



## MERCEDES-BENZ SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1962/000271/06)

(as Issuer)

unconditionally and irrevocably guaranteed by

### MERCEDES-BENZ GROUP AG

(Stuttgart, Federal Republic of Germany)

(as Guarantor)

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## INFORMATION STATEMENT IN RESPECT OF THE ZAR35,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

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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, respectively, 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 Dealer(s) specified in the section headed “*Summary of the Programme*” under the Programme Memorandum and any additional Dealer(s) 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 dealer(s), 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, dated 4 September 2024 (this “**Information Statement**”) is also available on the Issuer’s website at <https://corporate.mercedes-benz.co.za/investor-relations/information/dmtn-programme/>.

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 in respect of the Programme and/or the subscription for the Notes.

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 investor considerations / risk factors related to the Issuer and the Guarantor, until an updated information statement as issued. This Information Statement is 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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Information Statement dated 4 September 2024 (the “**Information Statement Date**”)

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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 its knowledge and belief there are no facts that have been omitted from the 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, confirms that at the Information Statement Date, 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 into 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 Dealer(s), 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, Dealer(s), 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, Dealer(s), 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 in 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 Dealer(s), 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 Information Statement Date, 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 Dealer(s), 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 Dealer(s), 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 Dealer(s), 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), Dealer(s), 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 Dealer(s), 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 Dealer(s) 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 the 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 Dealer(s), 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 Information Statement Date. 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 Dealer(s), the JSE Debt Sponsor, their Affiliates or the professional advisors as a result of using different assumptions and criteria. Furthermore, the Arranger or the Dealer(s), the JSE Debt Sponsor, their Affiliates (and their respective directors, employees, representatives and agents) 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 Dealer(s). 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 through a secure electronic manner at the election of the person requesting inspection.**

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## INVESTOR CONSIDERATIONS / RISK FACTORS

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*Capitalised terms used in this section headed “Investor Considerations / Risk Factors” 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 Information Statement Date, or which it may not be able to anticipate at the Information Statement Date. 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.*

### **1. Risks Relating to the Notes**

#### **1.1 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:

- 1.1.1 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 Pricing Supplement;
- 1.1.2 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;
- 1.1.3 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;
- 1.1.4 understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- 1.1.5 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.

#### **1.2 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 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.

#### **1.3 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 both 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.

#### **1.4 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 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 (being the CSD or the Participant). 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.

#### 1.5 **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.

#### 1.6 **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 Information Statement Date, will be announced on SENS in accordance with the JSE timelines.

#### 1.7 **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:

##### 1.7.1 *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.

##### 1.7.2 *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:

- (a) the market price of such Notes may be volatile;
- (b) no interest may be payable on such Notes;
- (c) payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- (d) the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) 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

- (g) 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.

#### 1.7.3 *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.

#### 1.7.4 *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.

#### 1.7.5 *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.

#### 1.7.6 *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.

#### 1.7.7 *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.

## **2. 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.

## **3. 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.



#### **4. 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**

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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 (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.*

### **1. 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 ("**MBGAG**") and/or its consolidated subsidiaries shall include reference to the Issuer.

Many factors could affect MBGAG's business, financial condition, cash flows and results of operations. MBGAG is subject to various risks resulting from changing economic, political, social, industry, business and financial conditions. As of the Information Statement Date, the principal risks which could affect MBGAG's business, financial condition, profitability, cash flows, results of operations and future business results are described below. MBGAG'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.

### **2. Industry and business risks**

MBGAG is subject to various industry and business-related risks. Should any of the following risks materialize, this could have material adverse effects on MBGAG'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.

#### **2.1 General market risks**

The possibility of markets developing worse than in MBGAG's internal forecasts and assumptions, or of changing market conditions, generally exists for all segments of the Group.

Possible declines in vehicle sales may be caused in particular by an unfavourable macroeconomic environment for MBGAG and in the context of political or economic uncertainties. In addition to weaker economic growth overall, factors such as high energy prices, high inflation and interest rates, and volatile exchange rates may lead to market uncertainty or a loss of purchasing power and have a negative impact on demand in the automotive sector and therewith on the MBGAG business, net assets, financial condition and results of operation.

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 result in competitive disadvantages and declining vehicle sales in the respective markets.

The launch of new products by competitors, more aggressive pricing policies and less effective pricing for products such as electric vehicles can lead 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.

## 2.2 *Risks related to the general legal and political framework*

Risks from the legal and political framework have a considerable influence on the MBGAG 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. Geopolitical tensions can also have a significant impact on the business activities of an international company such as MBGAG.

In particular, changes in the legal and political framework at short notice can be associated with additional costs or higher investments for MBGAG.

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 described 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. 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.

Political tensions and the associated danger of geopolitical conflicts continue to be high and are associated with far-reaching risks for the business development of MBGAG. A further escalation of tensions between China and the United States and between China and the EU, the possible further escalation of the war between Russia and Ukraine and, above all, the conflict in the Middle East, the flare-up of further regional conflicts and a possible military or non-military escalation in the entire South China Sea could lead to renewed tensions in supply chains, even higher energy prices, renewed pressure on inflation rates and a further deterioration in the growth outlook. A further escalation and possible geographical expansion of the Russia-Ukraine war could especially have a negative impact on purchasing and logistics processes and on the production and sales programme. A possible bottleneck in energy supply in the EU could also lead to potential production losses at the Mercedes-Benz Cars and Mercedes-Benz Vans plants.

