Company towards the highest standards of corporate governance based on local and international corporate practice.

This means that the Board can make any Company-related decisions that have not been set aside for shareholder approval (the Company's sole shareholder being Mercedes-Benz AG, which is a wholly-owned subsidiary of Mercedes-Benz Group AG). The Board is responsible in its use of authority, acting in the Company's best interest while also taking into account the views of all relevant parties.

There is a separate board of directors for each of the Company's subsidiaries. The Board, working through the Committees, guarantees that the appropriate principles and practices of good governance are carried throughout both the Company and all of its subsidiaries. The subsidiaries of the Company are autonomous so as to maintain a symmetrical distribution of authority in decision making.

**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 Board is composed of a wide range of individuals, allowing for more diversified and objective input into the Board's deliberations and decisions.

Mercedes-Benz Group AG oversees and controls the succession of the members of the Board and follows a global rotation at its discretion, taking into account the nine-year tenure requirement recommended by King IV. The average tenure of an independent non-executive director is four to eight years before being replaced.

The Board is committed to increasing racial and gender diversity among its members and executive staff. Appointments to the Board and other levels of management at the Company are made with diversity of race and gender in mind. The Board appointed in 2022, Ms Taryn Woodbridge as CFO, following the plan to improve diversity on executive level.

The Board believes that the Chairman, Mr W Porth, meets the criteria for independence as outlined in King IV. On 21 November 2018, a lead independent director, Ambassador Nozipho January-Bardill, was appointed with roles and responsibilities established in the Board Charter according to King IV to further strengthen independent leadership of the Board.

Every member of the Board is suitably experienced and knowledgeable to carry out their duties. This study highlights the broad business expertise and specialized abilities of the Board members across a variety of sectors.

The Board has determined that it possesses the requisite level of expertise, variety of perspective, and autonomy to carry out its tasks as outlined in the Board Charter.

**Principle 8: The governing body should ensure that 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 is responsible for instituting the proper levels of accountability and responsibility throughout the Company. To aid the Board in carrying out its duties, it has set up various committees. With the exception of the Audit Committee, which has members proposed by the Board but appointed by the Company's shareholder, the Committees are properly constituted and its members are appointed by the Board.

The Committees meet on an as-needed basis, but subject to the charters of the Board, and invites external advisors, executive directors, and members of management to ensure that all aspects of the business are covered.

Under the corporate structure of the Company, each of its subsidiaries performs its own distinct business. The Board, through its Social and Ethics Committee and Audit Committee, ensures a good governance climate by checking that the Company's subsidiaries are following the various governance standards.

Approved charters and work plans of the Company properly outline the general duties and responsibilities of each Committee and the Board.

For this reason, the Company and its affiliates are both represented on the EMC. Using this structure, the EMC may oversee the Company (and its subsidiaries) as a whole and identify opportunities for synergy to aid in 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 well aware of the obligation it has to evaluate, not only its own performance, but also that of its subcommittees, Chairperson, and Company Secretary. If the Board decides to do so during a meeting that is properly constituted as a Board meeting, then these reviews may be carried out with the assistance of outside experts and advisors. There is a provision in the Board Charter that makes it the Chairperson's obligation to guarantee that performance evaluations of the Board, the Board Committees, the Audit Committee, and the directors are carried out.

The performance evaluation of the Board has been completed, and the Board is currently considering the outcome. The Board believes that it is a high-performing Board that is committed to upholding the highest standards in the performance of its tasks and obligations.

Mercedes-Benz Group AG is the entity that is responsible for carrying out the performance evaluations of the Executive Directors of the Company. These evaluations are carried out in accordance with group performance management and remuneration incentive programs as well as Mercedes-Benz Group AG's regulations.

**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 Company and all of its subsidiaries are represented in, and by a member of, the EMC that was appointed by the Board. The members of the EMC each have their specific tasks, responsibilities, and levels of authority laid forth for them.

By virtue of the framework that was established by the charters of both the Board and the Committees, it elucidates in great detail the tasks that each member of the Board is to play as well as the obligations that accompany those functions. The Company Secretary fulfills his responsibilities in accordance with the Companies Act and provides the Board with the full support that he is required to in order to fulfil his responsibilities.

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

In accordance with the terms of the Audit Committee Charter, the Board has delegated to the Audit Committee the responsibility of monitoring and assessing the effectiveness of risk management.

