

Takeover-Relevant Information and Explanation

(Report pursuant to Sections 315a and 289a of the German Commercial Code (HGB))

Composition of share capital

The issued share capital of Daimler AG amounted to approximately €3,070 million at December 31, 2020. It is divided into 1,069,837,447 registered shares, each of which accounts for approximately €2.87 of the share capital. Pursuant to Section 67 Subsection 2 of the German Stock Corporation Act (AktG) in the version applicable as of December 31, 2020, rights and duties relating to the Company exist from the shares only for those persons and entities entered in the register of shareholders. With the exception of treasury shares, from which the Company does not have any rights, all shares confer equal rights to their holders. Each share confers the right to one vote and, with the possible exception of any new shares that are not yet entitled to a dividend, to an equal share of the profits in accordance with the dividend payout approved by the Annual Shareholders' Meeting. The rights and obligations arising from the shares are derived from the provisions of applicable law, in particular Sections 12, 53a ff., 118 ff. and 186 of the German Stock Corporation Act. There were no treasury shares at December 31, 2020.

Restrictions on voting rights and on the transfer of shares

The Company does not have any rights from treasury shares. In the cases described in Section 136 of the German Stock Corporation Act (AktG), the voting rights of treasury shares are nullified by law.

Shares acquired by employees within the context of the employee share program may not be disposed of until the end of the following year. Eligible participants in the Performance Phantom Share Plans (PPSPs) of Executive Level 1 and eligible members of the Board of Management are obliged by the Plans' terms and conditions and by the Stock Ownership Guidelines to acquire Daimler shares with a part of their Plan income or out of their own funds up to a defined target volume and to hold them for the duration of their employment at the Daimler Group. For the other persons eligible for PPSPs, this obligation no longer applies since payment of PPSP 2013 in February/March 2017.

Provisions of applicable law and of the Articles of Incorporation concerning the appointment and dismissal of members of the Board of Management and amendments to the Articles of Incorporation

Members of the Board of Management are appointed and dismissed on the basis of Sections 84 and 85 of the German Stock Corporation Act (AktG) and Section 31 of the German Codetermination Act (MitbestG). In accordance with Section 84 of the German Stock Corporation Act, the members of the Board of Management are appointed by the Supervisory Board for a maximum period of office of five years. Until December 31, 2020, the rules of procedure of the Supervisory Board of Daimler AG stipulated that the initial appointment of members of the Board of Management should generally be limited to three years. Since January 1, 2021, the rules of procedure stipulate a maximum period of three years for initial appointments. Reappointment or the extension of a period of office is permissible, in each case for a maximum of five years.

Pursuant to Section 31 Subsection 2 of the German Codetermination Act (MitbestG), the Supervisory Board appoints the members of the Board of Management with a majority comprising at least two thirds of its members' votes. If no such majority is obtained, the Mediation Committee of the Supervisory Board has to make a suggestion for the appointment within one month of the vote by the Supervisory Board in which the required majority was not reached. The Supervisory Board then appoints the members of the Board of Management with a majority of its members' votes. If no such majority is obtained, voting is repeated and the Chair of the Supervisory Board then has two votes. The same procedure applies for dismissals of members of the Board of Management.

In accordance with Article 5 of the Articles of Incorporation, the Board of Management has at least two members. The number of members is decided by the Supervisory Board. Pursuant to Section 84 Subsection 2 of the German Stock Corporation Act (AktG), the Supervisory Board can appoint a member of the Board of Management as its Chairperson. If a required member of the Board of Management is lacking, an affected party can apply in urgent cases for that member to be appointed by the court pursuant to Section 85 Subsection 1 of the German Stock Corporation Act (AktG). Pursuant to Section 84 Subsection 3 of the German Stock Corporation Act (AktG), the Supervisory Board can revoke the appointment of a member of the Board of Management and of the Chairperson of the Board of Management if there is an important reason to do so.

Pursuant to Section 179 of the German Stock Corporation Act (AktG), the Articles of Incorporation can only be amended by a resolution of an Annual Shareholders' Meeting. Unless otherwise required by the Stock Corporation Act or the Articles of Incorporation, resolutions of the Annual Shareholders' Meeting – with the exception of elections – are passed pursuant to Section 133 of the German Stock Corporation Act (AktG) and Article 16 Sentences 1 and 2 of the Articles of Incorporation with a simple majority of the votes cast and if required with a simple majority of the share capital represented. Pursuant to Article 16 Sentence 3 of the Articles of Incorporation, the dismissal of a member of the Supervisory Board requires a majority of at least three quarters of the votes cast. Pursuant to Section 179 Subsection 2 of the German Stock Corporation Act (AktG), any amendment to the purpose of the Company requires a three quarters majority of the share capital represented at the Shareholders' Meeting; no use is made in the Articles of Incorporation of the possibility to stipulate a larger majority of the share capital.

Authorization of the Board of Management to issue or buy back shares

The authorization granted by resolution of the Annual Shareholders' Meeting on April 1, 2015 to acquire and use the Company's own shares expired on March 31, 2020 without being utilized.