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 introducing a 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 very complicated tariff procedures can make it more difficult to import into those countries.

## 2.3 *Risks relating to the leasing and sales-financing business*

In connection with the sale of vehicles, MBGAG 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.

#### 2.4 *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.

There are risks that vehicles cannot be developed within the planned time frame, in the appropriate quality or at the specified costs. This is particularly the case with regard to electric mobility and increasing digitalization as well as software in the vehicle architecture. There is also a risk that certain digital functions could be launched on the market later than planned. Supply chain disruptions can also lead to delays in vehicle development processes and postpone the launch of individual model series.

In 2020, MBGAG 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, MBGAG 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.

#### 2.5 *Production risks*

Due to the increasing technical complexity and the goal of maintaining and constantly enhancing quality standards for the luxury vehicles of MBGAG, risks can arise in the automotive segments in connection with the launch and manufacture of products.

The launch of new products involves risks with regard to the availability of required components, the scope of equipment and the necessary production capacities – especially in the course of the transformation toward electric mobility and the integration of new technology. There is a risk of delays in vehicle production and consequential cost 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, 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. It cannot be ruled out that recalls and field measures will lead to expenses.

#### 2.6 *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 are required for the manufacture of vehicles and parts and are purchased on the world market. The level of costs depends on the price development of commodities, raw materials and energy, and can result in risks for MBGAG.

There are still risks from inflation-related increases in raw material and energy prices, which could lead to higher procurement 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. Raw-material markets can always be impacted by uncertainties and political crises – combined with possible supply bottlenecks – as well as by volatile demand for specific raw materials. 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.

Possible interruptions in global supply chains, especially those caused by bottlenecks for electronic components and other important intermediate goods, 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.

As a globally operating company with an international production and sales network, the Mercedes-Benz Group is dependent on functioning and efficient logistics processes. In particular, capacity restrictions or surcharges for the transportation of vehicles can disrupt logistics processes, increase their costs and have a negative impact on the Group's results.

The financial situation of some suppliers remains difficult. The reasons for this are continuing uncertainties in connection with high commodity, raw-material and energy prices, as well as the lack of availability of components. As a result, production stoppages are possible along the entire supply chain and could prevent vehicles from being completed and delivered to customers on time.

Due to the transformation to electric mobility and the outsourcing of important components, there is also a risk that these will not be available on time in the planned quantity and required quality; this could delay the start of production and start of sale of new series. This could have negative effects on profitability.

## 2.7 *Information technology risks*

The systematically pursued digitalization strategy enables MBGAG 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 MBGAG 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.

Due to growing requirements concerning the confidentiality, integrity and availability of data, MBGAG is facing risks, such as possible reputational damage. The level of digitalization at the Mercedes-Benz Group and its suppliers is constantly increasing and is facing an even greater external threat situation worldwide.

## 2.8 *Personnel risks*

The success of MBGAG 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 MBGAG operates. MBGAG'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 MBGAG 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.

## 2.9 *Risks relating to equity investments and partnerships*

Cooperation with partners in shareholdings and partnerships is of key importance to MBGAG – among other things, in the transformation towards electric mobility, the associated charging infrastructure and comprehensive digitalization. Cooperation and investments also make up an important pillar in connection with the provision of mobility solutions.

MBGAG 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 MBGAG's remaining minority shareholding in Daimler Truck Holding AG.

The remeasurement of a holding 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.

## 3. **Financial risks**

MBGAG is generally exposed to various financial risks, including risks from changes in market prices such as currency exchange rates and interest rates. In addition, MBGAG 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 MBGAG's profitability, cash flows and financial position.

Further information on financial risks is provided in Note 34 (*Management of financial risks*) of the Notes to the Annual Consolidated Financial Statements 2023 of MBGAG, incorporated by reference in this Prospectus. Information on the Group's financial instruments is provided in Note 32 (*Financial instruments*) of the Notes to the Annual Consolidated Financial Statements 2023 of MBG.

### 3.1 *Exchange Rate Risks*

MBGAG'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 MBGAG outside the euro zone (translation risk); these risks are not generally hedged.

### 3.2 *Interest Rate Risks*

Changes in interest rates can create risks for business operations as well as for financial transactions. MBGAG 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.

### 3.3 *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.

MBGAG 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 MBGAG's financial position, cash flows and profitability.

### 3.4 *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. MBGAG 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.

### 3.5 *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, MBGAG 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 MBGAG'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.

### 3.6 *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 MBGAG or from purchasing bonds issued by MBGAG or another company of MBGAG.

### 3.7 *Risks Relating to Pension Plans*

The companies of MBGAG 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 MBGAG 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 22 (Pensions and similar obligations) of the Notes to the Annual Consolidated Financial Statements 2023 of MBGAG, incorporated by reference in this Prospectus.

#### 4. **Legal and Tax Risks**

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

##### 4.1 *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, MBGAG continues to expect a significant level of costs.

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

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

##### 4.3 *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 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 (AECDs) in certain of its US diesel vehicles and that several of these AECDs 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 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. The criminal investigation proceedings of the Stuttgart public prosecutor’s office against further Mercedes-Benz employees on the suspicion of, among others, fraud have meanwhile been discontinued.