The overarching goal of the Audit Committee is to ascertain whether or not the Company's network of risk management, internal control, and governance processes, which were designed and are represented by management, is adequate and operating in such a way as to guarantee that risks are appropriately identified and managed and that operations run efficiently.

Risk management is an essential component of any company's operations in today's modern, interdependent society. Since 1998, the Boards of Management of all companies that are listed on a German stock exchange, such as the Company's (ultimate) parent company Mercedes-Benz Group AG, have been required to implement a system for the early identification of risks in compliance with the legislation. This requirement has been, and is, in place.

Because of this, an Opportunity Management System has been incorporated into the Risk Management System that the company uses and into which it reports. The Company has, what is known as, an internal control system, which is defined as the comprehensive collection of all regulations that serve the purpose of the business (such as policies, process descriptions, procedural instructions, working instructions, and so on). This system is responsible for ensuring that the business processes operate in the appropriate manner.

Risk management is a standardized, ongoing, and methodical process that is carried out across the entire group. Its primary objectives are to defend the existence of the Company and to ensure that corporate goals are met, while also raising awareness of potential risks. The possibility for certain developments, events, or actions to occur is what we mean when we talk about risks. These are the potential hazards that could stop the business or one of its units from accomplishing their goals or putting their strategies into action. Opportunities are possible developments, events, or actions that will enable the Company or one of its units to accomplish or exceed its targets. Opportunities can arise in any industry and can take many forms. Consequently, opportunity management is the process of early identification of potential opportunities within the context of business operations and the use of appropriate procedures to make the most of such opportunities in the most effective manner feasible.

As a direct result of this, the processes of risk management and opportunity management are tightly intertwined inside planning activities. Through the various business divisions, risks and opportunities are reported, and then those reports are brought up to the relevant subcommittees of the Board. An exhaustive review of the Mercedes-Benz Risk and Opportunity Management System is carried out once every twelve months. The Mercedes-Benz Group AG's risk management rules serve as the basis for establishing the framework within which risk reporting thresholds are placed. Real risk exposures are monitored and reported against these thresholds on a regular basis, and mitigating steps are implemented whenever thresholds are found to have been breached.

Throughout the time period under consideration, there were no hazards that were unexpected, uncommon, or unforeseen that exceeded the tolerance criteria. Regulatory and policy developments affecting the automotive sector, including the future of the Automotive Production and Development Programme (APDP), economic and sociopolitical developments, technological developments and disruptions in the automotive sector, consumer trends, and cyber risk particularly affecting data privacy and protection are continuing to be focus areas.

The Board decided to adopt the Mercedes-Benz Risk and Opportunity Management System and the Internal Control System, and both of these systems have been completely implemented in accordance with the Board's decision.

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

Taking into account the overall risk, strategy, and direction of both Mercedes-Benz Group AG and the Company, the Board monitors and exercises oversight on the direction for

management and development of information technology. As a result, policies that describe and direct how information technology should be governed are put into practice and monitored. The Company has a robust internal technology management system, which capitalizes on the Mercedes-Benz Group AG's well-established international information technology governance framework.

In the future, connectivity, digitalization, and the capacity to process vast volumes of data will all give huge benefits for mobility as well. In order for us not only to stay ahead in the automotive sector, but also to be able to compete in the digital arena - and ultimately strengthen our financial position - we must also focus on "enterprise transformation" and thus digitalisation of the Company. This means that we are putting our business and our daily processes to the test - and with the help of intelligent technologies and a digital environment, we can make our processes smarter, more productive and faster. This transformation encompasses all areas of the Company and requires an end-to-end approach that overcomes silos. This is exactly what the Company's strategy is built on, with the goal of orchestrating the enterprise transformation together with the Company's stakeholders.

More connection in the production process makes processes more effective, while digital product planning helps to conserve resources and reduce waste. When it comes to sales and service, the Company's customers can also profit from the use of data-based goods. The automotive industry is undergoing fundamental change, driven by new technologies, by decarbonization efforts, and not least by the changing needs of the Company's customers. The challenge we face is that vehicles must convince customers not only with the best hardware, but also with unique digital services. The Company is not digitalizing for the sake of digitalization. It calls for specific fields of action. Together with the Company's stakeholders and project sponsors, the Company has defined four key areas in which it can generate concrete benefits for its customers and achieve a strategic competitive advantage. This obligation is being taken on by the Company through the pursuit of an all-encompassing strategy for data governance that takes into account not just the legal ramifications but also the cultural and organizational repercussions.

