



Mercedes-Benz South Africa Limited

King IV™ Report 2024

Mercedes-Benz



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Our Governance



Integrity Code



Directorate



Annual Financial
Statement

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Mercedes-Benz 2024

Mercedes-Benz South Africa Ltd Overview

Mercedes-Benz Group is a multinational corporation, with Mercedes-Benz South Africa Ltd (the "Company") as an indirectly wholly - owned subsidiary. The Company's headquarters in South Africa is located in Pretoria, and it has a manufacturing plant in East London, in the province of the Eastern Cape. This plant has been producing and assembling vehicles in South Africa for 65 years.

Mercedes-Benz passenger cars, smart cars, and vans are all marketed and financed by the Company and its subsidiaries, with its main place of business in Pretoria. In East London, state-of-the-art Mercedes-Benz passenger cars (C-Class) of the highest possible quality are produced for both the domestic and international markets in both left- and right-hand drive configurations.

The mission of the company is to make a difference in the world through sustainable practices. This is what the Company lives for and aspires to achieve in its operations on the local level. The Company is able to translate the global imperative for sustainability by its (ultimate) parent company, Mercedes-Benz Group, into making an impact that is both real and

long-lasting on the transformation of South Africa.

The Company is driven toward striking a balance between economic and social issues, because its culture is predicated on the value of integrity. The Company has a history of being a good corporate citizen, and it has a vested interest in the stability and growth of the economy of South Africa. These factors combine to make the Company uniquely qualified to find this balance.

Notes are issued by the Company as part of a Domestic Medium Term Note Programme in order for the Company to raise funds locally in the country for its operations. These notes are being listed as debt on the Johannesburg Stock Exchange. The programme's parent company, Mercedes-Benz Group, offers an unconditional and irrevocable guarantee on each and every note that is issued through the programme. The Company has released its consolidated financial statements, which is available on the corporate website of the Company.

Governance Structure 2024



Application of King IV™

Mercedes-Benz South Africa Ltd (“MBSA”) acknowledges that governance and compliance are necessary components for the efficient, moral, and environmentally responsible operation of any business or organization. It is recognised to be a system of practices, principles, and norms that control the behaviour in our organization to ensure that it operates in the best interest of all of MBSA’s stakeholders.

In South Africa, King IV offers MBSA, a framework of principles on corporate governance, risk management, and sustainable practices. It guides us in fostering leadership that is both ethical and effective, and it assists us in developing and maintaining good governance and accountability.

MBSA encourages ethical behaviour, which is absolutely necessary for gaining the trust of various stakeholders, such as consumers, suppliers and employees. In doing business in an ethical manner, MBSA ensures that it operates within the bounds established by law and morality, thereby mitigating the risk of reputational harm and financial losses.

With the application of King IV, MBSA is building the confidence of stakeholders with a strong emphasis on openness in decision-making processes and responsibility for actions taken. The effective management of risks in this context is essential for avoiding a variety of undesirable outcomes, including monetary losses, damage to one’s reputation, and others.

MBSA has enhanced its governance, and continues to do so, through the #wearewhatwedo campaign, which has the objective of reinforcing good governance even further in MBSA. At

MBSA we aim to live integrity in all aspects of our business. For the #wearewhatwedo campaign, the objective is to instill the principles that governance is taking the high road, through the ups and downs of an ever-changing world. That it is always doing the right thing, and ensuring that we have a sense of ownership, belonging, respect and responsibility in everything we do.

In conclusion, MBSA, in this King IV principle summary report (the “Report”), provides a holistic overview of its compliance with King IV. MBSA subscribes to the King IV report and the application of the 16 principles contained therein for the purpose of good outcomes-based corporate governance against a challenging economic and external environment experienced by all businesses.

Denis Peterson

General Counsel and Company Secretary



The Committees of the Boards

The Committees of the Board have been established to assist the Board in discharging its responsibilities. The Committees of the Board comprise of the Audit Committee, the Social and Ethics Committee and the Executive Management Committee, collectively referred to as the “Committees”. The Committees are appropriately constituted and members are appointed by the Board, with the exception of the Audit Committee whose members are nominated by the Board, but appointed by the Shareholder.

External advisers, executive directors and members of management attend Committee meetings by invitation. The Board is satisfied that each of the Committees have fulfilled their responsibilities in accordance with the applicable terms of reference, workplans and charters of the Committees.

Non-Executive Directors



Arno Van Der Merwe
Non- Executive
Director



Sagree Sardien
Non- Executive
Director

Executive Directors & Executive Committee



Andreas Brand
Group CEO & Executive
Director Manufacturing



Mark Raine
Co-CEO & Executive Director
MB Cars



Taryn Woodbridge
Chief Financial Officer &
Executive Director



Abey Kgotle
Executive Director
Human Resources



Robert Hoffmann
CEO
MBFS SA



Nadia Trimmel
Vice President
MB Vans



Denis Pterson
General Counsel and
Company Secretary

Independent Non-Executive Directors



Wilfried Porth
Chairperson of the Board



Dr. Phumzile Mlambo - Ngcuka
Independent Director






Sindi Zilwa
Independent Director



Nonhuthuko Mbhele
Independent Director



Fikile Dlodlu
Independent Director

-  Audit Com Members
-  Social and Ethics Members
-  Board Member

Directors' Report

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AMG



The directors are pleased to present their report, which forms part of the consolidated annual financial statements of the group for the year ended 31 December 2023.