Between 2018 and 2020, the German Federal Motor Transport Authority (“KBA”) issued subsequent auxiliary provisions for the ECCC 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, other authorities of various foreign states, particularly the South Korean Ministry of Environment and the South Korean competition authority (Korea Fair Trade Commission) are conducting various investigations and/or procedures in connection with diesel exhaust emissions. In this context, these South Korean authorities have made determinations and imposed sanctions against Mercedes-Benz which Mercedes-Benz has appealed. In the same context, national antitrust authorities of various countries are also conducting investigations, including the South Korean antitrust authority, which has made certain findings and imposed fines on some car manufacturers. In February 2024, the criminal proceeding in South Korea was concluded. 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.

Regarding the proceedings and processes still in progress, MBGAG cannot at this time make any statement with regard to their outcome. 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 MBGAG 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 unfavourable results or developments in any of the information requests, inquiries, investigations, administrative or criminal orders, legal actions and/or proceedings discussed above.

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

Consumer class actions were filed against MBGAG in Israel in February 2019 as well as against MBGAG and further MBGAG companies in the United Kingdom since May 2020, in the Netherlands, in Portugal as well as since November 2022 in Australia. The plaintiffs inter alia assert that MBGAG 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. Furthermore, they claim that MBGAG deceived consumers in connection with advertising in relation to Mercedes-Benz diesel vehicles. The proceedings in England and Wales consist of several individual lawsuits that have been consolidated into one class action. A class action lawsuit is also pending in Scotland. In these proceedings, allegedly injured parties must actively register for the enforcement of claims (opt-in). The plaintiffs in the consumer class action in England and Wales also allege, among others, anti-competitive behaviour relating to the technology for the treatment of diesel exhaust emissions.

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. Although the number of pending lawsuits is declining, a future increase cannot be ruled out. In July 2021, 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) related to allegedly inadmissible defeat devices in vehicles. Such action seeks a ruling that certain preconditions of alleged consumer claims are met. In March 2024, the Stuttgart Higher Regional Court largely granted the model declaratory action. MBGAG has filed an appeal against the decision with the Federal Court of Justice (Bundesgerichtshof). The plaintiff has the option of lodging an appeal in respect of the dismissed claims. Following a decision of the European Court of Justice in the first quarter of 2023, the German Federal Court of Justice ruled in the second quarter of 2023 that vehicle purchasers are entitled to claim damages against the manufacturer if it intentionally or negligently used an inadmissible defeat device.

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

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 (Oberlandesgericht) 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, MBGAG 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.

#### 4.5 *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.

In the fourth quarter of 2023, the Stuttgart Higher Regional Court (Oberlandesgericht) upheld the decision and dismissed the plaintiffs' appeal as manifestly unfounded. The plaintiffs have lodged an appeal to the German Federal Court of Justice (Bundesgerichtshof) against the denial of leave to appeal.

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 MBGAG 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 MBGAG or any of its segments.

Further information on legal proceedings is provided in Note 30 (*Legal proceedings*) of the Notes to the Annual Consolidated Financial Statements 2023 of MBGAG incorporated by reference in this Prospectus.

#### 4.6 *Tax Risks*

MBGAG 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 MBGAG's net profit and cash flows.

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

## 5. **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 MBGAG. 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 MBGAG's current strategy, among other things in connection with electric mobility, pose further challenges for MBGAG 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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## BUSINESS DESCRIPTION OF MERCEDES-BENZ SOUTH AFRICA LIMITED

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*Capitalised terms used in this section headed “Business 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 Accounting Standards (“**IFRS Accounting Standards**”) and the Companies Act.

Registration number: 1962/000271/06.

### 2. Business

The Issuer is a wholly owned subsidiary of Mercedes-Benz AG. MBGAG, 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 65 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, IT, 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 details of the company secretary the Issuer is:

**Name:** Dr Denis Peterson

**Address:** 210 Aramist Ave, Waterkloof Glen, Pretoria, 0010, South Africa

**Contact:** Denis.peterson@mercedes-benz.com

### 4. Management, the board of directors and debt officer

#### 4.1. Directors

The members of the Board of Directors as at the Information Statement Date (the “**Board**”) are set out below:

##### 4.1.1. Executive Directors

- (a) Mr. Andreas Brand (Chief Executive Officer)
- (b) Mr Claudius Steinhoff (Co-Chief Executive Officer)
- (c) Ms. Taryn Woodbridge (Chief Financial Officer)
- (d) Mr. Abram Mojela Kgotle (Executive Director: Human Resources)

##### 4.1.2. Independent Non-Executive Directors

- (a) Mr. Wilfried Porth (Independent) (Chairman of the Board of Directors)
- (b) Dr. Phumzile Mlambo-Ngcuka (Independent)
- (c) Ms. Sindi Zilwa (Independent)

- (d) Ms. Fikile De Buck (Independent)
- (e) Ms. Thuthu Mbhele (Independent)
- (f) Mr. Arno van der Merwe (Non-Executive)
- (g) Ms. Sagree Sardien (Non-Executive)

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. More information on the Board can be found at the following link <https://corporate.mercedes-benz.co.za/corporate-profile/board-of-directors/>.