The major goals include the responsible management of data in the benefit of the Company's customers, employees, and other stakeholders, as well as the responsible design of data-based business models that can be used in the long term.

In order for the Company to accomplish these objectives, it has used a variety of strategies, such as the training of staff members and the dissemination of comprehensive information to its customers. A Group-wide Data Governance System has also been built by Mercedes-Benz Group AG. This system is comprised of the Company's data governance structure, data vision, ATA culture, and Data Compliance Management System.

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

The Board is responsible for exercising control over the manner in which the Company should approach and address compliance issues. The Board is responsible for approving and enacting policies that articulate and give substance to this guidance on compliance, and they transfer the responsibility for the implementation of compliance to the EMC. Within the organizational structures of the Company, this function is specifically housed within the legal and compliance departments.

In order to reduce the likelihood of breaching legislation, the organization has put legal compliance procedures and systems into place. Monitoring of the regulatory environment takes place in order to guarantee adequate responses to amendments and new developments in the applicable regulations and laws.

Teams within the Company's compliance and legal divisions report back to the EMC regarding the company's programs on an ongoing basis. In order to educate the staff complement about the use and function of the department in the organization, the compliance department provides training to all of the employees. This training also includes mandatory induction training to ensure that new employees are aware of the compliance and legal requirements in the Company.

The Company and Mercedes-Benz Group AG have extensively incorporated integrity, compliance and legal related issues into the processes of with the Group of Companies — as part of non-financial remuneration components, in human resources processes, and within the framework of target group-specific training measures and preventive consulting measures. Integrity also plays an important role in the development of new products and services. Integrity begins with product-creation to product sale, and is cemented in the decision-making and execution processes.

**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.**

Since 2007, both the Company and Mercedes-Benz Group AG have had rules in place that govern compensation and benefits in a manner that is both comprehensive and legally binding. These policies regulate the framework for the organization and application of the Company's compensation system, elements, and processes. Also, they outline the requirements for the framework that governs compensation inside the Company.

These requirements ensure transparency and enhance the process reliability in the configuration and application of employee compensation and benefits arrangements in accordance with global directives that are relevant to local market conditions. Additionally, these requirements ensure that employee compensation and benefits arrangements are in line with global directives. Mercedes-Benz Group AG ensures that all of its affiliates, no matter where they are located in the world, pay their employees in accordance with the same set of principles.

Establishing the framework conditions and minimum standards for the design of the remuneration systems is the responsibility of the Corporate Compensation Policy, which applies to all employee groups and is binding on all of them. In order to provide salaries and benefits that are typical in the sector as well as the corresponding markets, it is important to take into account the conditions of the local market while adhering to the parameters that have been established. The tasks and performance of the employees, as well as their qualifications and years of experience, are taken into consideration when determining the pay of the employees. The Company does not consider factors such as gender or place of origin when determining the remuneration of its employees; rather, it is only directed by the employee's job and the responsibilities that come with it. These policies regulate the framework for the Company and application of the Company's compensation system, elements, and processes. Also, they outline the requirements for the framework that governs compensation inside the Company.

The Board of Management of Mercedes-Benz Group AG recognized and approved the principles for the structure and application of the Mercedes-Benz Group AG remuneration system as established and outlined above. The Mercedes-Benz Group AG is the one that determines the compensation policy by laying out the compensation principles and making the decisions that are connected to how those principles are put into practice.

**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.**

The Risk and Opportunities Management System, which is linked through to the Internal Controls System, is the source of combined assurance. The building of robust control environments, the evaluation of risks, control activities, information and communication processes connected to monitoring procedures, and so on all contribute to the development of assurance layers.

Management, together with internal assurance from Mercedes-Benz Group AG Corporate Audit and numerous other Mercedes-Benz Group AG oversight organizations, is responsible for the oversight of these systems. In addition, external assurance is sought from a variety of different independent sources, such as certifying authorities like ISO as well as external auditors.

The level of assurance obtained is based on annual risk assessments that are carried out by

Corporate Audit, and the results of these assessments are presented to the Audit Committee for the purposes of 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.**

According to the Company's definition, stakeholders are *"those groups or individuals that can reasonably be expected to be significantly affected by an organization's business activities, outputs or outcomes, or whose actions can reasonably be expected to significantly affect the ability of the organization to create value over time."* In a world where the triple context of the economy has become the norm, there is a larger expectation placed on stakeholders today to perform their duty as social activists in the present day and age. The Board, and each of its Committees, believes that it is of the utmost significance for the Company to do what it can to contribute toward ensuring that South Africa as a whole continues to develop economically and socially. This calls for a governance architecture that takes into account all relevant stakeholders.