1. Nature of business

The group holds a manufacturing and distribution agreement from Mercedes-Benz Group AG (MBGAG) and Mercedes-Benz AG (MBAG) for the importation, assembly and distribution of Mercedes-Benz, Mercedes-AMG and Mercedes-Maybach product ranges. Mercedes-Benz Financial Services South Africa, a subsidiary of Mercedes-Benz South Africa Ltd (MBSA), provides financing and insurance solutions for Mercedes-Benz products.

The group's business can be best described, in general, as follows:

1.1 Financial services

These operations provide financing and insurance solutions over MBGAG products.

1.2 Wholesale and retail vehicle operations

These operations market and sell vehicles in the product portfolio, primarily through the authorised agent and dealer network.

1.3 Manufacturing and component exports operations

These operations, situated in East London, manufacture Mercedes-Benz C-Class sedans for the local and selected international markets.

1.4 Other operations

2. Financial results for year under review

Full details of the financial position, results of operations and cash flows of the company are set out in these separate financial statements

3. Availability of MBSA separate annual financial statements

The annual financial statements has been approved and is available on the MBSA

website. The MBSA separate annual financial statements have been prepared in accordance with the requirements of the Companies Act and the company's independent auditors, KPMG Inc., have expressed an unqualified opinion thereon.

4. Corporate governance

The directors have adopted the principles as provided for in King IV for the financial year 2023, as set out in this report.

The board is satisfied that there is an appropriate mix of knowledge, skills, experience, diversity and independence.

Mr D Peterson is the company secretary of Mercedes-Benz South Africa Limited.

The board is satisfied with the competence, qualifications and experience of the company secretary. The board has access to the company secretary and such arrangements are effective.

Mr D van der Bank is appointed as the Debt Officer.

The board has a policy in place for the management of conflict of interests, which is the Integrity Code of the group. This Integrity Code is available on the website of the company. Board members submit annually, or alternatively as and when required, their respective declarations concerning personal interests and is required at each meeting to indicate whether a conflict of interest may arise with a matter to be discussed.

The board can confirm that there are no material and enduring personal conflicts of interest noted from any member.



5. Going concern

The consolidated financial statements for the year ended 31 December 2023 have been prepared on a going concern basis, which assumes that the group will be able to meet its obligations for the foreseeable future and for at least 12 months from the date of this report. The group recognised a net profit after tax of R 4 446 million (2022: R 3 290 million) for the year ended 31 December 2023 and, at that date, has a capital ratio of 42.69% (2022: 39.29%).

Management believes that the group will be able to meet all its obligations for at least the next 12 months from the date of this report. Management further believes that, proceeds received during 2024 will be sufficient to meet the repayment requirements. Management has performed forecasts and based on these forecasts the expectation is

that the group will continue to be profitable for the 2024 financial year. The company and group will therefore be solvent and liquid for at least the 12 months from the date of this report. Management has the full support of the holding company, MBAG, for its operations. This is reviewed annually and additional support is provided, if required. To this extent, MBGAG issued a guarantee with regards to the notes issued under the DMTN programme.

6. Events after the reporting period

At the date of finalisation of the financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the financial statements. to the amounts recognised in the financial statements.

Bonds and bank loans issued and redeemed

Bonds and bank loans with a value of R 2.5 billion have matured and been redeemed with issue dates between 26 February 2019 and 26 March 2021. These bonds and loans have maturity dates between 26 February 2024 and 27 March 2024.

Directors' Report

Directors' 2024

Directors	Designation	Changes
Mr A Brand**	Executive (Chief Executive Officer)	
Ms T Woodbridge	Executive (Chief Financial Officer)	
Mr AM Kgotle	Executive	
Mr M Raine	Executive (Co-chief Executive Officer)	
Mr A van der Merwe	Non-executive	Appointed 1 August 2023
Mrs S Sardien	Non-executive	Appointed 1 September 2023
Dr J Burzer	Non-executive	Resigned 31 March 2023
Mrs B Seeger	Non-executive	Resigned 30 June 2023
Mr W Porth	Chairperson of the board Non-executive Independent	Appointed 1 January 2023
Ms S Zilwa***	Non-executive Independent	
Ms FT Dlodlu***	Non-executive Independent	
Ms N Mbhele*	Non-executive Independent	
Dr P Mlambo-Ngcuka**	Non-executive Independent	Appointed 1 February 2024
Amb N January-Bardill**	Non-executive Independent	Resigned 31 December 2023
Mr M Lührs	Alternate non-executive	Resigned 30 June 2023
Mr F Hohenwater	Alternate non-executive	Resigned 31 March 2023
*	Member of the audit committee.	
**	Member of the social and ethics committee.	
***	Member of audit committee and social and ethics committee.	

Active Directors curriculum vitae's are published on the website of Mercedes-Benz South Africa Limited.

