

# Remuneration Report 2022

Mercedes-Benz Group AG



According to the requirements of Section 162 of the German Stock Corporation Act (Aktiengesetz, AktG) the Remuneration Report explains the application of the remuneration system for the members of the Board of Management and the Supervisory Board of Mercedes-Benz Group AG and describes the amount and structure of the individual remuneration awarded and due for the current and former members of the Board of Management and Supervisory Board in financial year 2022. The remuneration system furthermore complies with the recommendations and suggestions of the German Corporate Governance Code (Deutsche Corporate Governance Kodex, DCGK), as amended on April 28, 2022.

The remuneration system for members of the Board of Management is aligned with the business strategy as well as the sustainable and long-term growth of the Company and was approved by the Annual Shareholders' Meeting according to Section 120a Subsection 1 AktG on July 8, 2020 with an approval rate of 95.33%. It can be accessed on the Company's website at <https://group.mercedes-benz.com/company/corporate-governance/board-of-management/remuneration/>. Remuneration of the Supervisory Board as well as the corresponding amendment to the Articles of Incorporation were approved at the Annual Shareholders' Meeting according to Section 113 Subsection 3 AktG on March 31, 2021, with an approval rate of 95.39%. The remuneration system of the Supervisory Board can be accessed on the Company's website at <https://group.mercedes-benz.com/company/corporate-governance/supervisory-board/remuneration.html>. The Remuneration Report 2021 was presented to the Annual Shareholders' Meeting for approval pursuant to Section 120a Subsection 4 AktG on April 29, 2022, and was approved with an approval rate of 90.24%.

The Remuneration Report 2022 was audited by KPMG AG Wirtschaftsprüfungsgesellschaft, exceeding the requirements of Section 162 Subsection 3 AktG according to both formal and substantial criteria. The auditor's opinion is enclosed with the Remuneration Report 2022.

## Review of the financial year 2022

The concrete link between the remuneration of the members of the Board of Management and performance (pay for performance) is of great importance to the Supervisory Board. In addition to the strong financial performance by the Group as a whole and the achievement of strategic targets, this also includes responsibility for employees, the environment and society. Despite the global economic challenges resulting from the shortage of semiconductors, the Group was able to continue on its profitable growth path in the financial year 2022 and achieve continued good financial performance.

In line with the pay for performance principle implemented in the remuneration system of the Board of Management, which is to take appropriate account of the performance of the members of the Board of Management by setting adequate and ambitious performance criteria within the variable remuneration components, the variable remuneration awarded and due in 2022 reflects, in the Supervisory Board's opinion, the good results of the past financial year. In addition to financial performance, the non-financial performance criteria and transformation targets achieved are also taken into account.

In the financial year 2022, the Mercedes-Benz brand continued to set the course for an all-electric future: by the end of the decade, Mercedes-Benz will be ready to go all-electric – wherever market conditions allow. With this strategic step from 'electric first' to 'electric only', Mercedes-Benz is accelerating the transformation to a zero-emission and software-driven future. This strategy is reflected in the targets for the Board of Management as well as for the executives.

The automotive industry continues to change profoundly and with strong momentum. Sustainability and climate protection in particular are among the most urgent challenges we now face. We are convinced that personal mobility will continue to be a fundamental need in the coming decades and that the market for sustainable luxury in the automotive sector will continue to grow. We also expect positive trends in the market for financial services and in the demand for fleet management as well as for digital mobility solutions. In implementing the Company's purpose of enabling mobility for people at a high level, we aim to:

- Make mobility more sustainable;
- Continue to grow the core business;
- Implement electric driving as a priority in all divisions;
- Initiate automated and autonomous driving and mobility services with a focus on customer value and profitability;
- Continue advancing digitalisation and leveraging its potential;
- Support this transformation with a culture that is practiced and further developed by the employees, making the Group more agile and faster while increasing the pace of innovation.

The focus of the activities is always on the customer and sustainability as integral components of the strategy. Achieving the financial targets, however, is a key condition in all the activities.

The Board of Management and Supervisory Board examined in detail the voting results from the Annual Shareholders' Meeting regarding the remuneration system and the Remuneration Report. The high level of agreement underpins the Supervisory Board in its approach of establishing a future-oriented remuneration system that reinforces the sustainable and long-term oriented development of Mercedes-Benz Group AG. Furthermore, the - in the view of the Supervisory Board - transparent remuneration reporting, which goes beyond statutory requirements, is viewed positively and will continue in the established manner. However, due to the strategic realignment of Mercedes-Benz Group AG and taking into account voting results, insights from investor dialog as well as developments in the market in the financial year 2022, consideration was given to a revision of the Board of Management's remuneration system. The goal was to make it simpler and easier to understand and to increase the focus on sustainability and particularly the long-term integration of ESG targets. In the financial year 2022, the Supervisory Board therefore resolved upon adjustments to the remuneration system; the accordingly revised remuneration system will be presented to the Annual Shareholders' Meeting on May 3, 2023 and - subject to approval in the Annual Shareholders' Meeting - apply retroactively for all active members of the Board of Management and for all new and reappointments as of January 1, 2023.

## Principles of Board of Management remuneration

When determining the total remuneration of individual members of the Board of Management on the basis of the remuneration system approved by the Annual Shareholders' Meeting, the performance of the members of the Board of Management is taken into account in addition to the situation of the Company, the respective areas of activity and responsibility and customary market practice, considering the size, complexity and economic situation of the Company. This is done in line with legal requirements and with a clear focus on the competition. In the view of the Supervisory Board, a balanced combination of non-performance-related (fixed) and performance-related (variable) remuneration components that also takes into account suitably ambitious performance parameters and performance indicators provides the Board of

Management with an incentive to implement the corporate strategy and ensure the Group's sustained success. In this way, the interests of all stakeholders, in particular those of the shareholders as the owners of the Company, those of the customers and those of the employees are to be reconciled.

There is a strong focus on making the remuneration system of the Board of Management consistent with that of the executives. This ensures that all of the decision-makers pursue uniform goals while taking the same financial and sustainability/environmental, social and governance (ESG) aspects into account and promoting the Company's cultural and organisational realignment.

The Supervisory Board generally observes the following guidelines when determining remuneration amounts and the remuneration system:

### Remuneration guidelines

- The remuneration system as a whole contributes significantly to promoting the business strategy.
- The remuneration system and the performance criteria for its variable components incentivise the Group's long-term and sustainable development.
- The remuneration system is an important factor in linking the interests of the shareholders, customers, employees and other stakeholders.
- The performance of the Board of Management members is appropriately taken into account in the variable remuneration components by adequately and ambitiously set performance targets (pay for performance).

## Review and determination of Board of Management remuneration

For each upcoming financial year, the Presidential Committee prepares the review of the remuneration system and the individual remuneration amount set by the Supervisory Board and, where necessary, prepares suggestions for changes. In the process, the Presidential Committee and the Supervisory Board make use of the advice of external remuneration experts. This was also done in the reporting period. Based on the preparation and recommendation of the Presidential Committee, the Supervisory Board has resolved on changes to the remuneration system of the members of the Board of Management approved by the 2020 Annual Shareholders' Meeting for the financial year 2023. The revised remuneration system shall be proposed to the Annual Shareholders' Meeting on May 3, 2023, in accordance with Section 120a Subsection 1 AktG and is intended to more strongly reflect the strategic realignment of Mercedes-Benz Group AG. If the Annual Shareholders' Meeting does not approve the remuneration system, a revised remuneration system is to be submitted for approval to the next ordinary Annual Shareholders' Meeting at the latest.