By resolution of the Annual Shareholders' Meeting on July 8, 2020, the Board of Management was once again authorized, with the consent of the Supervisory Board, to acquire the Company's own shares until July 7, 2025 for all legal purposes in a volume of up to 10% of the share capital at the time of the resolution of the Annual Shareholders' Meeting or – if this amount is lower – at the time when the authorization is exercised. With the consent of the Supervisory Board, the shares can be used, with the exclusion of shareholders' subscription rights, for, among other things, corporate mergers and acquisitions, or can be sold for cash to third parties at a price that is not significantly below the market price at the time of the sale. The shares can also be used to service debt on convertible bonds and/or bonds with warrants, or can be issued to employees of the Company and employees and members of executive bodies of affiliated companies pursuant to Section 15 ff. of the German Stock Corporation Act (AktG). The Company's own shares can also be canceled.

During the period of the authorization, the total of the Company's own shares used with the exclusion of shareholders' subscription rights may not exceed 10% of the share capital at the time when the authorization takes effect or – if this amount is lower – at the time when it is exercised. If, during the period of the authorization until it is exercised, use is made of other authorizations to issue or sell shares in the Company or to issue rights enabling or requiring subscription to shares in the Company and subscription rights are excluded, this is to be counted towards the aforementioned 10% limit.

In a volume of up to 5% of the share capital existing at the time of the resolution of the Annual Shareholders' Meeting, the Board of Management was authorized, with the consent of the Supervisory Board, to acquire the Company's own shares also with the application of derivative financial instruments (put or call options, forwards or a combination of these financial instruments), whereby the terms of the derivatives may not exceed 18 months and must be terminated on July 7, 2025, at the latest.

No use was made of this authorization to acquire the Company's own shares during the reporting period.

By resolution of the Annual Shareholders' Meeting of April 5, 2018, the Board of Management was authorized, with the consent of the Supervisory Board, to increase the share capital of Daimler AG in the period until April 4, 2023, wholly or in partial amounts, on one or several occasions, by up to €1 billion by issuing new registered shares of no par value in exchange for cash or non-cash contributions, and, with the consent of the Supervisory Board under certain conditions and within defined limits, to exclude shareholders' subscription rights (Approved Capital 2018). Subscription rights can, under these defined conditions, be excluded in the event of a capital increase through non-cash contributions for the purpose of an acquisition, and in the case of a capital increase through cash contributions, if the issue price of new shares is not significantly below the market price at the time of issue.

The total number of shares issued against cash and/or non-cash contributions under this authorization with the exclusion of shareholders' subscription rights may not exceed 10% of the share capital at the time when this authorization takes effect. This limit is to include shares which (i) are issued or sold during the period of this authorization with the exclusion of subscription rights in direct or analogous application of Section 186 Subsection 3 Sentence 4 of the German Stock Corporation Act (AktG) and which (ii) are or can or must be issued to service bonds with conversion or option rights or conversion or option obligations, provided that the bonds are issued after this authorization takes effect with the exclusion of shareholders' subscription rights with analogous application of Section 186 Subsection 3 Sentence 4 of the German Stock Corporation Act (AktG).

No use has yet been made of Approved Capital 2018.

The authorization granted by the Annual Shareholders' Meeting on April 1, 2015 to issue convertible bonds and/or bonds with warrants was limited until March 31, 2020. No use was made of the authorization. The corresponding Conditional Capital 2015 was cancelled by resolution of the Annual Shareholders' Meeting on July 8, 2020.

Also by resolution of the Annual Shareholders' Meeting on July 8, 2020, the Board of Management was authorized, with the consent of the Supervisory Board, to issue during the period until July 7, 2025, convertible bonds and/or bonds with warrants or a combination of those instruments (commercial paper) in a total nominal amount of up to €10 billion with a maximum term of ten years, and to grant the owners/lenders of those bonds conversion or option rights to new, registered shares of no par value in Daimler AG with a corresponding amount of the share capital of up to €500 million, in accordance with the terms and conditions of those convertible bonds or bonds with warrants. The bonds may be issued in exchange for consideration in cash, but also for consideration in kind, in particular for interests in other companies. The respective terms and conditions may also provide for mandatory conversion or an obligation to exercise the option rights. The bonds can be issued once or several times, wholly or in installments, or simultaneously in various tranches. They can also be issued by companies affiliated with Daimler AG pursuant to Section 15 ff. of the German Stock Corporation Act (AktG).

Inter alia, the Board of Management was also authorized under certain circumstances, within certain limits and with the consent of the Supervisory Board, to exclude shareholders' subscription rights to the bonds. Subscription rights can, under these defined conditions, be excluded when bonds are issued in exchange for non-cash contributions, particularly within the framework of a merger or acquisition, and when bonds are issued in exchange for cash contributions, if the issue price is not significantly below the theoretical market price of the bonds at the time of the issuance.

Any issuance of bonds with the exclusion of subscription rights may only be carried out under the authorization if the arithmetical proportion of the share capital attributable to the total of the new shares to be issued on the basis of such a bond does not exceed 10% of the share capital at the time when this authorization takes effect or - if this value is lower - at the time when it is exercised. If, during the period of the authorization until it is exercised, use is made of other authorizations to issue or sell shares in the Company or to issue rights enabling or requiring subscription to shares in the Company and subscription rights are excluded, this is to be counted towards the aforementioned 10% limit.