Attendance Register

	Executive Committee 2023	Audit Committee 2023	Social and Ethics Committee 2023	Board 2023
Number of meetings for the period	8	3	2	2
A. Brand	8/8	2/3	1/2	2/2
M. Raine	7/8	N/A	2/2	2/2
T. Woodbridge	8/8	3/3	2/2	2/2
A. Kgotle	7/8	N/A	2/2	2/2
N. Bardill	N/A	3/3	2/2	2/2
F. Dlodlu	N/A	3/3	2/2	2/2
N. Mbhele	N/A	3/3	2/2	2/2
S. Zilwa	N/A	3/3	1/2	2/2
W. Porth	N/A	N/A	N/A	2/2
A. van der Merwe	N/A	N/A	N/A	1/2
S. Sardien	N/A	N/A	N/A	1/2

The Board is satisfied that there is an appropriate mix of knowledge, skills, experience, diversity and independence. Mr D Peterson is the company secretary of Mercedes-Benz South Africa Limited. The board is satisfied with the competence, qualifications and experience of the company secretary. The board has access to the company secretary and such arrangements are effective. The Board has a policy in place for the management of conflict of interests, which is the Integrity Code of the Company.

The Audit Committee

The Company is required by section 94 of the Companies Act 71 of 2008 (“Companies Act”) to have an Audit Committee. Hence, the Company has established the Audit Committee, a statutory committee, to carry out the responsibilities outlined in the Companies Act in accordance with King IV. The Audit Committee plays a crucial role in ensuring that the Company adheres to sound governance, accounting, and auditing standards. The Audit Committee has monitored the implementation of the proper controls, risk management procedures, accounting policies, accounting adjustments, and assurances offered by the combined assurance arrangements relevant to the Company. The Audit Committee closely monitors the prevailing market and its subsequent influence on business operations. This ensures that good governance remains at the forefront of the Company’s decision-making processes.

The Audit Committee discharged its accountability responsibilities through the governance framework, workplans, and charters applicable to it, to ensure that assets are safeguarded, that the Company operates with adequate systems and controls, and the Annual Financial Statements of the Company are prepared in accordance with generally accepted accounting principles, as required by the Companies Act and the International Financial Reporting Standards. The current members of the Audit Committee are Fikile Tebogo De Buck (Chair), Sindi Zilwa, and Nonthuthuko Mbhele.

Mrs Fikile Dlodlu
Chairperson



Audit Committee Report

This report is presented by the Audit Committee, appointed for the 2023 financial year of Mercedes-Benz South Africa Limited. The Board of Directors nominated the Audit Committee, and the shareholder confirmed the appointment.

The Audit Committee convened three times in the financial year ending on 31 December 2023. The external auditor attended these meetings as an invitee, presenting formal reports as required by the Audit Committee. The Audit Committee comprises three independent, non-executive directors, with permanent guests from the internal finance and control functions. The Audit Committee fulfilled all their responsibilities as outlined in the Companies Act, King IV, and the Audit Committee's governing charter. The Audit Committee has complied with all the aforementioned responsibilities for the financial year ending on 31 December 2023. As per its mandate, the Audit Committee provided independent oversight on the effectiveness of the group's assurance functions and services, focusing particularly on external assurance service providers, internal audit and controls, and the finance function in general. References to the Audit Committee include the Board of Directors, who also considered matters contained in this report.



1. Internal controls

The Audit Committee is satisfied with the design and implementation of internal controls, as endorsed and confirmed by the group's management. The design, implementation, and execution of internal controls are monitored to ensure that any weaknesses are addressed to mitigate material loss, fraud, or errors.

The Audit Committee and the Board of Directors reviewed the reports from the information technology department, which could impact the group's control environment. They are satisfied that management action plans are in place concerning information technology controls.

The Audit Committee reviewed the reports from the Mercedes-Benz AG corporate internal audit function and is satisfied with the management action plans in response. The Audit Committee is content with the effectiveness of the internal audit arrangements in place.

2. External auditor

The Audit COmmittee assessed in 2023 the suitability of KPMG Inc. and Mr. F von Eckardstein, as per the JSE requirements, regarding their appointment. The Audit Committee is satisfied that the appointment of the external auditor, Mr. F von Eckardstein, complies with legislative and regulatory requirements, and the Audit Committee is satisfied with his independence. Adequate policies and controls are in place to address the provision of non-audit services by the external auditor to ensure compliance with legislation and other corporate governance guidelines or regulations. The Audit Committee considered the audit quality controls based on the Independent Regulatory Board for Auditors reports as well as the relevant JSE requirements.

Non-audit services were reviewed, as approved in the non-audit services catalogue of MBGAG, and did not become significant enough to question the independence of the external auditor or the firm, KPMG Inc.

The Audit Committee, in consultation

with executive management, agreed to the terms of the engagement. The Audit Committee approved and reviewed the fees proposed by the external auditor, taking into consideration factors such as the timing of the audit, the extent of the work required, and the scope. It further reviewed the scope, independence, and impartiality of the external auditor on an ongoing basis. KPMG has been the independent auditors of MBSA for 39 years.

There were no reportable irregularities identified or reported by the external auditor to the Audit Committee.

In accordance with Mercedes-Benz Group AG rotation requirements, 2023 was the final year with KPMG as the independent auditors. For the 2024 financial year, the shareholder appointed PWC Inc. as the independent external auditors. The Audit Committee assessed the suitability of PWC Inc. and Mr. P Vermeulen, as per the requirements of the JSE, the Audit Committee Charter, and the Companies Act, regarding their appointment. The Audit Committee is satisfied that the

appointment of the external auditor, Mr. P Vermeulen, complies with legislative and regulatory requirements, and the Audit Committee is satisfied with his independence. The Audit Committee will consider the audit quality controls based on the Independent Regulatory Board for Auditors reports as well as the relevant JSE requirements.