Based on the approved remuneration system and the recommendations of the Presidential Committee, the Supervisory Board determines the amount of the target total remuneration of the individual members of the Board of Management for each upcoming financial year. It shall be set in an adequate proportion to the responsibilities and performance of each member of the Board of Management and to the situation of the Company. In addition, the Supervisory Board ensures that the target total remuneration is in line with the market. For this purpose, it uses a horizontal as well as a vertical comparison. For the horizontal – external – comparison of the target total remuneration, with regard to the market position of the Company (in particular sector, size and country), the DAX and a group of international competitors consisting of listed automotive manufacturers (in the reporting period: BMW, GM, Honda, Hyundai, Kia, Mazda, Nissan, Stellantis, Subaru, Suzuki, Toyota and VW) are used. The composition of the international comparison group for the horizontal comparison corresponds to the group of competitors considered for the performance criteria for the long-term variable remuneration component (Performance Phantom Share Plan (PPSP)).

In addition to the horizontal comparison, the Supervisory Board takes into account the development of the Board of Management remuneration in a vertical – internal – comparison with the remuneration of the senior executives and the total workforce (collective and non-collective pay-scale employees, including senior executives) of the Group in Germany. This is done by comparing the ratio of the remuneration of the Board of Management with the remuneration of the defined groups of employees, including its development. In addition, a market comparison is carried out of the ratio of the remuneration of the Board of Management to that of the total workforce compared with the DAX companies. For this purpose, the Supervisory Board has defined the group of senior executives as follows: It consists of the two management levels below the Board of Management at Mercedes-Benz Group AG within the Group in Germany. In the event of significant shifts in the horizontal comparison or significant changes of the ratio between the remuneration of the Board of Management and the vertical comparison groups, the Supervisory Board examines the causes and, in the absence of objective reasons, adjusts the remuneration of the Board of Management if necessary.



**Structure and term of the target remuneration**

Target remuneration	in %	€ amounts in thousands	Term			
	approx. 40 %	CBM <sup>1</sup> : 2,200 OMBM <sup>1</sup> : 1,100	Performance Phantom Share Plan 3-year performance period			Performance Phantom Share Plan 1-year holding period
	approx. 15 %	CBM: 832 OMBM: 416 - 425	Annual bonus 50% deferral			
	approx. 15 %	CBM: 832 OMBM: 416 - 425	Annual bonus 50% payout			
	approx. 30 %	CBM: 1,664 OMBM: 832 - 850	Base salary			
	Payout, performance or commitment date		Fringe benefits			
		Pension commitment				
			Year 1	Year 2	Year 3	Year 4

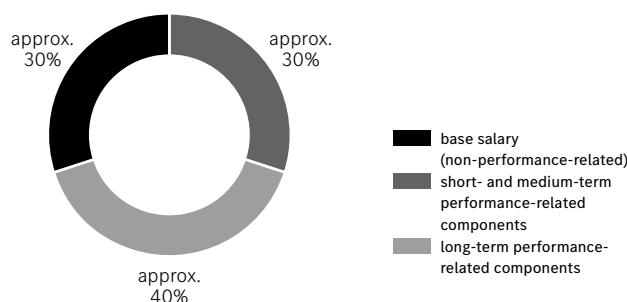
<sup>1</sup> CBM: Chair of the Board of Management; OMBM: Ordinary Member of the Board of Management

**Structure of the target total remuneration of the members of the Board of Management**

The base salary and the short- and medium-term variable remuneration (annual bonus) each comprise approximately 30% of the target remuneration (excluding the pension commitments and fringe benefits), while the long-term variable remuneration (PPSP) makes up approximately 40% of the target remuneration. Thus, the long-term variable remuneration component exceeds the short-term variable component, so that the focus is on the long-term and sustainable development of the Company without neglecting the operational annual targets. Both the deferred payout of the portion of the annual bonus and the long-term variable remuneration from the PPSP with its link to additional, in the view of the Supervisory Board, ambitious comparative parameters and to the share price reflect the recommendations of the DCGK, which stipulates that the variable remuneration that results from the achievement of mid- and long-term targets should exceed that from short-term targets.

**Remuneration structure**

Target remuneration consists of non-performance-related and performance-related components:



The pension contribution to the respective pension commitment of the members of the Board of Management is currently calculated as 15% of the sum of the base salary and the total annual bonus as determined at the end of the reporting period.







**Target remuneration**

	<b>Hubertus Troska<sup>1</sup></b> Greater China		<b>Harald Wilhelm</b> Finance & Controlling/ Mercedes-Benz Mobility	
	<b>2022</b>	2021	<b>2022</b>	2021
	in €k	in €k	in €k	in €k
Base salary	832	832	850	850
Taxable non-cash benefits and fringe benefits	562	728	65	59
<b>Sum fixed remuneration</b>	<b>1,394</b>	<b>1,560</b>	<b>915</b>	<b>909</b>
Short-term variable remuneration				
One-year variable remuneration 2022 (50% of annual bonus 2022)	416	-	425	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	416	-	425
Mid-term variable remuneration				
Deferral 2022 (50% of annual bonus 2022)	416	-	425	-
Deferral 2021 (50% of annual bonus 2021)	-	416	-	425
Long-term variable remuneration				
PPSP tranche 2022	1,100	-	1,100	-
PPSP tranche 2021	-	1,100	-	1,100
<b>Sum variable remuneration</b>	<b>1,932</b>	<b>1,932</b>	<b>1,950</b>	<b>1,950</b>
Pension expense (service costs)	250	250	268	278
<b>Target total remuneration</b>	<b>3,576</b>	<b>3,742</b>	<b>3,133</b>	<b>3,137</b>

<sup>1</sup> Hubertus Troska: In connection with Mr. Troska's activities abroad, taxable non-cash benefits have accrued in arrears for previous years. In addition, costs were incurred with regard to Mr. Troska's deployment location.

### Maximum amounts of remuneration and maximum total remuneration

Pursuant to Section 87a Subsection 1 Sentence 2 No. 1 of the German Stock Corporation Act (AktG), the remuneration system for the Board of Management provides for a maximum remuneration (cap) for members of the Board of Management. The maximum remuneration achievable for a financial year, comprising base salary, variable remuneration components, pension expense and fringe benefits, is capped at €12,000,000 gross for the Chair of the Board of Management and at €7,200,000 gross for each ordinary member of the Board of Management (“maximum total remuneration”).

In addition to the maximum total remuneration, the remuneration of the members of the Board of Management also has already had caps on each of the variable remuneration components and a cap on the amount of the cash payments (cap of cash payments) for many years. For the Chair of the Board of Management, this maximum amount is set at 1.7 times, for the other

members of the Board of Management at 1.9 times, the sum of the base salary, the target annual bonus and the PPSP value when granted.

The possible cap on the amount exceeding the maximum total remuneration and/or the maximum limit of the cash payments for financial year 2022 is determined with the payment of the PPSP issued in the relevant financial year, i.e., for the financial year 2022, with payment of the PPSP 2022 in the financial year 2026.

In the financial year 2022, the Supervisory Board ensured that the maximum amount of the cash payments were complied with. A final statement on compliance with the maximum total remuneration and the maximum amount of the cash payments for the financial year 2022 can only be made once the targets have been achieved and the PPSP issued in the financial year 2022 has been paid out in the financial year 2026.