When making decisions that are in the best interest of the Company as a whole, the Board makes every effort to take into account the needs, interests, and expectations of all of the various stakeholder groups. This is done in order to strike a reasonable and fair balance between these factors. All of this is carried out in accordance with the general fiduciary duty to behave in a manner that is in the Company's best interest as a whole.

The internal and external corporate affairs teams of the Company are responsible for overseeing the process of engaging stakeholders and ensuring that the proper policies and escalation procedures are in place. The SEC is then informed of the results of the investigation. A continuous contact with the various stakeholders is required by EMC. When it comes to carrying out this role, the EMC is given assistance by the Company's external affairs department, which works in close collaboration with Mercedes-Benz Group AG.

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.

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## DESCRIPTION OF MERCEDES-BENZ GROUP AG

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*Capitalized terms used in this section headed "Description of Mercedes-Benz Group 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

Mercedes-Benz Group AG (MBG) MBG 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 office at Mercedesstraße 120, 70372 Stuttgart, Federal Republic of Germany, telephone +49 (0)711-17-0. The legal and commercial name of MBG is Mercedes-Benz Group AG.

It was incorporated on May 6, 1998 under the name DaimlerChrysler AG for an unlimited duration. On October 19, 2007, following the transfer of a majority interest in Chrysler, it changed its corporate name from DaimlerChrysler AG into Daimler AG ("DAG"). On February 1, 2022, following the spin-off and hive-down of the Daimler Trucks & Buses business from the Mercedes-Benz vehicle business, it changed its corporate name from Daimler AG into Mercedes-Benz Group AG.

The Legal Entity Identifier (LEI) of Mercedes Benz Group AG is 529900R27DL06UVNT076.

The website of Mercedes Benz Group AG is: [www.group.mercedes-benz.com](http://www.group.mercedes-benz.com).

### 2. ORGANISATIONAL STRUCTURE

MBG is the parent company of the Mercedes-Benz Group and its headquarters are in Stuttgart. The spin-off and hive-down of the Daimler commercial vehicle business has changed the Group's structure. Since the conclusion of the transaction in December 2021, the business operations of the Mercedes-Benz Group are being managed in the Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Mobility segments. For the purposes of external reporting, the Mercedes-Benz Cars and Mercedes-Benz Vans segments have been combined into the reportable segment Mercedes-Benz Cars & Vans. Mercedes-Benz Group AG is closely linked with Mercedes-Benz AG and functions as an operating unit that defines the Group's strategy. MBG is also responsible for making strategic decisions for business operations and, as the Group parent company, ensures the effectiveness of organizational, legal and compliance-related functions throughout the Group. Mercedes-Benz AG is responsible for the business of Mercedes-Benz Cars and Mercedes-Benz Vans. Mercedes-Benz Mobility AG is responsible in particular for the Group's financing and leasing products.

### 3. GENERAL OBJECT OF Mercedes-Benz Group AG

Pursuant to article 2 of MBG's articles of incorporation (Satzung; the "Articles of Incorporation") the general object of MBG 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.

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

MBG may set up domestic and foreign branches and may acquire interests in other companies. MBG 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. MBG may place all or part of its business operations into subsidiaries, joint ventures or associated companies.

MBG 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 Mercedes-Benz Group which includes MBG and its consolidated subsidiaries is a vehicle manufacturer with a wide product range of automobiles and vans. The product portfolio is completed by a range of tailored automotive and financial services.

With its brands, Mercedes-Benz is active in nearly all the countries of the world. The Group has production facilities in Europe, North and South America, Asia and Africa.

Mercedes-Benz Cars offers a broad product portfolio, ranging from the family of compact models to a highly varied range of C-Class and E-Class models, SUVs, roadsters, coupés and convertibles and S-Class luxury saloons. In addition to the Mercedes-Benz brand, the product portfolio also encompasses the brands Mercedes-AMG, Mercedes-Maybach, Mercedes-EQ and smart, as well as the G-Class brand. The Mercedes me brand provides access to the digital services of Mercedes-Benz.

The most important markets for Mercedes-Benz Cars in 2021 were China (with 38% of unit sales), the United States (13%), Germany (11%), the other European markets (23%), South Korea (4%) and Japan (2%).