#### 4.2. **Directors' Declarations**

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

- (a) The Issuer confirms that none of them have:
- (b) ever been adjudged bankrupt, insolvent or sequestrated in any jurisdiction;
- (c) ever been convicted of an offence resulting from dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;
- (d) ever been involved in any business rescue plans and/or resolution proposed 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 compromise or arrangement with creditors generally or any class of creditors of any company; where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding, any such event(s);
- (e) ever been involved in the receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of or within 12 months preceding, any such event;
- (f) 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;
- (g) ever been found guilty in disciplinary proceedings by an employer or regulatory body due to dishonest activities;
- (h) ever been barred from entry into any profession or occupation;
- (i) ever been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;
- (j) ever been removed from an office of trust on the grounds of misconduct and involving dishonesty; and
- (k) ever been declared delinquent or placed probation under the Companies Act in terms of section 162 of Act and/or in terms of section 47 of the Close Corporation's Act, 1984 or disqualified to act as a director in terms of section 219 of the Companies Act, 1973.

#### 4.3. **Board Committees**

The Board is assisted by the following specialist committees (the Committees) as at the Information Statement Date:

##### 4.4. **Audit and Risk Committee**

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

##### 4.5. **Social and Ethics Committee**

- (a) Dr Phumzile Mlambo-Ngcuka (Chairperson)

- (b) Ms. Fikile De Buck
- (c) Ms. Sindi Zilwa
- (d) Mr. Andreas Brand (Ex-Officio)

#### 4.5.1. **Executive Committee**

- (a) Mr. Andreas Brand (Chief Executive Officer)
- (b) Mr. Claudius Steinhoff (Co- Chief Executive Officer)
- (c) Ms. Taryn Woodbridge (Chief Financial Officer)
- (d) Mr. Abey Kgotle
- (e) Mr. Robert Hoffmann
- (f) Ms. Natasha Jardim

#### 4.6. **Debt Officer**

Details of the Debt Officer as at the Information Statement Date are set out below:

**Name:** Mr. 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**

#### 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 MBGAG's strategy, operating performance and financial results within MBGAG's corporate governance frameworks.

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

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

5.2.2 The Board:

- (a) sets the tone and leads the Issuer ethically, effectively and responsibly within acceptable risk parameters. There is a clear division of responsibilities at Board level to ensure that no one director has unfettered power of decision making;
- (b) provides leadership and strategic oversight within a framework of ethical and prudent controls, which supports creating an ethical culture;
- (c) evaluates and approves group strategy, scrutinises group performance and measures executive management's performance against key performance deliverables;
- (d) promotes transformation, gender diversity and succession planning to ensure sustainable leadership structures;
- (e) provides guidance and advice on the MBGAG's financial, audit, governance and risk management controls;
- (f) reviews the remuneration process (specifically at senior level); and
- (g) discloses the credentials of individual directors to enable shareholders to make an informed assessment of the quality and qualifications of Board members. Real or perceived conflicts of interest are disclosed to the Board and managed appropriately.

### 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 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 Companies 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 Companies 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

Independent auditors of MBGAG were until the end of the financial year audit 2023 KPMG AG. Since the beginning of the financial year 2024, independent auditors of MBGAG are PricewaterhouseCoopers GmbH.

## 5.6. King IV™

- 5.6.1. The Board is committed to applying the recommendations of King IV™ (**King IV**), complying with the JSE Debt Listings Requirements and the Companies Act, and incorporating relevant best governance practice. For more information, please see document headed "*Corporate Governance Report*" which is available on the Issuer's website at at <https://mbsaweb.blob.core.windows.net/lia-corporate-cms-media/1743/2024-king-report.pdf>
- 5.6.2. The Board ensures that it acts in the best interest of MBSA at all times.
- 5.6.3. The Issuer is a wholly owned subsidiary of Mercedes-Benz AG. MBGAG, 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 MBGAG guidelines. These guidelines include comprehensive policies dealing with –
  - (a) upholding Human Rights compliance with applicable laws and internal regulations;
  - (b) appropriate behaviour within MBGAG 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. The King IV principles are discussed below.

### 5.6.3.1 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, Company 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 is committed to fostering a culture of ethical behaviour 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.

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

The Company 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. Company 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 MBGAG. 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.

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

The Company, 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 Company 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 Company 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, Company 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.

- 5.6.3.4 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.

At Company, 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.

The Company'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.

- 5.6.3.5 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.

Company, 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 JSE Limited 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, Company 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.

- 5.6.3.6 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 MBGAG, 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 MBGAG. 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 MBGAG'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.

- 5.6.3.7 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. MBGAG 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.

- 5.6.3.8 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.

- 5.6.3.9 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.

MBGAG 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 MBGAG's regulations.

- 5.6.3.10 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.

- 5.6.3.11 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 MBGAG, 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 MBGAG'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, 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.

- 5.6.3.12 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 MBGAG and the Company, the Board diligently oversees the management and advancement of IT. Consequently, it formulates and monitors policies delineating the governance of IT. Leveraging the robust internal technology management system, Mercedes-Benz South Africa synergizes with MBGAG's established international IT 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, the Company intends to 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 the Company'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, MBGAG has established a Group-wide Data Governance System comprising the Company's data governance structure, data vision, ATA culture, and Data Compliance Management System.

- 5.6.3.13 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 MBGAG 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.

- 5.6.3.14 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, the Company 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. MBGAG 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 MBGAG recognized and approved the principles for the structure and application of the MBGAG remuneration system as established and outlined above. The MBGAG 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.

- 5.6.3.15 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 MBGAG Corporate Audit and numerous other MBGAG 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.

- 5.6.3.16 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, the Issuer 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, the Issuer 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 Social and Ethics Committee 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 MBGAG.