3. Compliance with legal and regulatory requirements

The Audit Committee is satisfied that, to the best of its knowledge, all regulatory and legislative requirements concerning its function, duties, and obligations have been complied with.

4. Key audit matters

The Audit Committee performs the duties imposed upon it by Section 94(7) of the Companies Act by holding regular meetings with the key role players and by granting unrestricted access to the external auditors.

The Audit Committee noted and considered the key audit matters set out in the report of the independent

auditor included in these consolidated annual financial statements. The Audit Committee is satisfied with the appropriateness of the key audit matters reported on by the independent auditor.

5. Consolidated Financial Statements

The Audit Committee is satisfied that, to the best of its knowledge, the consolidated financial statements for the financial year ending on 31 December 2023 fairly reflect the financial position and results of the group.

The Audit Committee considered the pro-active monitoring completed by the JSE. The result of such monitoring was presented to the Audit Committee, which satisfied itself that the findings and focus areas were adequately addressed in the consolidated financial statements for the year ending on 31 December 2023 and that all of the debt listing requirements were complied with.

6. Accounting practices

The Audit Committee is satisfied that the consolidated financial statements have been prepared in accordance with relevant accounting practices, the Mercedes-Benz South Africa Limited accounting policies, and are fully compliant with International Financial Reporting Standards.

The Audit Committee is satisfied that the group has appropriate financial reporting procedures and that these procedures are operating and being monitored.

7. Effectiveness of finance function

The Audit Committee is satisfied with the qualifications, effectiveness, and performance of the chief financial officer and the finance function.

The Social and Ethics Committee

The Social and Ethics Committee SEC (“The SEC”) is constituted as a statutory committee of the Board in terms of Section 72(4) read with regulation 43(2) of the Companies Act. The SEC has the responsibility to recommend, advice, monitor and approve all social and ethically relevant issues that have a significant impact on Mercedes-Benz South Africa Limited and its stakeholders.

The SEC recognizes that the Company forms an integral part of the broader society and communities within which it operates. What is imperative to its success is a steadfast focus on non-financial indexes, including sustainability, the environment, transformation, employment equity, health and safety, legal, compliance, corporate social responsibility, ethics and other matters duly defined by the Board and detailed within the SEC Work plans and Charters.

The SEC has an independent role but is accountable to the Board. It focuses on socio-economic development; corporate citizenship; sustainability; and Broad Based Black Economic Empowerment (BBBEE). The current members of the SEC are Dr Phumzile Mlambo-Ngcuka (Chairperson), Mrs Fikile Dlodlu and Ms Sindi Zilwa. The mandate of the SEC is driven by the guiding principle of demonstrating good corporate citizenship through building a sustainable business strategy that creates lasting value for all our stakeholders, including shareholders, investors, employees, customers, communities, and business partners.

The Social and Ethics Committee

Many factors, locally and globally continue to put pressure on business operations. As the pressure mounts, so is the dire need to contribute towards the sustainable development of our communities. Equally important is the safeguarding of our employees and the continued delivery of value to our stakeholders. It is against this backdrop that we forged ahead with our efforts to maintain business continuity and our social license to operate.

Corporate Social Responsibility

At Mercedes-Benz South Africa, we understand the importance of connecting with our communities and that we can only be successful if we operate responsibly and make a sustainable impact. To achieve this, we focus on harnessing strong partnerships and expertise that contribute to social cohesion and realise positive change.

In 2023 we supported 31 projects across the five Corporate Social Responsibility (CSR) pillars: Education, Youth Development, Community Upliftment, Women Empowerment and Disaster Relief spending over R50 million across South Africa, specifically in the Eastern Cape and Gauteng provinces.



South Africa was fortunate to become one of the markets for the pilot of the beVioneers global fellowship programme that provides training and scholarships to thousands of young people from around the world to implement projects in the areas of environmental sustainability. As a corporate that cares, we also rally employees that are socially conscious to participate in uplifting our communities. To this effect, as part of the Employee Volunteer Programme (EVP), several of the Company's employees are supporting the global fellowship as mentors.

Additionally, over 200 employee volunteers participated in the annual Rally to Read initiative to deliver educational material, digital literacy resources and parent and teacher resources kits worth R3 million to address educational challenges. Our focus on education extended to the hosting of career exhibitions where over 1600 learners across 15 schools were enriched with learning about augmented reality, coding and robotics. As part of our Mandela month activities, together with our employee volunteers and in collaboration with our education partner, Funda Afrika, we painted classrooms at several School Transformation and Empowerment Programme (STEP) schools.

In 2023, Mercedes-Benz South Africa actively sought to make charitable contributions to three non-profit organisations dedicated to empowering women, particularly those addressing Gender Based Violence (GBV) and implementing development programs aimed at overcoming the systemic obstacles faced by women. Priority was specified to organisations located in the Eastern Cape, given the need for development and women empowerment in the province.

Equally noteworthy is the continuation of the Incubation Hub, an embodiment of our commitment to CSR in East London. In collaboration with the Laureus Sport for Good Foundation, we sought out non-profitable organizations (NPOs) to create practical and sustainable solutions for addressing under-development in the Eastern Cape with the intention to expand the Hub into Gauteng in 2024.

Support for our communities extended beyond monetary contributions. Mercedes-Benz Vans supported the MAD2Adventures Cause with vehicles to complete their annual Mad2Run Adventure fundraising campaign. The funds raised from the campaign

went towards supporting the Make A Difference (MAD) Leadership Foundation, a holistic and comprehensive education programme that financially and emotionally supports scholars in achieving academic and leadership excellence.