Mercedes-Benz Vans is a global supplier of a complete portfolio of vans. 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, since the year 2021, the new Citan urban delivery van. The range of Mercedes-Benz Vans in the private-customer segment consists of the V-Class full-size multi-purpose vehicle and the Marco Polo camper vans and recreational vehicles.

The most important markets for Mercedes-Benz Vans in 2021 were Germany (with 25% of unit sales), the remaining EU30 markets (European Union, United Kingdom, Switzerland, Norway) (38%), the United States (13%) and China (10%).

The Mercedes-Benz Mobility segment ("Mercedes-Benz Mobility") supports the sales of the Mercedes-Benz Group's vehicle 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. Mercedes-Benz Mobility has approximately five million leased and financed vehicles in 35 markets for its financing, leasing and insurance business alone, which underlines its ability to offer services that meet a wide range of requirements. The mobility ecosystem is rounded off by flexible-use services such as Mercedes-Benz Rent (rental vehicles), as well as by investments in companies that offer mobility services. Along with the services offered by the YOUR NOW joint ventures, Mercedes-Benz Mobility also offers premium ride-hailing services with luxury vehicles via StarRides and Blacklane.

Mercedes-Benz is active in the global automotive industry and related sectors through a broad network of subsidiaries, associated companies and partnerships.

#### 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 MBG's Articles of Incorporation. The Board of Management is authorized to represent MBG and to enter into binding agreements with third parties on its behalf.

The members of the Board of Management are:

- **Ola Källenius**, Chairman of the Board of Management
- **Dr. Jörg Burzer**, Production and Supply Chain Management
- **Renata Jungo Brüngger**, Integrity and Legal Affairs
- **Sabine Kohleisen**, Human Resources and Labour Director
- **Markus Schäfer**, Chief Technology Officer, Development & Purchasing
- **Britta Seeger**, Mercedes-Benz Cars Marketing & Sales
- **Hubertus Troska**, Greater China
- **Harald Wilhelm**, Finance & Controlling / Mercedes-Benz Mobility

#### *The Supervisory Board*

The principal function of the supervisory board of MBG (the "Supervisory Board") is to supervise the board of management of MBG (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"), MBG'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 are:

- **Dr. Ing. e.h. Dipl.-Ing. Bernd Pischetsrieder**, Munich, Chairman of the Supervisory Board of MBG, elected until 2024
- **Ergun Lümali\***, Sindelfingen, Deputy Chairman of the General Works Council of Mercedes-Benz Group, Chairman of the General Works Council of Mercedes-Benz Group AG, Chairman of the Works Council of Mercedes-Benz Sindelfingen Plant, elected until 2028
- **Michael Bettag\***, Nuremberg, Chairman of the Works Council of the Mercedes-Benz Nuremberg Own Retail Branch, elected until 2028
- **Ben van Beurden**, The Hague, Chief Executive Officer of Shell plc, elected until 2025
- **Nadine Boguslawski\***, Stuttgart, First Authorized Representative of IG Metall Stuttgart, appointed until 2028
- **Dr. Martin Brudermüller**, Mannheim, Chairman of the Board of Executive Directors of BASF SE, elected until 2025
- **Elizabeth Centoni**, Palo Alto, Chief Strategy Officer and GM, Applications Cisco, Inc., elected until 2025
- **Dame Veronica Anne ("Polly") Courtice**, Cambridge, Former Director of the University of Cambridge Institute for Sustainability Leadership (CISL), elected until 2026
- **Marco Gobbetti**, Florence, Chief Executive Officer of Salvatore Ferragamo S.p.A, elected until 2026
- **Michael Häberle\***, Remseck, Deputy Chairman of the General Works Council of Mercedes-Benz Group AG, Chairman of the Works Council Mercedes-Benz Untertürkheim Plant, MBG, elected until 2028
- **Timotheus Höttges**, Bonn, Chairman of the Board of Management of Deutsche Telekom

AG, elected until 2025

- **Olaf Koch**, Berlin, Partner and Managing Director Zintinus GmbH, elected until 2025
- **Roman Romanowski\***, Frankfurt am Main, Head of the Executive Legal Department at the Board of Management of IG Metall, appointed until 2028
- **Professor Dr. Helene Svahn**, Stockholm, Professor in Nanobiotechnology at the Royal Institute of Technology, Sweden, elected until 2025
- **Monika Tielsch\***, Sindelfingen, Member of the Works Council of Mercedes-Benz Sindelfingen Plant, appointed until 2028
- **Dr. Frank Weber\***, Sindelfingen, Center Manager BodyTEC, Mercedes-Benz AG, Chairman of the Management Representative Committee, elected until 2028
- **Roman Zitelsberger\***, Stuttgart, German Metalworker's Union (IG Metall), District Manager Baden-Württemberg, elected until 2028
- **Gabriela Neher\***, Rastatt, Member of the Works Council at the Mercedes-Benz Rastatt Plant. Appointed until 2028
- **Michael Peters\***, Bremen, Chairman of the Works Council of Mercedes-Benz Bremen Plant., appointed until 2028
- **Stefan Pierer**, Chairman of the Board of Management of Pierer Industrie AG, appointed until 2027