#### Calculation of the maximum amount of remuneration (cap of cash payments) and maximum total remuneration

Base salary		Annual bonus		Performance Phantom Share Plan
Sum of monthly payments	+	Target amount	+	Grant value
= Target remuneration				

x 1.7 (Chair of the Board of Management)
 
x 1.9 (ordinary members of the Board of Management)

=

Maximum amount of remuneration (cash inflow cap)

+

Fringe benefits	+	Pension commitment/pension substitute
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Maximum remuneration pursuant to Section 87a Subsection 1 Sentence 2 No. 1 AktG





### Annual bonus

The annual bonus is a short- and medium-term variable remuneration component that provides an incentive for the contribution made in the financial year to the operational implementation of the corporate strategy, in particular the future-proof transformation through technological and sustainable realignment of the Group towards electro mobility and extensive digitalisation as

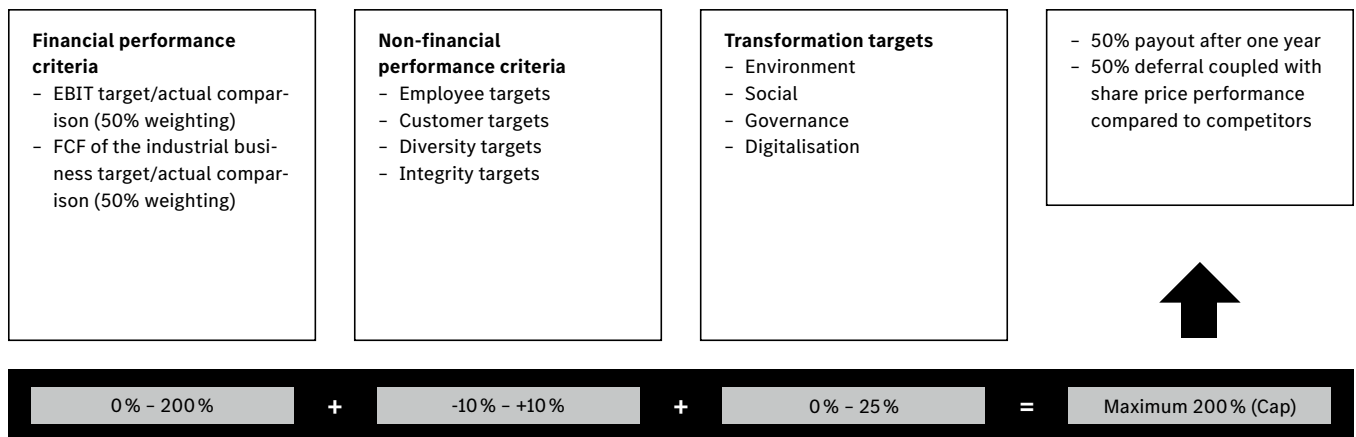
automotive manufacturer and mobility service provider. With this in mind, the Supervisory Board derives ambitious operational targets from the strategic business objectives for each upcoming financial year. In addition to financial performance criteria, these also include non-financial performance criteria and transformation targets.

#### Overview: Relation of the annual bonus to the business strategy

Components of the annual bonus	Overview: Relation of the annual bonus to the business strategy
Financial performance criteria - EBIT	Strong operational focus on strengthening the global core business and providing the financial means to achieve the corporate strategy objectives
Financial performance criteria - FCF IB	Alignment of remuneration with the extensive investment requirements arising from the Group transformation and incentivisation of further optimization of cash flow management
Non-financial performance criteria	Inclusion of important non-financial strategic targets and thus building blocks, such as 'strengthening the core business,' 'adjusting the corporate culture,' and 'strengthening the customer- and market-oriented structure'
Transformation targets	Clear focus of cluster/target criteria on defined future fields and sustainability and ESG aspects as part of the corporate strategy
Deferral	Extension of the performance period for half of the annual bonus through an additional share-based component and a competitor comparison, thereby promoting the sustainability aspect of the remuneration system
Consideration of competitors	Integration of a relative success measurement and creation of incentives for an outperformance of relative competitors

The target amount of the annual bonus, which is paid if target achievement is 100%, is currently set at 100% of the base salary. The total payout amount for the annual

bonus is limited to 2 times the base salary of the respective financial year and is calculated as follows:



Up to 50% of the calculated annual bonus is paid out in March of the following financial year (one-year variable compensation). The second 50% (so-called deferral, medium-term oriented variable remuneration) will be paid out one year later.

### **Value at 100% target achievement (target annual bonus)**

In the financial year 2022, it corresponds to the respective base salary.

### **Maximum annual bonus**

The total payout amount for the annual bonus is limited to 2 times the base salary of the respective financial year.

### **Financial performance criteria**

The structure of the financial performance criteria is to promote the long-term development of the Company in terms of its financial ability to invest with its own funds in – for example – new technologies and business models. This is to effectively ensure the future viability of the Company.

The financial performance criteria are based on the operating result of the Group (EBIT) and the free cash flow of the industrial business (FCF IB), both weighted at 50%. Besides revenue, EBIT and FCF IB are the key financial performance indicators for the Group's operational financial performance.

Performance criteria in the financial year 2022:

- 50% comparison EBIT actual value 2022 to target value 2022;
- 50% comparison FCF IB actual value 2022 to target value 2022.

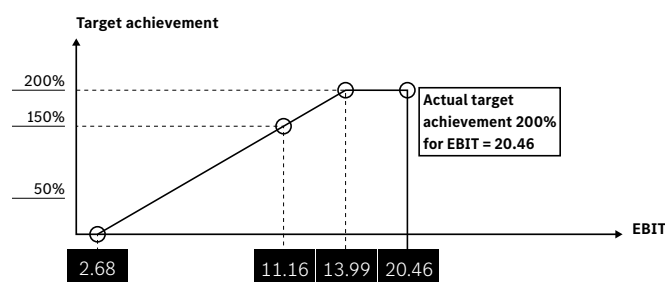
The measure of operating profit at the divisional level is EBIT. As earnings before interest and income taxes, EBIT reflects the divisions' responsibility for their earnings. The EBIT target value for each financial year is derived by the Supervisory Board based on the set medium-term return, which is ambitious and aligned with the competitive environment, and the growth targets. The starting point of the calculation is the revenue of the previous year.

In addition to the cash flows of the automotive divisions, FCF IB also includes cash flows from taxes and other reconciliation items not attributable to the divisions and is of particular importance for the financial strength of the Group. The target value for FCF IB in the respective financial year is based on the defined EBIT target of the divisions of the automotive business as well as on a strategic target for the cash conversion rate. The cash conversion rate is the proportion of the period's result that is scheduled to flow into the Group's liquidity after the payments for the necessary investments in research and development, tangible fixed assets and working capital are taken into account in accordance with the strategic growth target. When comparing the target 2022 FCF IB to the actual one, adjustments are made for certain factors that were taken into account in the target achievement of the annual bonus in the financial year 2021 or earlier.