Following a long-standing partnership of 26 years with the READ Educational Trust, in 2024, Mercedes-Benz South Africa will expand its reach to Pretoria, Gauteng by onboarding four foundation phase schools. Additionally, the Company will donate three Sprinter school buses, valued at R3 million to the Ruta Sechaba Foundation. The Foundation is a non-profit organisation dedicated to empowering South Africa's brightest young minds by providing opportunities to pupils that deliver academic and sporting excellence, despite their socio-economic disadvantages.

Looking ahead, we remain committed to generating long-term value and sustainable impact in our communities. Our partnerships continue to be a beacon of corporate social responsibility, innovation, and sustainable positive change.

Transformation

As a Company, we are proud of the transformation journey we have embarked on. Through our Transformation Roadmap, we have taken a visionary approach to transformation. We understand the rationale of transformation and have set out a long-term path for the Company to get there.

In 2023, Mercedes-Benz South Africa maintained its Level 2 Broad Based Black Economic Empowerment (BBBEE) contributor status – a testament to our commitment to transformation within the automotive industry.

The Company invested significantly into the automotive ecosystem through substantial funds amounting to R25 million in support of the local Electric Vehicle charging infrastructure. To support the growing demand for Electric Vehicles and the need for a robust infrastructure, through this investment, over 120 charging stations will be installed across the country in partnership with Chargify. Chargify is a Level 2 BBBEE company and forms part of the expansion of Mercedes-Benz South Africa's Enterprise and Supplier Development portfolio.

Furthermore, the Company invested R 133 million in support of Enterprise & Supplier

Development. This investment was in support of providing access to market and enabling new business. In support of the mandate to pioneer inclusive growth through access to market, funding and capacity development and work opportunities for young South Africans, Mercedes-Benz South Africa once again participated in the Automotive Industry Transformation Fund (AITF) and the Youth Employment Service (YES) initiative. Since the Company's first partaking in 2019, 4099 youth have participated in the Mercedes-Benz South Africa's facilitated 12-month employment programme. 694 of these youth participated on the programme last year.

Diversity & Inclusion

Sustainability, Integrity and Diversity inform the foundation of our corporate purpose and strategy. At Mercedes-Benz South Africa, we take great pride in our investment towards creating and participating in opportunities that entrench inclusion. As an important pillar of the Company's engagement strategy with employees and customers, in 2023, Mercedes-Benz South Africa embarked on several activities to entrench a culture of diversity, inclusion and equity. In honour of the global Mercedes-Benz Diversity Day, we hosted a successful employee dialogue under the title, "Believing in Belonging". The dialogue explored the meaning of belonging and identified opportunities to create meaningful connections that demonstrate employees' sense of belonging within the company.

In honour and celebration of women's contribution and commitment to the success of Mercedes-Benz South Africa and the automotive industry, the East London manufacturing plant hosted over 1000 women at an empowerment High-Tea event. Similarly, the Pretoria Women's Forum successfully hosted a series of initiatives centered upon recognizing women in the workplace. This observed the second running of the inaugural Winning Women Awards. In a bid to strive for gender equity, the Pretoria Men's Forum was launched within the backdrop of International Men's Month. The intention of this forum is to facilitate a platform for men to grow a network within the workplace and identify suitable opportunities to engage on topics most affecting men in their personal and professional capacities.

As an extension of our efforts to entrench a culture of diversity, inclusion, equity and allyship, Mercedes-Benz South Africa supported the Johannesburg Pride in the form of a corporate sponsorship for the fifth consecutive year. In East London, Mercedes-Benz South Africa joined forces with several Buffalo City LGBTQIA+ organisations and participated in the regional Pride Festival. The LGBTQIA+ community's annual Pride celebrations serves to draw attention to injustice, calling for inclusion, equality, affirmation and to foster a sense of belonging. Driven from the top, these initiatives are a marker of our commitment towards achieving equity by creating equal opportunity for all people.

Outlook

In line with its good corporate citizenship agenda, Mercedes-Benz South Africa will continue to make a tangible contribution towards the common good of all stakeholders: employees, partners, communities, and society at large in the new year.

Conclusion

The Social and Ethics Committee is proud and satisfied with Mercedes-Benz South Africa's efforts towards the goal of operating a holistically sustainable Company. Sustainability, integrity and diversity serve as the foundation of the Company's strategy, as such, aligned to the requirements of good corporate governance as prescribed in the King IV and applicable laws and regulations.

The Committee appreciates the members of the board for the effective oversight of the business, the CEO, executives and their teams for their diligence and responsiveness, the staff for their loyalty and Mercedes-Benz AG for their commitment to South Africa as an investment destination.

Dr Phumzile Mlambo-Ngcuka

Chairperson



The Executive Committee of the Board

The Executive Management Committee (“the EMC”) is a committee of the Board. The EMC is responsible for directing, coordinating, and regulating the Company’s business activities within the framework of the established goals outlined in the Excom Charter, Board resolutions, Shareholder resolutions, governing authorities, and within Mercedes-Benz Group. The members of the EMC performed the business activities of the Company and the Group independently in accordance with their respective divisional duties. The Companies Act, the Company’s Memorandum of Incorporation, and any other law or regulatory requirement which applies to the Company, as well as the Board Charter, define the role, function, and authority of the EMC, its members, and their relationship vis-à-vis other organs of the Company.