\* Representative of the employees

**SIGNED** at Centurion and East London on this the 15th day of May 2023.

For and on behalf of  
**MERCEDES-BENZ SOUTH AFRICA LIMITED**

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Name: Andreas Brand  
Capacity: Director  
Who warrants his authority hereto

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Name: Taryn Woodbridge  
Capacity: Director  
Who warrants her authority hereto

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**GENERAL INFORMATION**

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**ISSUER**

**MERCEDES-BENZ SOUTH AFRICA LIMITED**

(registration number 1962/000271/06)

210 Aramist Ave,  
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Pretoria, 0010 South Africa  
PO Box 1717  
Pretoria, 0001  
South Africa  
Contact: Mr D van Der Bank

**GUARANTOR**

**MERCEDES-BENZ GROUP AG**

(registration number HRB 19360)

Mercedesstraße 120  
D-70327 Stuttgart  
Federal Republic of Germany  
Contact: Mr J Vogt

**ARRANGER**

**MERCEDES-BENZ SOUTH AFRICA LIMITED**

(registration number 1962/000271/06)

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Pretoria, 0001  
South Africa  
Contact: Mr D van Der Bank

**JSE DEBT SPONSOR**

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

(registration number 1962/000738/06)

30 Baker Street  
3<sup>rd</sup> Floor East  
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Marshalltown, 2107  
South Africa  
Contact: Mr S Mbuthu

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**RAND MERCHANT BANK,  
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**TRANSFER AGENT**

**COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED**

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**LEGAL ADVISERS TO THE ISSUER, ARRANGER AND DEALERS**

**Bowman Gilfillan Incorporated**

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**AUDITOR TO THE ISSUER**

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Private Bag X9  
Parkview  
Randburg, 2122  
South Africa  
Contact: Mr

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**ANNEXURE A: CVs**

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**Executive Directors****Mr. Andreas Brand (Chief Executive Officer)**

Andreas Brand is the Executive Director of Manufacturing and Group CEO of Mercedes-Benz South Africa Ltd (MBSA). After his studies in Mechanical Engineering he started his professional career in Rastatt with the launch of the new factory and the new product-line "compact cars" in 1997. Prior to joining MBSA, effective 1 May 2022, he was Director of Integrated Program Planning MB-Cars worldwide: an End-to-End-cooperating with Plants, Research and Development, Purchasing and Sales and Marketing. He held various positions in Planning, Production, Research and Development for Passenger Cars in Germany as well as internationally (such as US, South Africa and Hungary) inclusive of the build and launch of the plant in Hungary. Besides his operative positions he was Head of Staff for Mercedes-Benz Cars Operations. The key of leadership is Andreas' approach to integrate all parties to a common goal.

**Mr. Mark Raine (Co-Chief Executive Officer)**

President: Mercedes-Benz Cars & Co-CEO Mercedes-Benz South Africa Limited. Mark joined Mercedes-Benz in 2002 as part of the dual study work program, and his career started at Overseas (DCAA) in the Sales Planning department. After that, his various stations included Sales Planning and Product Manager at DMEL as well as Executive Assistant to the Head of Sales Mercedes-Benz Cars before becoming Head of Marketing & Sales Mercedes-Benz Cars for Malaysia in 2015. Since 2019, he has been in Korea as the Head of Product & Marketing MBC driving the digital transformation and further enhancing the brand value with various initiatives and activations. He further played a key role in strategic projects such as the Top-End-Strategy as well as complexity reduction and improvement of the product portfolio.

As President of Mercedes-Benz Cars & Co-CEO Mercedes-Benz South Africa Limited, Mark holds responsibility for Sales, Marketing, Customer Services & Network Management for Mercedes-Benz Cars as well as the MBSA Marketing and Sales Campus in Pretoria.