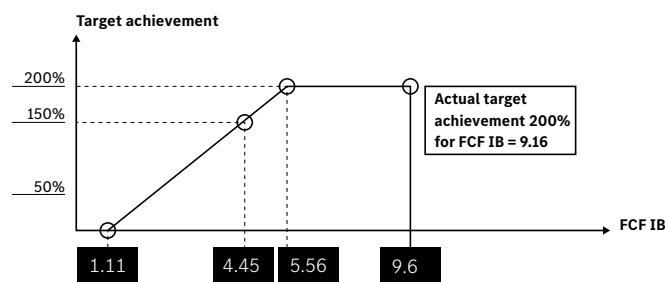
The range of possible target achievement for the two financial targets EBIT and FCF IB is between 0% and 200%. The lower limit of this range represents 25% of the target value; the upper limit 125% of the target value. If the value actually achieved is at or below the lower limit of the range, the degree of target achievement is always 0%. The total absence of a bonus is therefore possible. If the value actually achieved is at or above the upper limit of the range, the degree of target achievement is 200%, which is the maximum it can reach. Within the range, target achievement develops in a linear way.

For the financial year 2022, the Supervisory Board set the following financial targets, which were achieved as follows:

**Financial targets in the annual bonus: EBIT (in billions of euros)**



**Financial targets in the annual bonus: FCF IB (in billions of euros)**



**Non-financial performance criteria**

The non-financial performance criteria, which focus on sustainability and cultural aspects, are assigned to four categories and, like the financial targets, apply uniformly to the entire Board of Management. These categories represent further building blocks of the corporate strategy and thus promote the sustainable and long-term development of the Company: for example, integrity, employee satisfaction and diversity as indispensable components of an agile, future-oriented corporate culture committed to social values, or quality as an indispensable prerequisite of customer satisfaction and long-term and sustainable sales success.

Each category is weighted equally and receives an addition or a deduction of up to 2.5 percentage points each to or from the degree of achievement of the financial performance criteria. Across all four categories, the non-financial performance criteria lead to an addition or deduction of up to 10 percentage points to the degree of target achievement for the financial performance criteria. The addition or deduction is calculated based on measurable criteria, allowing target achievement to be clearly determined on the basis of a target/actual comparison at the end of the financial year. This avoids a determination which is based on the discretion of the Supervisory Board. The total of the addition or deduction resulting from the non-financial targets is commercially rounded to two significant figures. For the 2022 financial year this results in an addition of 7.0 percentage points (rounded).



In detail:

### Overview: Relation of the annual bonus to the business strategy

Non-financial performance criteria	Design	Target achievement 2022
<b>Integrity</b>	<ul style="list-style-type: none"> <li>Achievement of the Group-level targets regarding the further development and permanent establishment of the topic integrity was measured based on certain standardised questions in a global employee survey.</li> <li>This measurement was based on the achieved approval rate of any question, on the one hand, and the average approval rate achieved across all questions (integrity indicator), on the other.</li> <li>Target achievement is derived at Group level at the end of the financial year.</li> </ul>	2%
<b>Customer targets/quality</b>	<ul style="list-style-type: none"> <li>Quality and/or customer satisfaction targets (quality KPIs of all divisions) were defined by the individual divisions for the financial year.</li> <li>With regard to vehicles, a comparison was carried out of the target number and the actual number of claims during a predefined period of time, MIS (Months in Service), and in terms of service based on a customer satisfaction index.</li> <li>The level of target achievement at the Group level is derived as a weighted average of the individual divisional levels of target achievement at the end of the financial year.</li> </ul>	1%
<b>Employee engagement</b>	<ul style="list-style-type: none"> <li>Employee engagement to the Group was calculated based on their answers to certain standardized questions in our global employee survey.</li> <li>These answers, together with the participation rate achieved in the employee survey, are used to derive a level of target achievement at the Group level at the end of the financial year for the maintenance and enhancement of a high level of satisfaction and motivation among the employees.</li> </ul>	2%
<b>Diversity &amp; equal opportunity</b>	<ul style="list-style-type: none"> <li>A target for the proportion of women in management positions was defined at the Group level for a period of several years based on the Company's in-house guidelines for the proportion of women in management positions (Gender Diversity Aspirational Guidelines), which go beyond the legally obligatory targets.</li> <li>The level of target achievement is determined by way of a comparison of actual and target values, which is conducted at the end of the financial year.</li> </ul>	2%

The following criteria are used for the evaluation:

#### Integrity

Degree of target achievement	Addition/deduction	Integrity Indicator +	Approval rate of any question
Excellent	2.5%	>80%	>74%
Good	2.0%	71-80%	65-74%
Average	1.0%	61-70%	60-64%
Low	-2.5%	≤60%	≤59%

#### Employee engagement

Degree of target achievement	Addition/deduction	Employee engagement +	Participation rate
Excellent	2.5%	>35%	>70%
Good	2.0%	31-35%	66-70%
Average	1.0%	25-30%	61-65%
Low	-2.5%	≤25%	≤60%

#### Customer targets/quality

Degree of target achievement	Addition/deduction	Quality KPIs of all divisions
Excellent	2.5%	The addition/deduction depends on the respective target value of the respective division or product.
Good	2.0%	
Average	1.0%	
Low	-2.5%	

#### Diversity & equal opportunity

Degree of target achievement	Addition/deduction	Guidelines on the percentage of women in management positions
Excellent	2.5%	Target overachieved ≥10%
Good	2.0%	Target overachieved <10%
Average	1.0%	Target achieved
Low	-2.5%	Target not achieved





**Overview: Relation of the Performance Phantom Share Plan (PPSP) to the business strategy**

PPSP components	Relation to the business strategy/incentive effect
Rel. return on sales	Integrates a main internal key performance measure of the Group and ensures sustainable and profitable growth
Rel. share performance	Links the interests of the Board of Management and shareholders
Consideration of competitors	Integrates a relative measure of performance and thus creates incentive to outperform relevant competitors over the long run
Four-year duration	Ensures the sustainable and long-term growth of the Group
Conversion into phantom shares	Strengthens the relation to the share price and thus the linking of interests of the Board of Management and shareholders

At the beginning of the plan, the Supervisory Board sets a grant value in euro for every financial year in the context of setting the individual annual total target remuneration. This amount is divided by the relevant average Mercedes-Benz share price that was determined during a previously specified longer time period, which results in the number of the preliminary allocated phantom shares.

Also at the beginning of the plan, performance criteria are set for a period of three years (performance period). Depending on the achievement of these performance criteria with a possible range of 0% to 200%, the phantom shares allocated at the beginning of the plan are then converted into the final number of phantom shares allocated after three years.

After another year has elapsed (retention period), the amount to be paid out is calculated from this final number of phantom shares multiplied by the applicable Mercedes-Benz share price at that time. The share price relevant for the payout under this plan is also relevant for the allocation of the preliminary number of phantom shares for the newly issued plan in the respective financial year.

A dividend equivalent is applied for each phantom share held if a dividend is paid out for Mercedes-Benz shares in the respective year. The amount of the dividend equivalent is based on the dividend that is paid out during the respective year for an actual share in the Company. During the performance period, it is granted for the preliminary number of phantom shares that have been allocated; in the year of the retention period, it is granted for the final number of phantom shares.