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

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## BUSINESS DESCRIPTION OF MERCEDES-BENZ GROUP AG

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*Capitalized terms used in this section headed “Business 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

MBGAG 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 6 May 1998 for an unlimited duration.

The Legal Entity Identifier (“LEI”) of MBGAG is 529900R27DL06UVNT076.

The website of MBGAG is: [www.group.mercedes-benz.com](http://www.group.mercedes-benz.com)

For the avoidance of doubt, any information contained in the aforementioned website does not form part of this Information Statement and the Programme Memorandum

### 2. Organisational structure

MBGAG is the parent company of MBGAG and has its headquarters in Stuttgart. Along with MBGAG, the Mercedes-Benz Group comprises all subsidiaries over which MBGAG can exercise a controlling influence either directly or indirectly. Detailed information on this topic can be found in the statement of investments pursuant to Section 313 of the German Commercial Code (Handelsgesetzbuch) in the Notes to the Annual Consolidated Financial Statements 2023. MBGAG defines the Group strategy, manages the Group and, as the Group parent company, ensures the effectiveness of legal, organizational and compliance-related functions throughout the Group.

The management reports for MBGAG and for the Group are combined within the MBGAG Annual Report 2023 (the “**Combined Management Report**”). The Combined Management Report includes the combined Non-Financial Declaration of MBGAG and of the Group.

The Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Mobility divisions manage the business operations of the Mercedes-Benz Group.

The statement of investments in affiliated and related companies as of 31 December 2023 is set out in Note 41 (*Additional Information*) in the notes to the Annual Consolidated Financial Statements 2023 of MBG incorporated by reference in this Prospectus.

### 3. General object of Mercedes-Benz Group AG

Pursuant to article 2 of MBGAG's articles of incorporation (Satzung; the “*Articles of Incorporation*”) the general object of MBGAG 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:

- (a) vehicles, engines and technical drives of all kinds, including their parts, assemblies and accessories;
- (b) other traffic engineering products;
- (c) electronic equipment, devices and systems;
- (d) communication and IT;
- (e) mobility and transport services and concepts;
- (f) banking and insurance activities, financial and payment services and insurance brokerage; and

(g) management and development of real property.

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

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

MBGAG 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**

MBGAG is a car manufacturer that operates globally and is one of the largest suppliers of luxury vehicles and commercial vans in the premium segment. MBGAG's range of products and services is supplemented by financing and leasing products for end customers and dealers, fleet management services, insurance brokerage, innovative and digital mobility services, charging infrastructure and systems for seamless payment.

The Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Mobility divisions manage the business operations of the Mercedes-Benz Group.

The Mercedes-Benz Group sells vehicles and provides services in nearly every country in the world and has over 30 production facilities in Europe, North America and South America, Asia and Africa.

As a luxury automobile manufacturer, Mercedes-Benz Cars seeks to produce the most desirable vehicles in the world. Sustainability is a fundamental principle and a firm component of the Mercedes-Benz Cars business strategy. Mercedes-Benz Cars is creating the essential preconditions for complete electrification and accelerating the transformation into a software-driven and all-electric future.

To this end, the electric platform Electric Vehicle Architecture was introduced in 2021. Beginning in the middle of the decade, the Mercedes Modular Architecture ("**MMA**") platform, which is primarily focussed on electric mobility with vehicles starting with the Entry segment, is to follow. In 2026, Mercedes-Benz Cars plans to introduce two more all-electric platforms (BEV platform generations) in the Top-End and Core segments: the Mercedes-Benz Electronic Architecture and the AMG Electronic Architecture.

Mercedes-Benz Cars offers a broad range of products that are spread out among the three product categories of Top-End, Core and Entry. The Top-End portfolio encompasses Mercedes-AMG, Mercedes-Maybach, the G-Class, the S-Class, the EQS Sedan, the GLS and the EQS SUV. Core represents the heart of the brand and comprises the Mercedes-Benz C-Class and E-Class model ranges and their derivatives. The Entry A-Class and B-Class models and their derivatives offer customers a point of entry into the compact vehicle portfolio.

In addition to the Mercedes-Benz brand, the brand portfolio encompasses the brands Mercedes-AMG and Mercedes-Maybach, as well as the G-Class product brand. Mercedes me provides access to the digital services of Mercedes-Benz Cars.

The division also continues to move ahead at a fast pace with the intelligent networking of its vehicles and the development of autonomous driving systems. In order to further underscore the claim to leadership with regard to the digital experience, Mercedes-Benz Cars plans to introduce its own data-based and updatable Mercedes-Benz Operating System ("**MB.OS**") when it launches the MMA platform.

Along with its production sites in Germany, Mercedes-Benz Cars also operates major manufacturing facilities in the United States, Hungary, Mexico and South Africa. Production operations in China are carried out by the associated company Beijing Benz Automotive Co., Ltd.

The most important markets for Mercedes-Benz Cars in 2023 were China with 36% of unit sales, the United States with 15%, Germany with 11% and the other European markets (European Union, United Kingdom, Switzerland and Norway) with 21%.

Mercedes-Benz Vans is a global manufacturer of a comprehensive van portfolio. The models offered in the commercial segment comprise the large van Sprinter, the mid-size van Vito and the small van Citan. The range of Mercedes-Benz' vans in the private segment consists of the V-Class full-size multi-purpose vehicle, the V-Class Marco Polo camper and the T-Class. The small vans are offered in Europe (European Union, the United Kingdom, Switzerland, Norway), while the mid-size vans are offered in Europe and China and the large vans are sold in Europe and the United States. Vans are also offered in specific segments in other markets.