Current members of the Executive Management Committee:

Mr Andreas Brand

CEO and Executive Director:
Manufacturing

Mr Mark Raine

Executive Director
Mercedes-Benz Cars & Co-CEO

Ms Taryn Woodbridge

CFO and Executive Director: Finance
and Controlling

Mr Abey Kgotle

Executive Director: Human Resources

Ms Nadia Trimmel

Vice-President: Mercedes-Benz Vans

Mr Robert Hoffmann

CEO Mercedes-Benz Financial Services
South Africa (Pty) Ltd



Principles of King IV



Principle 1

Principle 2

Principles 3 & 4



Principle 1

The governing body should lead ethically and effectively.

In accordance with the first principle of King IV, which mandates that the governing body should lead ethically and effectively, Mercedes-Benz has implemented robust governance structures and processes to ensure that our leadership acts with integrity, responsibility, and in alignment with the highest ethical standards. Our Board of Directors is committed to fostering a culture of ethical behavior and decision-making that extends throughout the organization.

Our governance framework is designed to support the Board in leading ethically and effectively. This includes policies that outlines our ethical commitments and standards, regular ethical training for our employees and leadership, and clear policies and procedures to prevent, identify, and address ethical breaches. We also have in place a transparent mechanism for stakeholders to report concerns, ensuring accountability and fostering trust.

The Board actively oversees the implementation of these practices, evaluating its effectiveness and ethical leadership through regular reviews and assessments. This continuous improvement approach ensures that our governance not only meets but exceeds the expectations set forth by King IV, demonstrating our commitment to ethical leadership and effective governance.

Principle 2

Principle 1

Principle 3

Principle 4



Principle 2

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

Mercedes-Benz has taken substantial steps to embed ethical governance into the core of our operations. Our governance structures and processes are meticulously designed to ensure that ethics are at the forefront of our decision-making and strategic objectives.

The Board oversees the implementation of programs that includes defining and communicating our ethical values, conducting regular ethics training, and monitoring compliance with ethical standards. We have established a robust ethics reporting mechanism, encouraging transparency and accountability throughout the organization.

Our commitment to fostering an ethical culture is further demonstrated by the active role the Board plays in setting the tone at the top, ensuring that our ethical standards are not only communicated but also lived by everyone within MBAG. This approach reinforces our dedication to ethical leadership and supports the creation of a strong, ethical culture that aligns with the expectations of our stakeholders and the broader community



Principle 1

Principle 2

Principles 3 & 4

Principles 5 & 6

Principles 7 & 8

Principle 3

The governing body should ensure that the organisation is, and is seen, to be a responsible corporate citizen.

Mercedes-Benz, a stalwart of innovation and excellence in the automotive industry, has long recognized its role as a responsible corporate citizen, embedding ethical and sustainable practices at the core of its operations. With a strategic vision that harmonizes economic success with environmental stewardship and social responsibility, the Mercedes-Benz is dedicated to advancing South Africa's economic and social development, alongside its global commitments.

The governance structure, underpinned by the King IV report principles, ensures that Mercedes-Benz operates not only with financial acumen but with a profound sense of responsibility towards all stakeholders, including employees, customers, communities, and the environment. The company's initiatives across skills development, enterprise and supplier development, preferential procurement, and corporate social responsibility (CSR) reflect a deep commitment to sustainable growth and social equity.

Significantly, the Mercedes-Benz South Africa Learning Academy epitomizes the company's investment in addressing the critical skills gap in the automotive industry, thereby contributing to job creation and economic resilience. Furthermore, the company's adherence to sustainable practices is evident in its approach to environmental stewardship, with a focus on reducing emissions, enhancing energy efficiency, and promoting renewable energy sources across its operations.

Corporate governance at Mercedes-Benz is a testament to its commitment to integrity, accountability, and transparency. The company's governance framework ensures rigorous oversight of its social and environmental impact, aligning with the King IV report's emphasis on ethical leadership and sustainable development. Through continuous engagement with stakeholders and investment in community development, Mercedes-Benz not only fulfills its corporate citizenship obligations but sets a benchmark for responsible

business conduct in the global automotive industry. In conclusion, Mercedes-Benz approach to responsible corporate citizenship, guided by the principles of the King IV report, demonstrates an unwavering commitment to sustainability, social responsibility, and ethical business practices. The company's efforts to integrate these principles into every facet of its operations underscore its role as a leader in driving positive change, both within South Africa and on a global scale.

Principle 4

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

At Mercedes-Benz, the Board's stewardship extends beyond traditional governance, recognizing the intricate weave of the company's core purpose, strategy, and sustainable development as fundamental components of its value creation process. This holistic view is anchored in the understanding that risks, opportunities, and sustainable development are not merely parallel tracks but are deeply interwoven with the company's strategic objectives and operational frameworks. The governance framework, inspired by the King IV report's Principle 4, ensures that every facet of the company's strategy and business model is aligned with its long-term sustainability goals. By appreciating the synergy between different forms of capital—financial, manufactured, human, intellectual, natural, social, and relational—the Board and its Committees foster an environment where strategic decisions are made with a comprehensive view of their impact on sustainable value creation.