**Value when granted**

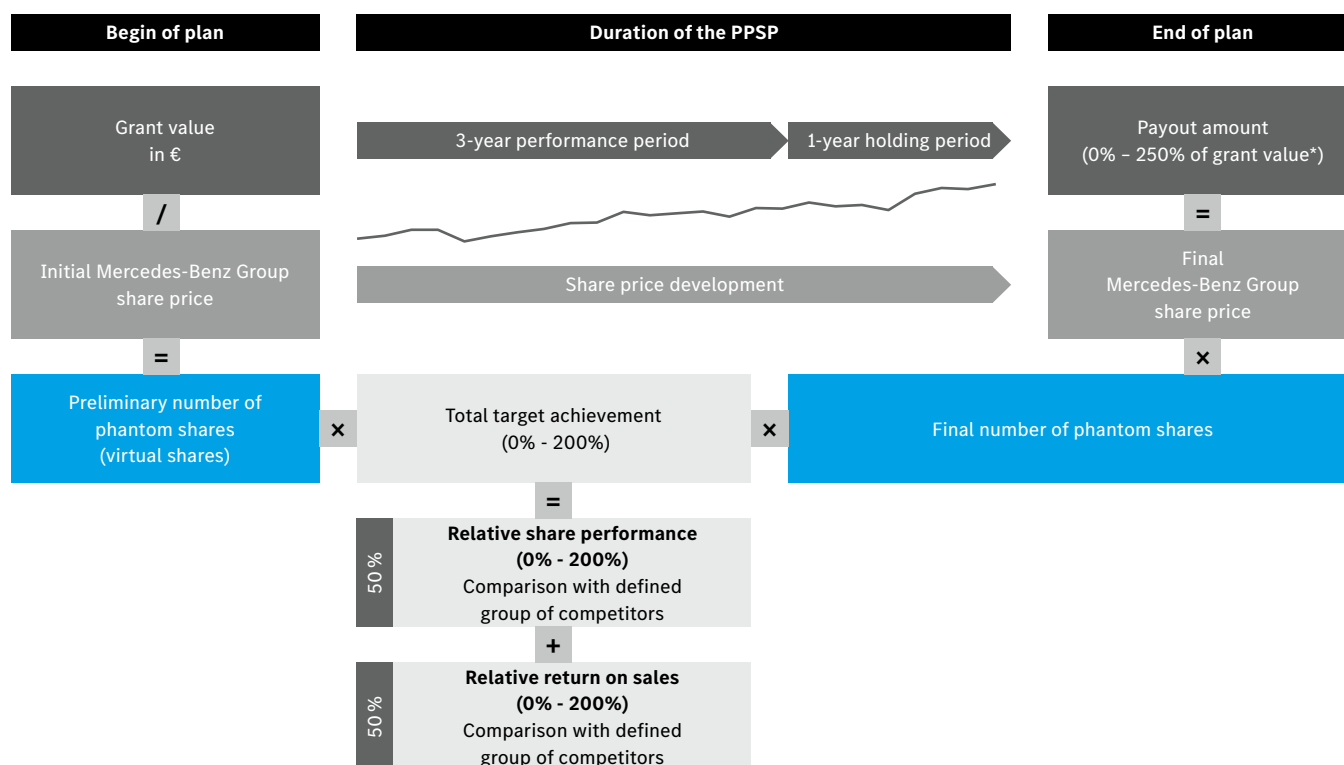
Determined annually by the Supervisory Board; for the financial year 2022, approximately 1.3 times the base salary.

**Range of possible target achievement**

0 to 200%, meaning that the plan is capped. It may also be zero.

**Value of the phantom shares at payout**

The value of the phantom shares to be paid out after the end of the plan period depends on the target achievement measured in accordance with the following performance criteria and the share price relevant for the payout. This share price is limited to 2.5 times the share price at the beginning of the plan. Furthermore, the final amount paid is limited to 2.5 times the value when granted at the beginning of the plan. This maximum amount also includes the dividend equivalent paid out during the four-year plan period. The dividend equivalent in the financial year 2022 amounts to €5 per virtual share, which was paid out for the 2019 to 2022 plans.



### Performance criteria for the PPSP 2022

Relative return on sales (50%):

The achieved return on sales is determined in a three-year comparison with the competitive group consisting of listed vehicle manufacturers with an automotive component of more than 70% by revenue and an investment-grade credit rating (BMW, GM, Honda, Hyundai, Kia, Mazda, Nissan, Stellantis, Subaru, Suzuki, Toyota and VW). To measure the performance, the average return on sales of the competitors is calculated over three years. Target achievement occurs to the extent to which Mercedes-Benz Group AG's return on sales deviates by a maximum of +/- 2 percentage points from 105% of the calculated average of the competitors.

- Target achievement of 100% only occurs when the average return on sales of the Group reaches 105% of the revenue-weighted average return on sales of the group of competitors. Maximum target achievement of 200% occurs if the return on sales of the Group exceeds 105% of the revenue-weighted average of the competitors by 2 percentage points or more. If a target achievement of between 195% and 200% occurs, the maximum target achievement calculated for the performance criterion of relative return on sales compared to the group of competitors will only be deemed to be

200% if the actual return on sales for the Group's automotive business reaches at least the strategic target for return on sales in the third year of the performance period. Otherwise, target achievement will be limited to 195%.

- Target achievement of 0% for this performance criterion occurs in the event of a downward deviation of 2 percentage points or more. In the deviation range of +/- 2 percentage points, target achievement develops in a linear way.

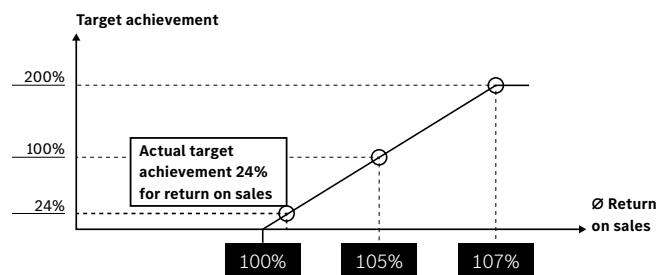
Relative share performance (50%):

Relative share performance is measured by the performance of the Mercedes-Benz share in a three-year comparison with the performance of the defined group of competitors. If the performance of the Mercedes-Benz share price (in %) is the same as that of the group of competitors (in %), target achievement is deemed to be 100%. If the performance of the share price (in %) is 50 percentage points or more above (below) the performance of the group of competitors, target achievement is deemed to be 200% (0%). In the deviation range of +/- 50 percentage points, target achievement develops in a linear way.

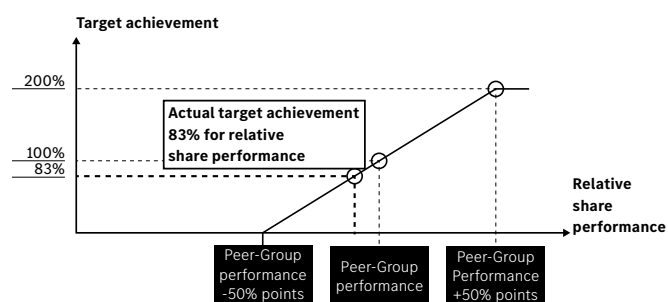
### Target achievement for the PPSP 2018

For the PPSP 2018, which was paid out in the financial year 2022 at the end of the four-year plan period, the following target achievement was calculated:

**Financial targets for PPSP: Return on sales**



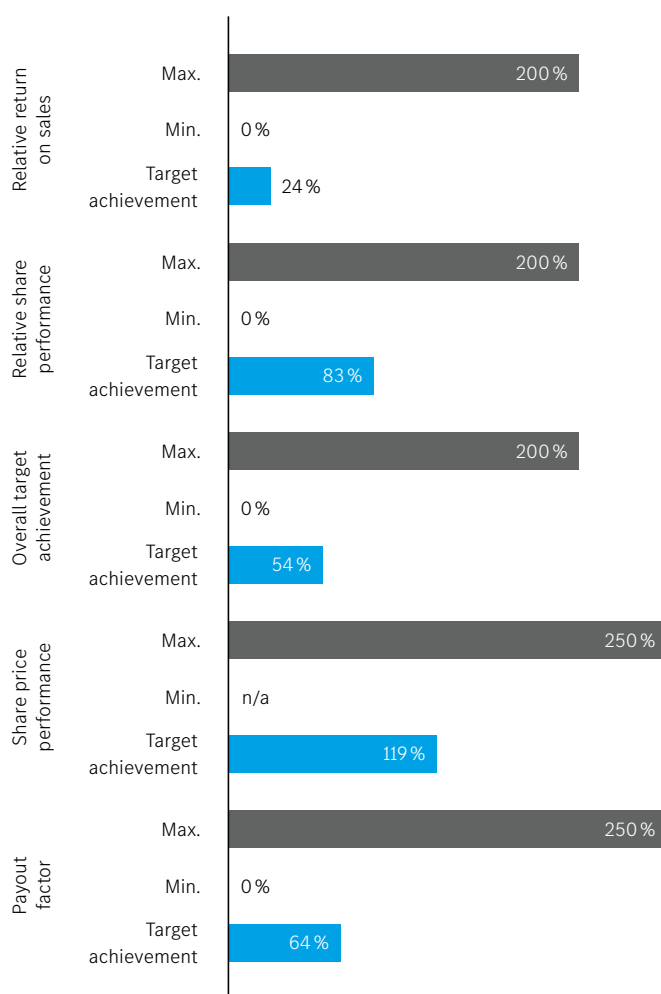
**Financial targets for PPSP: relative share performance**



The spin-off of the commercial vehicle business, which was completed at the end of the financial year 2021, had an impact on the PPSP 2018. The payout of the PPSP 2018 was based on a combined closing price of the Daimler-/Mercedes-Benz Group share and the Daimler Truck share. The PPSPs 2019 to 2021 continued as Group-specific plans following the successful spin-off of the commercial vehicle business. On the basis of the allocation ratio of 1:2 defined for the shareholders and the share prices of Daimler AG and Daimler Truck Holding AG in the period from December 10 to December 31, 2021, a conversion factor of 1.2199 was determined for the phantom shares of Mercedes-Benz Group AG. This was applied to the previous number of phantom shares in order to continue the PPSP at the same value (to determine the adjusted number of preliminary phantom shares after the spin-off of the truck business took effect, a conversion factor of 1.2199 was applied to the PPSPs 2019-2021).

The maximum target achievement of the performance criteria of relative return on sales and relative share performance of 200% was not reached by the PPSP 2018. The cap on the share price relevant for the payout of 2.5 times the share price at the beginning of the plan, and the cap on the final amount to be paid out (including the dividend equivalents paid out during the four-year plan period) of 2.5 times the allocation value specified at the beginning of the plan (payout factor), were also not reached for the PPSP 2018.

The following figure shows the target achievements, the share price performance and the payout factor of the PPSP 2018 in total:





**Malus/Clawback**

Malus and clawback provisions are implemented in the service contracts and the PPSP plan conditions.

These provisions allow for the partial or complete reduction of the annual bonus for any Board of Management member who violates the duties pursuant to Section 93 AktG and, in particular, the principles laid down in the Company's Integrity Code. If it is not possible to reduce a future bonus payment or a payment that has yet to be made, the Board of Management member in question will be required to pay back the amount of the bonus reduction from already paid bonuses. The Supervisory Board decides on such bonus reductions.

The terms governing the PPSP include a provision that allows for the partial or complete reduction of the payout for any member of the Board of Management who clearly violates the principles laid down in the Company's Integrity Code or any other professional obligations prior to the payout of the plan proceeds. The Supervisory Board decides on such bonus reductions.

There were no reasons for applying the malus or clawback provisions in the financial year 2022, which is why there were no reductions or repayments.

**Early termination of service**

The durations of the service contracts of the members of the Board of Management correspond to their terms of appointment.

If the appointment of a member of the Board of Management is revoked pursuant to Section 84 Subsection 3 of the German Stock Corporation Act (AktG) and there is good cause as defined in Section 626 of the German Civil Code (Bürgerliches Gesetzbuch, BGB), the service contract shall also end at the time the revocation of the appointment takes effect. In this case, no payments are made to the Board of Management member for the period from the effective date of the revocation.

In the case of early termination of the service contract without good cause within the meaning of Section 626 of the BGB, Board of Management service contracts include commitments to payment of the base salary and provision of a company car until the end of the original service period at a maximum. Such persons are only entitled to payment of the annual bonus pro rata for the period until the end of the membership in the Board of Management. Entitlement to payment of the performance-based components of remuneration with a long-term incentive effect (PPSP) that has already been allocated is determined by the conditions of the respective plans. In the event of retirement for age reasons, for example, or if mutually agreed, the plans are paid out in arrears. Already allocated plans are lost in the event of a unilateral resignation from the Board of Management position.

To the extent that the payments described above are subject to the provisions of the severance cap of the German Corporate Governance Code (DCGK), their total including fringe benefits is limited to twice the value of the annual remuneration and may not exceed the total remuneration for the remaining period of the service contract.

In the event of an early or regular termination of the service contract, both the short-term and the delayed medium-term component (deferral) of the annual bonus and the proceeds from the long-term PPSP are not paid out in advance but instead at the points in time agreed upon in the service contract or in the terms and conditions of the PPSP plan. The entitlements are inheritable.

A post-contractual non-competition clause is not included in the contracts of the Board of Management members. There are likewise no commitments in the



event of early termination of Board of Management membership due to a change of control, nor are there any commitments regarding severance payments.

Information on benefits in the event of regular termination of employment can be found in the section 'Retirement benefits.'

### **Secondary activities of Board of Management members**

The members of the Board of Management should accept management board or supervisory board positions and/or any other administrative or honorary functions outside the Group only to a limited extent. Furthermore, they require the consent of the Supervisory Board before commencing any sideline activities. This ensures that neither the time required nor the remuneration paid for such activities leads to any conflict with the members' duties to the Group. Insofar as such secondary activities are memberships of statutory supervisory boards or comparable boards of business enterprises, they are disclosed in the notes to the annual financial statements of Mercedes-Benz Group AG, which are published on the website. Up to a certain amount, the remuneration for mandates in listed companies in which Mercedes-Benz Group holds a direct or indirect interest is not offset. If the remuneration exceeds this set amount, it is partially offset against the Board of Management remuneration. When accepting mandates in companies in which Mercedes-Benz Group AG holds no direct or indirect interest, the remuneration for these mandates is not offset. In the financial year 2022, Renata Jungo Brüngger and Harald Wilhelm were members of the Supervisory Board of Daimler Truck Holding AG. The remuneration due by Daimler Truck Holding AG (payout in 2023) will be offset pro rata against the annual bonus for 2022 (payout also in 2023) in accordance with the applicable provisions. The approach is also described in the table 'Remuneration awarded and due.'

### **Remuneration from third parties**

No remuneration was paid to members of the Board of Management by third parties with regard to their activities on the Board of Management in the financial year 2022.