In order to service the debt of the convertible bonds and/or bonds with warrants issued as a result of the authorization, the Annual Shareholders' Meeting of July 8, 2020 also approved a conditional increase in the share capital of up to €500 million (Conditional Capital 2020).

No use was made of this authorization to issue convertible bonds and/or bonds with warrants during the reporting period.

Material agreements taking effect in the event of a change of control

Daimler AG has concluded various material agreements, as listed below, that include clauses regulating the possible event of a change of control, as can occur as a result of a takeover bid:

- A non-utilized syndicated credit line for a total amount of €11 billion and a non-utilized syndicated credit line for a total amount of €8.8 billion, each of which the lenders are entitled to terminate if (i) Daimler AG becomes a subsidiary of another company, or (ii) Daimler AG becomes controlled either individually or jointly by one or more persons acting together. For the purposes of each of the syndicated credit lines, subsidiary in relation to a company means another company (i) that is controlled directly or indirectly by the first-mentioned company, (ii) of which more than 50% of the subscribed share capital (or other equity) is held directly or indirectly by the first-mentioned company, or (iii) which is a subsidiary of another subsidiary of the first-mentioned company. Control for the purposes of each of the syndicated credit lines means (i) the right to determine the affairs of a company, (ii) the right to control the composition of the managing board or similar bodies, or (iii) the right to control the composition of the supervisory board (if elected by the shareholders).
- Credit agreements of Mercedes-Benz AG and Daimler Truck AG with lenders for an amount totaling €1.2 billion, for the repayment of which Daimler AG is jointly and severally liable, which provide for a right of termination for the lenders in the event that natural or legal persons or a group of at least two persons acting jointly acquire control of Daimler AG. For the purpose of the credit agreements, a group acting jointly exists when a group acts jointly on the basis of formal or informal agreements or other arrangements. Control for the purposes of the credit agreements means (i) holding or controlling more than 50% of the voting rights in Daimler AG, (ii) the right to determine or appoint the majority of the members of a decision-making body of Daimler AG (for example, the management, board of management, advisory board, supervisory board), (iii) the right to receive more than 50% of the distributable dividends of Daimler AG, or (iv) exercise of an otherwise comparable controlling influence on Daimler AG. Control can be exercised directly or indirectly through share ownership, contractual arrangement, fiduciary status, economic circumstances or otherwise, and through either a single person or a group acting together.

- A master cooperation agreement on wide-ranging strategic cooperation with Renault S.A., Renault-Nissan B.V. and Nissan Motor Co., Ltd., as well as with Mitsubishi Motors Corporation. In the case of a change of control of one of the parties to the agreement, each of the other parties has the right to terminate the agreement. A change of control as defined by the master cooperation agreement occurs if a third party or several third parties acting jointly acquire, legally or economically, directly or indirectly, at least 50% of the voting rights in the company in question or are authorized to appoint a majority of the members of its managing board. Under the master cooperation agreement, several cooperation agreements were concluded between Daimler AG on the one side and Renault and/or Nissan on the other, which provide for the right of termination for a party to the agreement in the case of a change of control of another party. With the exception of the master cooperation agreement, the aforementioned cooperation agreements were transferred from Daimler AG to Mercedes-Benz AG in 2019.
- An agreement with BAIC Motor Co., Ltd. related to a jointly held company for the production and distribution of cars of the Mercedes-Benz brand in China, by which BAIC Motor Co., Ltd. is given the right to terminate the agreement or exercise a put or call option in the case that a third party acquires one third or more of the voting rights in Daimler AG.
- An agreement between Daimler AG, BMW AG and Audi AG related to the acquisition of the companies of the HERE Group and the associated establishment of There Holding B.V. In the event of a change of control of one of the parties to the agreement, the agreement obligates the party in question to offer its shares in There Holding B.V. to the other parties to the agreement (shareholders). A change of control of Daimler AG occurs if one person gains control over Daimler AG, whereby control is defined as (i) having control of more than 50% of the voting rights, (ii) being able to control more than 50% of the voting rights eligible to vote at the shareholders' meetings on all or nearly all matters, or (iii) the right to determine the majority of the members of the Board of Management or of the Supervisory Board. A change of control also occurs if competitors of the HERE Group or certain possible competitors of the HERE Group in the technology industry acquire a shareholding of at least 25% of Daimler AG. If none of the other parties acquire these shares, the agreement gives them the right to dissolve There Holding B.V.
- An agreement between Daimler AG and BMW AG which contains basic provisions for six joint ventures between Daimler Mobility Services GmbH and group companies of BMW AG in the field of mobility services (car sharing, ride hailing, parking, charging, multimodal and a joint venture holding the common brand). A change of control is defined as the acquisition by a third party of more than 50% of the voting rights or shares, or the conclusion of a control agreement over Daimler AG by a third party. As a result of a change of control, the other party may initiate a shoot-out process, which is more precisely defined in the agreement.