**Ms. Taryn Woodbridge (Chief Financial Officer)**

Taryn Woodbridge was born in 1979, in East London, South Africa. She qualified as a Chartered Accountant (SA) in 2003 and in addition holds a Masters in Commerce degree (Taxation) from Rhodes University (2006). She joined Mercedes-Benz South Africa (MBSA) in 2004, and held various leadership positions within the Finance and Controlling team over the years. Taryn was promoted to the role of Senior Manager: Plant Controlling in 2014 as the first South African woman in this role. During her years at MBSA she has in addition served in various other capacities such as: Chairperson of MBMed audit committee, Vice-chair of the Transformation Forum, Trustee on the HESR (Housing and Education Trust) and Registered Training Officer for MBSA for several years. She also was a finalist in the Regional and National Business Woman of the Year awards in the Corporate Category. Besides her wealth of experience in the finance field she is also passionate about community and people. Taryn was the senior management sponsor to launch the Employee Volunteer Programme in the EL plant and has invested many hours coaching others towards leadership. She is a wife and mom of two daughters.

**Mr. Abram Mojela Kgotle**

Abey Kgotle is the Executive Director: Human Resources of Mercedes-Benz South Africa. Abey has extensive experience in the human resources field, with his career starting 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 on the 1st of August 2013, the position he held until joining Mercedes-Benz South Africa on the 4th of April, 2017.

Mr Kgotle is also Director of Mercedes-Benz Financial Services South Africa (Pty) Ltd

### **Non-Executive Directors**

#### **Mr. Wilfried Porth (Independent) (Chairman of the Board of Directors)**

Mr Wilfried Porth, has 36 years of working experience in various locations such as Europe, South America, South Africa, Japan and the USA. He has served on various Boards of Management and Supervisory Boards as a Member within several corporations. Mr Porth's experience spans across production, research and development, sales and human resources. Prior to his retirement in 2021 from Daimler AG, Mr Porth was a member of the Daimler AG Board of Management, responsible for various department in his tenure such as, but not limited to, Human Resources, international procurement, Information technology and Mercedes-Benz Vans.

#### **Ms. Sindi Zilwa (Independent)**

Sindi has over 23 years' professional working experience in the fields of financial accounting, auditing and business management, almost all of which have been with her running her own auditing practice Nkonki Inc. She has extensive board and audit committee experience in the public and private sectors. Sindi is a Chartered Accountant (SA) and a Chartered Director (SA) with the IODSA. In 2016, she recently retired as Chief Executive Officer and co-founder of Nkonki Inc, a Registered Firm of Auditors and Advisors established by her and other Partners in 1993; it now has more than 40 partners and directors and more than 400 professional staff, and an affiliation with Kreston International, which affords it global access to the 13th largest accounting network in the world.

Ms Zilwa serves on the following Boards:

- METI Facilities Management (Pty) Ltd
- LL Financial Services (Pty) Ltd
- Nkozi Investment Holdings (RF)(Pty) Ltd
- Laurinx Business Services (Pty) Ltd
- Sindi Zilwa Foundation (Pty) Ltd
- Discovery Life Ltd
- Discovery Vitality (Pty) Ltd
- Discovery Ltd
- Metrofile Holdings Ltd
- Tourvest Group (Pty) Ltd
- Tourvest Holdings (Pty) Ltd
- Discovery Health (Pty) Ltd
- Gijima Group Ltd
- Gijima Holdings (Pty) Ltd
- Mawavune Women's Investment (Pty) Ltd
- Cell C Limited
- Sibanye Stillwater Limited
- Sibanye Stillwater Limited
- Future Global Leaders Club NPC

#### **Ms. Fikile De Buck (Independent)**

Fikile holds a Bachelor of Arts in Economics and Accounting degree, obtained through the University of Swaziland in 1982. She was the second person to obtain the ACCA qualification in Botswana in 1994, during which period of studies she was awarded the Stuart Crystal Prize for Best Accounting Student; she was the first black overseas student to be awarded this prize. Fikile has 23 years' experience in financial reporting an executive level. She joined the AECI Board in 2019, where she chairs the Social and Ethics committee, is a member of the Audit Committee and the AECI Mining's Financial Risk Committee. Fikile was an Independent Non-executive Director of Harmony Gold Mining Company until December 2021, where she was the Chairperson of the Audit Committee, a member of the Social & Ethics Committee, Remuneration and Nomination Committees. In 2011, she was featured as one South Africa's "Most Inspirational Women". She often mentors a number of young people, mostly women. She is also a member of "Women In Mining" South Africa.