Mercedes-Benz Vans has anchored its aim to lead in electric drive in its strategy and has systematically electrified the complete product portfolio. Mercedes-Benz Vans already offers an electric version of each model today – i.e. the eSprinter, the eVito and the eCitan in the commercial van segment. In addition, the EQV full size multi-purpose vehicle and the all-electric EQT are now available for the private segment.

Starting in 2026, all newly developed vans from Mercedes-Benz shall be based on just one all-electric architecture: the innovative, modular and scalable Van Electric Architecture.

Like Mercedes-Benz Cars, Mercedes-Benz Vans also uses the modular MB.OS architecture in order to further develop and connect its digital services.

The Mercedes-Benz Vans business unit has manufacturing facilities in Germany, Spain, the United States and Argentina. Production in China is managed via the Fujian Benz Automotive Co., Ltd joint venture. The Citan and T-Class with the respective electric variants are produced in France through an alliance with Renault-Nissan-Mitsubishi. The planned facility in Jawor, Poland, will be Mercedes-Benz Vans' first purely electric vehicle plant in the world.

The most important markets for Mercedes-Benz Vans in 2023 were Germany with 25% of unit sales, the other European markets (European Union, United Kingdom, Switzerland and Norway) with 37%, the United States with 17% and China with 7%.

The Mercedes-Benz Mobility division supports the sales of the Mercedes-Benz Group's vehicle brands worldwide with custom financial and mobility services.

These services range from leasing and financing contracts for end customers and dealers to insurance solutions and fleet management services for business customers, with the latter primarily offered via the Athlon brand. Mercedes-Benz Mobility has around 4.3 million leased and financed vehicles in 34 markets.

Mercedes-Benz Mobility also brings together all activities relating to electric vehicle charging. The Group's own charging service Mercedes me Charge enables easy and convenient access to more than 1.5 million public charging points within the Mercedes me Charge network. In addition, MBGAG is continuing to extend the existing range of charging possibilities by building its own global Mercedes-Benz charging network and expanding high-power charging networks that are operated jointly with different contractual partner.

Mercedes-Benz Mobility is also integrating its Mercedes pay digital electronic payment platform into numerous applications at MBGAG. The product range is rounded out by flexible subscription and rental models such as Mercedes-Benz Rent as well as investments in companies that offer mobility services, for example the premium chauffeur services platform Blacklane.

## **5. Administration and management**

### **5.1 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 MBGAG Articles of Incorporation. The Board of Management is authorized to represent MBGAG and to enter into binding agreements with third parties on its behalf.

The members of the Board of Management are as at the Information Statement Date:

- (a) Ola Källenius, Chairman of the Board of Management

- (b) Dr. Jörg Burzer, Production, Quality & Supply Chain Management
- (c) Renata Jungo Brüngger, Integrity, Governance & Sustainability
- (d) Sabine Kohleisen, Human Relations and Labor Director
- (e) Markus Schäfer, Chief Technology Officer, Development & Procurement
- (f) Britta Seeger, Marketing & Sales
- (g) Hubertus Troska, Greater China
- (h) Harald Wilhelm, Finance & Controlling / Mercedes-Benz Mobility

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

The members of the Supervisory Board and of the Board of Management perform the following Supervisory Board Memberships or Directorships outside MBGAG:

*The Supervisory Board*

The principal function of the supervisory board of MBGAG (the “**Supervisory Board**”) is to supervise the board of management of MBGAG (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"), MBGAG'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:

- (a) Dr. Martin Bruder Müller, Chairman of the Supervisory Board of MBGAG, elected until 2028
- (b) Ergun Lümali\*, Deputy Chairman of the Supervisory Board of MBGAG, Chairman of the Group Works Council of MBGAG, Chairman of the General Works Council of MBGAG, Chairman of the Works Council of the Mercedes-Benz Sindelfingen Plant, elected until 2028
- (c) Michael Bettag\*, Chairman of the Works Council of the Mercedes-Benz Nuremberg Own Retail Branch, elected until 2028
- (d) Ben van Beurden, Former Chief Executive Officer of Shell plc, elected until 2025
- (e) Nadine Boguslawski\*, Head Treasurer of IG Metall Stuttgart, elected until 2028
- (f) Elizabeth Centoni, Executive Vice President, Chief Strategy Officer and GM, Applications Cisco, Inc., elected until 2025
- (g) Dame Veronica Anne Courtice, Former Director of the University of Cambridge Institute for Sustainability Leadership (CISL), elected until 2026
- (h) Marco Gobbetti, Chief Executive Officer of Salvatore Ferragamo S.p.A, elected until 2026
- (i) Michael Häberle\*, Deputy Chairman of the Group Works Council of Mercedes-Benz AG, Deputy Chairman of the General Works Council of Mercedes-Benz Group AG, Chairman of the Works Council Mercedes-Benz Untertürkheim Plant, MBGAG, elected until 2028
- (j) Dr. Doris Höpke, elected until 2028
- (k) Timotheus Höttges, Chairman of the Board of Management of Deutsche Telekom AG, elected until 2025
- (l) Olaf Koch, Partner and Managing Director Zintinus GmbH, elected until 2025
- (m) Gabriela Neher\*, Member of the Works Council at the Mercedes-Benz Rastatt Plant, elected until 2028