The Board's commitment to transparency and accountability is demonstrated through rigorous reporting mechanisms and adherence to South African legislation and international best practices. This includes a biannual review process where committees report on progress, challenges, and opportunities in relation to the company's strategic direction, ensuring that all stakeholders are engaged in a meaningful dialogue about the company's performance and sustainability initiatives. Mercedes-Benz's approach to governance and sustainability reflects a deep understanding of the interconnectedness of its business operations with the broader societal and environmental context. By prioritizing integrated thinking and strategic alignment, the company not only upholds its commitment to responsible governance but also positions itself as a leader in sustainable development within the global automotive industry.

Principles

Principle 3

Principle 4

5 & 6

Principle 7

Principle 8



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.

Mercedes-Benz, adhering to Principle 5 of the King IV report, has enhanced its stakeholder engagement strategy by ensuring comprehensive, transparent reporting. The Board, supported by the Audit Committee, maintains the integrity of disclosures, including Annual Financial Statements and regulatory reports. Utilizing a combined assurance model, the company affirms the accuracy of both financial and non-financial information, aiding stakeholders in evaluating the company's performance across various time horizons.

The commitment to transparency surpasses legal obligations, embracing voluntary disclosures on its website and via the Johannesburg Stock Exchange's SENS for the Domestic Medium Term Note Programme and these disclosures undergo rigorous review for utmost precision and relevance.

Recognizing the public as a pivotal stakeholder, Mercedes-Benz leverages diverse media platforms to share information about its commercial endeavors. The Executive Management Committee ensures that communications are both strategic and consistent, further solidifying the company's pledge to keep stakeholders well-informed with clear, exhaustive, and prompt information. This expanded approach not only aligns with King IV principles but also exemplifies Mercedes-Benz's leadership in corporate transparency and stakeholder communication.

Principle 6

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

The governance and leadership approach adopted by Mercedes-Benz South Africa is both detailed and methodical, foundational to enhancing its overall operational performance and strengthening its governance frameworks. At the heart of this methodology is the Board Charter, a detailed guide that outlines the roles and responsibilities of the Board.

It is crucial to understand that the Board Charter acts within a larger contextual framework that includes the governance structures of Mercedes-Benz Group AG, as well as applicable laws and regulatory requirements. In scenarios where discrepancies arise, these broader guidelines take precedence over the Charter.

The Board assumes the pivotal role of overseeing the company's strategic direction, operational efficacy, and financial health, embodying the ultimate accountability. This encompasses a commitment to the

internal corporate governance standards and those set forth by Mercedes-Benz Group AG. The Board's mission is to elevate the company to the pinnacle of corporate governance, ensuring alignment with both national laws and international norms. The Board holds the authority to make operational decisions that do not require the endorsement of shareholders. With Mercedes-Benz AG as the sole shareholder, the Board exercises this authority with a deep sense of responsibility, always prioritizing the best interests of Mercedes-Benz South Africa and considering the wider stakeholder community.

Acknowledging the decentralized operational model, Mercedes-Benz South Africa operates with subsidiary companies each having their own board of directors. These subsidiary boards, along with their committees, are instrumental in the uniform implementation of governance standards across the group, promoting independence and equitable decision-making authority across the subsidiaries.

In summary, the Board's commitment to a rigorously defined operational framework underpins its

dedication to maintaining the highest governance standards internally and in alignment with Mercedes-Benz Group AG's overarching policies. Through strategic guidance and ethical decision-making, the Board aims to lead the company towards enduring success, ensuring the safeguarding of its integrity and reputation.

Principles 3 & 4

Principles 5 & 6

7 & 8

Principles 9 & 10

Principle 11

Principles

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 comprises a diverse array of individuals, fostering a broader spectrum of perspectives and impartiality in its deliberations and determinations. Mercedes-Benz Group AG assumes oversight and management of Board member succession, implementing a global rotation strategy as deemed appropriate, aligning with the recommended nine-year tenure guideline set forth by King IV. Typically, independent non-executive directors serve for a span of four to eight years before undergoing replacement.

A pivotal commitment of the Board is to advance racial and gender diversity within its ranks and executive members. Consequently, appointments to the Board and other echelons of corporate management prioritize racial and gender inclusivity. Notably, in 2024, Dr. Phumzile Mlambo-Ngcuka was appointed as an independent non-executive director and chairperson of the social and ethics committee, following the conclusion of Amb Nozipho January-Bardill's tenure on the Board.

Each Board member possesses requisite expertise and acumen to discharge their responsibilities effectively. Furthermore, the Board has affirmed its possession of the necessary expertise, diverse perspectives, and autonomy to execute its duties as delineated 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 of Directors at Mercedes-Benz South Africa Limited is committed to establishing robust accountability and responsibility across all levels of the organization. To support the Board in fulfilling its obligations, a variety of committees have been instituted. Notably, the Audit Committee members are proposed by the Board and appointed by the shareholder, ensuring a balance of power and independence in their judgements. The remaining committees are duly constituted with members appointed directly by the Board, fostering a governance climate that adheres to the highest standards.

Meetings of these committees are convened as necessary, adhering to their respective charters. This includes inviting external advisors, executive directors, and management team members to ensure comprehensive oversight of business operations.

Each subsidiary within the company's structure operates under its governance standards, overseen by the Board through its Social and Ethics Committee and Audit Committee, thereby reinforcing governance across the group.

Charters and work plans meticulously outline the duties and responsibilities of each committee and the Board, ensuring clarity in delegation and authority. This structured approach, including representation on the Executive Management Committee, allows for a holistic oversight of the company and its subsidiaries, facilitating synergy and governance compliance.