Ms De Buck serves on the following Boards:

- AECI Limited
- D&D Company
- Global Forum of Women Entrepreneurs
- Fikita Creations CC

### **Ms. Thuthu Mbhele (Independent)**

Nontuthuko ("Thuthu") is a Chartered Accountant (SA) and Director with over 16 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. Thuthu is recognized for her strong leadership skills with proven ability to positively influence others to achieve results. In her most recent role at Transnet Port Terminals, she was the Operating Division Lead and Client Relationship Director 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. Thuthu holds a Postgraduate diploma in Accounting and a Bachelor of Commerce in accounting degree from the University of Cape Town

Ms Mbhele serves on the following Boards:

- University of KwaZulu Natal
- Zemonde Trading (Pty) Ltd
- MB Assurance (Pty) Ltd
- The Durban Chamber Foundation

### **Ambassador Nozipho January-Bardill (Independent)**

Ambassador Nozipho January-Bardill has extensive experience in the public, private and corporate sectors. Her past appointments include: Corporate Affairs Executive and Spokesperson at MTN Group; South Africa's Ambassador to Switzerland, Lichtenstein and the Holy See; Deputy Director General, Human Capital Management at the Department of International Relations and Cooperation. She was born in 1950 in Kimberley, South Africa, and has three children and four grandchildren. Her studies include a Masters in Applied Linguistics at the University of Essex, UK. In 2014 she was appointed as Acting Chief of Staff of UN Women and she still serves as a Senior Special Advisor to the Under Secretary General and Executive Director of UN Women as well as the Head of UN Women Southern Africa. She serves on the Fundraising Committee of the Nelson Mandela Children's Hospital Trust and on the board of Phenduka, a remedial literacy project for children in Alexandra Township who are not able to read at the end of Primary School. Social, Gender and Racial Justice, as well as Human Rights are central to her work. Her work is centered on social, gender and racial justice as well as human rights.

Ambassador January-Bardill serves on the following Boards:

- Nelson Mandela Children's Hospital Trust
- Phenduka



- Nelson Mandela University
- United Nations Global Compact
- African Footprint Investment Holdings
- Bardill & Associates
- Tshwaranag Legal Advocacy for Gender based Violence
- MTN Foundation

#### **Ms. Britta Seeger (Non-Exec)**

Britta Seeger has been a member of the Board of Management of Mercedes-Benz Group AG since January 1, 2017, responsible for Mercedes-Benz Cars Marketing & Sales. Previously, she was President and CEO of Mercedes-Benz Türk A.S. for over one 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. Britta Seeger was born in Bonn in 1969 and has studied Business Administration at the University of Cooperative Education in Stuttgart.

Ms Seeger serves on the following Boards:

- Mercedes-Benz Group AG
- Mercedes-Benz AG
- Mercedes-Benz China Ltd
- Mercedes-Benz Grand Prix Ltd
- Mercedes-Benz Mobility AG
- Mercedes-Benz Formula E Ltd
- Beijing Mercedes-Benz Sales Service Co Ltd
- Laureus World Sports Awards Ltd
- Mercedes-AMG GmbH

#### **Mr. Matthias Lührs (Alternate Director: Ms Britta Seeger)**

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 organization in Germany, Mexico and Singapore. From 2000 to 2003 Matthias Lührs served as Managing Director of Mercedes-Benz Passenger Cars responsible for the Region Asia/Pacific. Beginning of 2003 he became Director of the DaimlerChrysler Employee Car Business at Daimler AG. Afterwards 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 has been responsible for the global sales of Mercedes-Benz Cars including Smart. From April 2015 to June 2017 Matthias 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 serves on the following Boards

- Mercedes – Benz Korea Limited
- Cuspide GmbH
- Mercedes – Benz Thailand Limited
- Mercedes – Benz Turk A.S
- Mercedes – Benz Vietnam Ltd
- Mercedes – Benz Otomotiv Ticaret ve Hizmetler A.S
- Mercedes – Benz Egypt S.A.E

## **Debt Officer**

### **Mr. Dirk van der Bank**

Dirk van der Bank is the Head of Treasury and Debt officer of Mercedes-Benz South Africa Ltd. In addition to his Treasury responsibilities he also leads the Tax, Customs and Incentives teams at Mercedes-Benz South Africa

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

Dirk is a Chartered Accountant and a CFA Charter holder.

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

- Beautus (Pty) Ltd
- Princo Ltd