- (n) Michael Peters\*, Chairman of the Works Council of Mercedes-Benz Bremen, elected until 2028
- (o) Stefan Pierer, Chairman of the Board of Management of Pierer Industrie AG, elected until 2027
- (p) Roman Romanowski\*, Head of the Executive Legal Department at the Board of Management of IG Metall, elected until 2028
- (q) Professor Dr. Helene Svahn, Professor of Nanobiotechnology at the Royal Institute of Technology, Sweden, elected until 2025
- (r) Monika Tielsch\*, Member of the Works Council of Mercedes-Benz Sindelfingen Plant (RD), elected until 2028
- (s) Dr. Frank Weber\*, Center Manager BodyTEC, Mercedes-Benz AG, Chairman of the Management Representative Committee, MBGAG, elected until 2028
- (t) Roman Zitzelsberger\*, Former IG Metall District Manager Baden-Württemberg, elected until 2028

**SIGNED** at East London on this the 4 day of September 2024.

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

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

\_\_\_\_\_  
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

Waterkloof Glen

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)

210 Aramist Ave

Waterkloof Glen

Pretoria, 0010 PO Box 1717

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

Rosebank, 2196

South Africa

PO Box 61344

Marshalltown, 2107

South Africa

Contact: Mr S Mbuthu



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

**FirstRand Bank Limited,  
acting through its Rand Merchant bank division**

(registration number 1929/001225/06)  
1 Merchant Place  
Cnr Fredman Drive and Rivonia Road  
Sandton, 2196  
South Africa  
P O Box 786273  
Sandton, 2146  
South Africa  
Contact: Ms Cunningham-Scott

**TRANSFER AGENT**

**COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED**

(registration number 2004/003647/07)  
Rosebank Towers  
15 Bierman Avenue  
Rosebank, 2196  
South Africa  
P O Box 61051  
Marshalltown, 2107  
South Africa  
Contact: Head of Investor Services

**LEGAL ADVISERS TO THE ISSUER, ARRANGER AND DEALER(S)**

**BOWMAN GILFILLAN INCORPORATED**

(registration number 1998/021409/21)  
11 Alice Lane  
Sandown  
Sandton, 2196  
South Africa  
P O Box 785812  
Sandton, 2146  
South Africa  
Contact: Mr C van Heerden  
Tel: (011) 669 9354

**AUDITOR TO THE ISSUER**

**PRICEWATERHOUSECOOPERS INCORPORATED**

(registration number 1998/012055/21)  
2055/21)  
4 Lisbon Lane  
Waterfall City  
Jukskei View  
South Africa  
2090  
Contact: Mr P Vermeulen

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## **ANNEXURE A: CVs**

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### **Executive Directors**

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

Andreas 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.

#### **Mr. Claudius Steinhoff (Co-Chief Executive Officer)**

Executive Director: Passenger Cars. Claudius started with Mercedes-Benz in 2008 as a student at the Cooperative State University Baden-Wuerttemberg. Since 2011 he has had different roles in Treasury, Product Management & as an Executive Assistant to the Head of Region Overseas. Claudius took over the responsibility as President and CEO of Mercedes-Benz Singapore (“**MBSG**”) in October 2020. During his tenure, MBSG/ the company achieved remarkable results notably the #1 position in the total market in 2022 and the position as #1 luxury brand in 2023, successfully introduced fully electric models across every segment it serves locally while focusing heavily on the implementation of impactful & innovative measures around the strategic pillars Desirability, Electrification, Digitization and Sustainability. Furthermore, he was instrumental in the development and implementation of the GD SEA II Center of Competence that combines the steering of the GD markets in the region for both PC and Vans. For the first six months of 2024, Claudius additionally served as Head of Sales & Marketing for Malaysia. Claudius is appointed as Co-CEO and Executive Director from 1 September 2024.

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

Taryn 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. 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 (Executive Director)**

Abey 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)**

Wilfried 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. Wilfried's experience spans across production, research and development, sales and human resources. Prior to his retirement in 2021 from Daimler AG, Wilfried 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, IT and Mercedes-Benz Vans. Wilfried is also Director of Fränkische Röhrenwerke

### **Dr. Phumzile Mlambo-Ngcuka (Independent)**

Phumzile is former United Nations Under-Secretary-General and Executive Director of UN Women. She was awarded a doctorate in Technology and Education from Warwick University. She has authored several scholarly and other opinion pieces. She is a Hauser Leader at the Harvard Kennedy School's Center of Public Leadership. She had become a member of Parliament, Deputy Minister of Department of Trade and Industry, Minister of Minerals and Energy and finally as Deputy President of South Africa in 2005 to 2008. Phumzile worked tirelessly on programmes and policies to reduce inequality. As the head of the UN Women, she has been a global advocate for women and girls. She established initiatives such as the HeForShe for men and boys to address gender Equality. She also successfully mobilised and historic USD 40 billion for women and girls around the world. She is a founder and leader of Umlambo Foundation which is a dedicated improvement of education and digital literacy training for education.