## Remuneration awarded and due

	Ola Källenius Chair of the Board of Management				T Jörg Burzer Production & Supply Chain Management			
	in M	in %	in M	in %	in M	in %	in M	in %
Base salary	,	%	,	%	,	%	,	%
Taxable non-cash benefits and fringe benefits		%		%		%		%
Sum fixed remuneration	,		,		,		,	
Short-term variable remuneration								
One-year variable remuneration 2022 (50% of annual bonus 2022) <sup>1</sup>	,	%	-	-		%	-	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	-	,	%	-	-		%
Offsets from mandate remuneration	-	-	-	-	-	-	-	-
Mid-term variable remuneration <sup>2</sup>								
Deferral 2020 (50% of annual bonus 2020)	,	%	-	-	-	-	-	-
Deferral 2019 (50% of annual bonus 2019)	-	-		%	-	-	-	-
Long-term variable remuneration								
PPSP 2018		%	-	-		%	-	-
PPSP 2017	-	-		%	-	-	-	-
Dividend equivalent PPSP 2022		%	-	-		%	-	-
Dividend equivalent PPSP 2021		%		%		%	-	-
Dividend equivalent PPSP 2020		%		%		%	-	-
Dividend equivalent PPSP 2019		%		%		%	-	-
Dividend equivalent PPSP 2018	-	-		%	-	-	-	-
Sum variable remuneration	,		,		,		,	
Total remuneration in terms of Sect. 162 AktG	,	%	,	%	,	%	,	%
Pension expense (service costs)		-		-		-		-
Total remuneration (incl. service costs)	,		,		,		,	

1 Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). The disclosure corresponds to the disclosure already made in the past in accordance with the model table (Benefits received) of the German Corporate Governance Code (DCGK) in its version of February 7, 2017 and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral (Mid-Term Incentive) and the PPSP (Long-Term Incentive), on the other hand, a disclosure logic is chosen that corresponds to a payout-oriented interpretation.

2 In addition to the deferrals paid out from the annual bonus 2019 and 2020 shown in the table, further deferrals are outstanding. These are the deferral 2021 with a deferred amount of k 1,664 and k 69, respectively, for Ola Källenius und Dr. Jörg Burzer, and the Deferral 2022 with a deferred amount of k 1,664 for Ola Källenius and k 832 for Dr. Jörg Burzer.

3 Dr. Jörg Burzer: the PPSP grants for 2021 and earlier were awarded prior to his appointment to the Board of Management.

**Remuneration awarded and due**

	<b>Renata Jungo Brüngger</b> Integrity & Legal Affairs				<b>Sabine Kohleisen</b> Human Resources & Labour Director			
	<b>2022</b>		2021		<b>2022</b>		2021	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	832	23 %	832	34 %	832	39 %	69	49 %
Taxable non-cash benefits and fringe benefits	93	3 %	94	4 %	194	9 %	4	2 %
<b>Sum fixed remuneration</b>	<b>925</b>		<b>926</b>		<b>1,026</b>		<b>73</b>	
Short-term variable remuneration								
One-year variable remuneration 2022 (50% of annual bonus 2022) <sup>1</sup>	832	23 %	-	-	832	39 %	-	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	-	832	34 %	-	-	69	49 %
Offsets from mandate remuneration	-51	-1 %	-	-	-	-	-	-
Mid-term variable remuneration <sup>2</sup>								
Deferral 2020 (50% of annual bonus 2020)	690	19 %	-	-	-	-	-	-
Deferral 2019 (50% of annual bonus 2019)	-	-	118	5 %	-	-	-	-
Long-term variable remuneration								
PPSP 2018	710	17 %	-	-	67	3 %	-	-
PPSP 2017	-	-	495	20 %	-	-	-	-
Dividend equivalent PPSP 2022	76	2 %	-	-	76	4 %	-	-
Dividend equivalent PPSP 2021	115	3 %	25	1 %	42	2 %	-	-
Dividend equivalent PPSP 2020	145	4 %	32	1 %	40	2 %	-	-
Dividend equivalent PPSP 2019	252	7 %	30	1 %	32	2 %	-	-
Dividend equivalent PPSP 2018	-	-	11	0 %	-	-	-	-
<b>Sum variable remuneration</b>	<b>2,769</b>		<b>1,543</b>		<b>1,089</b>		<b>69</b>	
<b>Total remuneration in terms of Sect.162 AktG</b>	<b>3,694</b>	100 %	<b>2,469</b>	100 %	<b>2,115</b>	100 %	<b>142</b>	100 %
Pension expense (service costs)	250	-	251	-	252	-	-	-
<b>Total remuneration (incl. service costs)</b>	<b>3,944</b>		<b>2,720</b>		<b>2,367</b>		<b>142</b>	

1 Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). The disclosure corresponds to the disclosure already made in the past in accordance with the model table ('Benefits received') of the German Corporate Governance Code (DCGK) in its version of February 7, 2017 and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral (Mid-Term Incentive) and the PPSP (Long-Term Incentive), on the other hand, a disclosure logic is chosen that corresponds to a payout-oriented interpretation.

2 In addition to the deferrals paid out from the annual bonus 2019 and 2020 shown in the table, further deferrals are outstanding. These are the deferral 2021 for Renata Jungo Brüngger und Sabine Kohleisen with a deferred amount of k€832 and k€69, respectively, and the deferral 2022 with a deferred amount of k€832 each.

3 Sabine Kohleisen: the PPSP grants for 2021 and earlier were awarded prior to her appointment to the Board of Management.

**Remuneration awarded and due**

	<b>Markus Schäfer</b> Chief Technology Officer, Development & Purchasing				<b>Britta Seeger</b> Marketing & Sales			
	<b>2022</b>		2021		<b>2022</b>		2021	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	832	25%	832	40%	832	22%	832	34%
Taxable non-cash benefits and fringe benefits	91	3%	88	4%	75	2%	87	4%
<b>Sum fixed remuneration</b>	<b>923</b>		<b>920</b>		<b>907</b>		<b>919</b>	
Short-term variable remuneration								
One-year variable remuneration 2022 (50% of annual bonus 2022) <sup>1</sup>	832	25%	-	-	832	22%	-	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	-	832	40%	-	-	832	34%
Offsets from mandate remuneration	-	-	-	-	-	-	-	-
Mid-term variable remuneration <sup>2</sup>								
Deferral 2020 (50% of annual bonus 2020)	690	22%	-	-	690	19%	-	-
Deferral 2019 (50% of annual bonus 2019)	-	-	72	3%	-	-	118	5%
Long-term variable remuneration								
PPSP 2018	303	9%	-	-	710	19%	-	-
PPSP 2017	-	-	190	8%	-	-	495	20%
Dividend equivalent PPSP 2022	76	2%	-	-	76	2%	-	-
Dividend equivalent PPSP 2021	115	4%	25	1%	115	3%	25	1%
Dividend equivalent PPSP 2020	145	4%	32	2%	145	4%	32	1%
Dividend equivalent PPSP 2019	201	6%	24	1%	252	7%	30	1%
Dividend equivalent PPSP 2018	-	-	5	0%	-	-	11	0%
<b>Sum variable remuneration</b>	<b>2,362</b>		<b>1,180</b>		<b>2,820</b>		<b>1,543</b>	
<b>Total remuneration in terms of Sect. 162 AktG</b>	<b>3,285</b>	100%	<b>2,100</b>	100%	<b>3,727</b>	100%	<b>2,462</b>	100%
Pension expense (service costs)	251	-	253	-	254	-	255	-
<b>Total remuneration (incl. service costs)</b>	<b>3,536</b>		<b>2,353</b>		<b>3,981</b>		<b>2,717</b>	

1 Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). The disclosure corresponds to the disclosure already made in the past in accordance with the model table ("Benefits received") of the German Corporate Governance Code (DCGK) in its version of February 7, 2017 and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral (Mid-Term Incentive) and the PPSP (Long-Term Incentive), on the other hand, a disclosure logic is chosen that corresponds to a payout-oriented interpretation.