Principles 5 & 6

Principles 7 & 8

Principles 9 & 10

Principle 11

Principle 12



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 Board actively engages in ongoing self-assessment to ensure excellence and effectiveness in its roles and responsibilities. It operates under the conviction that it maintains high performance, dedicated to meeting the highest standards in executing its duties, thereby contributing significantly to the organization's success and governance integrity. This continuous evaluation fosters an environment of self-improvement and accountability, ensuring the Board's operations align with the best interests of the stakeholders and the company's strategic objectives.

Mercedes-Benz Group AG is the entity that is responsible for carrying out the performance evaluations of the Executive Directors of Mercedes-Benz. 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 Board's strategic appointment of executive management members promotes clear delineation of roles and effective delegation within the organization. This deliberate structure, defined in the Board and Committee charters, ensures each member's responsibilities and the extent of their authority are explicitly stated, fostering a robust governance framework.

The Company Secretary plays a pivotal role in supporting the Board, guided by the Companies Act, ensuring the Board's directives and responsibilities are executed efficiently. This comprehensive approach underscores the Board's commitment to governance excellence, ensuring a coherent and effective management structure that supports the organization's objectives and operational success.



Principle 9

Principle 10

Principle 11

Principle 12

Principle 13



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 Mercedes-Benz South Africa'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.

Mercedes-Benz South Africa 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.

Principles 9 & 10

Principle 11

Principle 12

Principles 13 & 14

Principles 15 & 16

Principle 12

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

In light of the comprehensive risk assessment, strategic objectives, and the overarching direction set forth by both Mercedes-Benz Group AG and the Company, the Board diligently oversees the management and advancement of information technology. Consequently, it formulates and monitors policies delineating the governance of information technology. Leveraging the robust internal technology management system, Mercedes-Benz South Africa synergizes with Mercedes-Benz Group AG's established international information technology governance framework. Looking ahead, the convergence of connectivity, digitalization, and big data processing promises substantial benefits for mobility. To not only maintain leadership in the automotive sector but also to compete effectively in the digital realm and bolster our financial standing, we must prioritize enterprise transformation through digitalization. This entails subjecting our business operations and processes to rigorous scrutiny and leveraging intelligent technologies within a digital ecosystem to enhance efficiency, productivity, and agility. Such transformation must transcend departmental silos, aligning with the company's overarching strategy aimed at orchestrating enterprise-wide transformation in collaboration with stakeholders.

Enhanced connectivity in the production process enhances efficiency, while digital product planning contributes to resource conservation and waste reduction. Furthermore, customers Mercedes-Benz stand to benefit from data-driven goods and services in sales and service operations. The automotive industry is undergoing profound shifts driven by technological advancements, decarbonization initiatives,

and evolving customer preferences. The challenge lies in offering vehicles that not only excel in hardware but also provide distinctive digital services. The company's digitalization efforts are purposeful, focusing on specific areas of action. Collaborating with stakeholders and project sponsors, the company has identified four key areas to deliver tangible benefits to customers and attain a strategic competitive edge. This commitment is underscored by the Company's comprehensive data governance strategy, which not only considers legal implications but also cultural and organizational ramifications.

Central to this strategy is the responsible management of data to serve the interests of Mercedes-Benz's customers, employees, and stakeholders, alongside the prudent design of sustainable data-driven business models. To achieve these objectives, the Company employs various strategies, including staff training initiatives and comprehensive customer communications. Additionally, Mercedes-Benz Group AG has established a Group-wide Data Governance System comprising the Company's data governance structure, data vision, ATA culture, and Data Compliance Management System.



Principle 11

Principle 12

Principles 13 & 14

Principles 15 & 16



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 holds the primary responsibility for guiding and enforcing compliance policies, delegating the implementation of these policies to the Executive Management Committee. The legal and compliance departments, embedded within the organizational structure, play a pivotal role in ensuring adherence to legal standards and regulations. The company has established procedures and systems to mitigate legal risks, including regular monitoring of the regulatory environment to adapt to new legal developments effectively.

Mercedes-Benz has also integrated training programs aimed at educating employees about compliance and legal standards, including mandatory induction training for new hires. This emphasis on training highlights the company's commitment to fostering a culture of compliance and integrity throughout the organization. Moreover, the company's partnership with Mercedes-Benz Group AG integrity and compliance, demonstrates a concerted effort to embed integrity, compliance, and

legal considerations into various aspects of business operations, including non-financial remuneration, human resources, and product development. This holistic approach underlines the significance of integrity in the company's decision-making and operational processes, from product creation to sales.

This strategic focus on compliance, integrity, and legal adherence is indicative of Mercedes-Benz's commitment to ethical business practices, ensuring that it remains aligned with regulatory requirements and ethical standards, thereby safeguarding its reputation and operational success.

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, Mercedes-Benz 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 12

Principles 13 & 14

Principles 15 & 16



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.

As a socially responsible organisation, MBSA undertakes several initiatives that enhance its social licence to operate. The company's mission has always been to play an active role in the sustainable impact of the communities in which it operates. The company also invests in communities to enjoy their trust, confidence and support. As a company, MBSA also drives initiatives to support the environmental sustainability and green energy. This is in line with the key pillars of our energy strategy. External Stakeholder relations also play an integral part of the operations, and we actively utilise our stakeholders' knowledge and expertise to minimise risks and leverage opportunities.

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.



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