Phumzile serves on the following Boards:

- Ivanhoe Mines
- Smartgrid Operations Proprietary

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

Sindi has over 30 years' professional working experience in the fields of financial accounting, auditing, business management and corporate governance, obtained through running her own auditing practice Nkonki Inc. for 23 years and her experience as board member of a number of listed and unlisted companies. She has extensive board and audit committee experience. Sindi is a Chartered Accountant (SA) and a Chartered Director (SA) with the IODSA. Sindi is a published Author of 2 books, The ACE Model, a Winning Formula for Audit Committees, published in 2013 and Creating Effective Boards and Committees, published in 2016. Sindi was the youngest business woman of the Year in South Africa in 1998 as awarded by the Business Woman's Association. AWCA awarded Sindi with Woman of Substance Title in 2008, and in 2016, Sindi received an Overall Professional Integrity of the Year Award from South African Professional Services Award.

Sindi serves on the following Boards:

- Sibanye Stillwater Limited
- Tourvest Group (Pty) Ltd
- Tourvest Holdings (Pty) Ltd
- 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 Health (Pty) Ltd
- Discovery Vitality (Pty) Ltd
- Metrofile Holdings Ltd

- Future Global Leaders Club NPC (Pty) Ltd
- Gijima Group Ltd
- Gijima Holdings (Pty) Ltd
- Mavavune Women's Investments (Pty) Ltd
- Cell C Limited
- Virtual Voucher Systems (Pty) Ltd
- Delta Property Fund

**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 at 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 Remuneration and Human Capital Committee. She recently joined the Board of Attacq Limited, where she is a member of the Audit and 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.

Fikile serves on the following Boards:

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

**Ms. Thuthu Mbhele (Independent)**

Nontuthuko ("Thuthu") is a Chartered Accountant (SA) and Director with over 22 years' experience in ensuring complete and appropriate compliance with IFRS Accounting Standards, 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 recognised for strong leadership skills with proven ability to positively influence others to achieve results. In her previous role, she was an operating division lead and client relationship director for Transnet Port Terminals on all internal audit projects including audits of finance, IT, safety, health, environmental, quality, enterprise risk management, capital projects, human capital management, commercial and supply chain management. In her current role as the Chief Finance Officer of the University of KwaZulu-Natal, she provides strategic financial direction that ensures that the University's strategy can be delivered in a manner that takes into account all elements of sustainability. Thuthu holds a Postgraduate diploma in Accounting and a Bachelor of Commerce in accounting degree from the University of Cape Town and also a Bachelor of Applied Social Sciences from The South African College of Applied Psychology.

Thuthu serves on the following Boards:

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

### **Mr Arno van der Merwe (Non-Executive)**

Arno is Vice President of Production Planning, responsible for the Mercedes Benz cars network worldwide. He started his career at Mercedes Benz in 1996 as a Logistics Engineer in South Africa. Since then, he has accumulated more than 27 years of working experience in various positions within Logistics, Manufacturing, IT and Planning in different countries such as South Africa, Germany, and China. As a vital part of his career, he has led the East-London plant as CEO and Executive Director Manufacturing in the timeframe from 2014 to 2017. As President and CEO of Beijing Benz Automotive Co, Ltd. he has successfully integrated 15 new products into the plant leading to today where he is responsible for the successful product integration of all new Mercedes-Benz models worldwide. He is passionate about creating value and a proud member of the Engineering Council of South Africa as well as the South African Institute for Industrial Engineering. Arno is also Director of Lake Brenton Boat Shed.

### **Ms Sagree Sardien (Non-Executive)**

Sagree, born in South Africa, has been serving the automotive industry for over 20 years. Appointed as Vice President Marketing & Sales Mercedes-Benz Cars Overseas in September 2023, she is responsible for the overall Sales & Marketing operations across 118 markets globally, including General Distributor business. She also is holding several Board of Director seats across Region Overseas. Sagree began her Mercedes-Benz career with Daimler Fleet Management as Head of Operations in South Africa in 2008. Afterwards, she held various senior and executive leadership positions in Sales, Aftersales, Product Management, Customer Assistance, Supply Chain & Distribution. In 2018, she took over the position as Head of Market Management for Japan, Korea, Australia, Turkey, South Africa, Middle East & Egypt. In 2021, she then became CEO & President of MB Malaysia & Head of South East Asia, being responsible for three markets (Malaysia, Singapore & Indonesia), as well as ten General Distributors. Sagree holds a Masters degree in Business Administration (MBA), a Bachelor of Commerce degree with specialization in Management and completed an International Executive Development Programme.

Sagree serves on the following Boards:

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

### **Company Secretary**

#### **Dr Denise Peterson**

Denise is a seasoned attorney specializing in international and local business law. He holds a Bachelor of Commerce and a Bachelor of Laws and Masters of Business Administration from North-West University, South Africa, and furthered his expertise at the University of Leuven, Belgium. He also completed a Doctorate in Business Administration. Professionally, Denise has been an admitted attorney of the High Court for 18 years, focusing on international trade, mergers and acquisitions, and commercial transactions. He currently serves as General Counsel and Company Secretary at Mercedes-Benz. Denise has represented numerous international and local corporations and has been instrumental in drafting key legislation. He actively contributes to global legal discourse through writing and interviews and has received various industry accolades, including recognition as the most influential General Counsel in South Africa on the 2024 International General Counsel Powerlist.

### **Debt Officer**

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

Dirk van der Bank is the Head of Treasury and debt officer of the Issuer. 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.

Dirk serves on the Board of the following companies:

- Koppieview Property (Pty) Ltd
- Beautus (Pty) Ltd
- Princo Ltd