2 In addition to the deferrals paid out from the annual bonus 2019 and 2020 shown in the table, further deferrals are outstanding. These are the deferral 2021 for Markus Schäfer and Britta Seeger with a deferred amount of k€832 each, and the deferral 2022 with a deferred amount of k€832 each.

3 Markus Schäfer: the PPSP grants for 2017 and 2018 were awarded prior to his appointment to the Board of Management.

**Remuneration awarded and due**

	<b>Hubertus Troska</b> Greater China				<b>Harald Wilhelm</b> Finance & Controlling / Mercedes-Benz Mobility			
	<b>2022</b>		2021		<b>2022</b>		2021	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	832	20%	832	27%	850	29%	850	44%
Taxable non-cash benefits and fringe benefits	562	13%	728	23%	65	2%	59	3%
<b>Sum fixed remuneration</b>	<b>1,394</b>		<b>1,560</b>		<b>915</b>		<b>909</b>	
Short-term variable remuneration								
One-year variable remuneration 2022 (50% of annual bonus 2022) <sup>1</sup>	832	20%	-	-	850	29%	-	-
One-year variable remuneration 2021 (50% of annual bonus 2021)	-	-	832	27%	-	-	850	44%
Offsets from mandate remuneration	-	-	-	-	-71	-2%	-	-
Mid-term variable remuneration <sup>2</sup>								
Deferral 2020 (50% of annual bonus 2020)	690	16%	-	-	704	24%	-	-
Deferral 2019 (50% of annual bonus 2019)	-	-	118	4%	-	-	90	5%
Long-term variable remuneration								
PPSP 2018	710	17%	-	-	-	-	-	-
PPSP 2017	-	-	495	16%	-	-	-	-
Dividend equivalent PPSP 2022	76	2%	-	-	76	3%	-	-
Dividend equivalent PPSP 2021	115	3%	25	1%	115	4%	25	1%
Dividend equivalent PPSP 2020	145	3%	32	1%	145	5%	32	2%
Dividend equivalent PPSP 2019	252	6%	30	1%	189	6%	22	1%
Dividend equivalent PPSP 2018	-	-	11	0%	-	-	-	-
<b>Sum variable remuneration</b>	<b>2,820</b>		<b>1,543</b>		<b>2,008</b>		<b>1,019</b>	
<b>Total remuneration in terms of Sect. 162 AktG</b>	<b>4,214</b>	100%	<b>3,103</b>	100%	<b>2,923</b>	100%	<b>1,928</b>	100%
Pension expense (service costs)	250	-	250	-	268	-	278	-
<b>Total remuneration (incl. service costs)</b>	<b>4,464</b>		<b>3,353</b>		<b>3,191</b>		<b>2,206</b>	

1 Hubertus Troska: In connection with Hubertus Troska's activities abroad, there are still ongoing taxable non-cash benefits for previous years.

2 Only 50% of the annual bonus is paid out in March of the following financial year. The second 50% is paid out one year later (so-called deferral), depending on Mercedes-Benz share performance compared with an automotive index (STOXX Europe Auto Index). The disclosure corresponds to the disclosure already made in the past in accordance with the model table ('Benefits received') of the German Corporate Governance Code (DCGK) in its version of February 7, 2017 and thus ensures a consistently transparent and comparable presentation of the individual remuneration of the members of the Board of Management. The one-year variable remuneration is therefore disclosed for the financial year 2022, although the actual payout will not take place until the financial year 2023. For the deferral (Mid-Term Incentive) and the PPSP (Long-Term Incentive), on the other hand, a disclosure logic is chosen that corresponds to a payout-oriented interpretation.

3 In addition to the deferrals paid out from the annual bonus 2019 and 2020 shown in the table, further deferrals are outstanding. These are the deferral 2021 with a deferred amount of k€832 for Hubertus Troska and k€850 for Harald Wilhelm and the deferral 2022 with a deferred amount of k€832 for Hubertus Troska and k€850 for Harald Wilhelm.

## Remuneration of former Board of Management members in the financial year 2022

Dr Manfred Bischoff received pension payments in the amount of €764,524 in the financial year 2022. In addition, Dr Manfred Bischoff received fringe benefit payments in the amount of €22,450. The fixed remuneration components therefore account for 100% of the remuneration.

Wilfried Porth resigned from the Board of Management, responsible for Human Resources and Labour Director, at the close of November 30, 2021. His service contract ended at the close of April 30, 2022. During the remaining term of his service contract, Wilfried Porth received the contractually agreed remuneration. For the remainder of the financial year 2022 following his resignation (January 1, 2022, to April 30, 2022), this was the mid-term variable remuneration (deferral) from the annual bonus 2020 in the amount of €689,742 which was paid out in full. In addition, he received payments from the PPSP 2018 in the amount of €742,014, dividend equivalents in the amount of €562,015 from the current PPSP (2019-2022) and base salary/pension payments in the amount of €381,240. In addition, Wilfried Porth received fringe benefit payments in the amount of €31,265. The fixed remuneration components accordingly account for 17% and the variable remuneration components for 83% of the remuneration.

Martin Daum resigned from the Board of Management, as responsible for the then Trucks & Buses division, at the close of December 9, 2021. His service contract had already ended at the close of November 30, 2021. For the period between December 1 and December 9, 2021 Mr. Daum waived his remuneration from the former Daimler AG. For the remainder of the financial year 2021 (January 1, 2021, to November 30, 2021), Mr. Daum received the mid-term variable remuneration (deferral) from the annual bonus 2020 in the amount of €689,742 which was paid out in 2022. The fixed remuneration components accordingly account for 0% and the variable remuneration components for 100% of the remuneration.

In financial year 2022, Bodo Uebber received payments from the PPSP 2018 in the amount of €848,420, dividend equivalents in the amount of €300,670 from the current PPSP 2019 and pension payments in the amount of €294,672. Furthermore, Bodo Uebber received a payment in the amount of €1,188,282 from the company pension plan. In addition, he received fringe benefit payments in the amount of €19,753. The fixed remuneration components accordingly account for 57% and the variable remuneration components for 43% of the remuneration.

Prof. Dr Thomas Weber received pension payments in the amount of €356,415 in the financial year 2022. Furthermore, Prof. Dr Thomas Weber received a payment in the amount of €465,353 from the company pension plans. In addition, he received fringe benefit payments in the amount of €13,386. The fixed remuneration components therefore account for 100% of the remuneration.

Andreas Renschler received pension payments in the amount of €71,022 in the financial year 2022. The fixed remuneration components therefore account for 100% of the remuneration.

In the financial year 2022, Dr Dieter Zetsche received payments from the PPSP 2018 in the amount of €1,806,509, dividend equivalents in the amount of €640,195 from the current PPSP 2019 and pension payments in the amount of €1,119,461. Furthermore, Dr Zetsche received a payment in the amount of €800,480 from the company pension plan. In addition, Dr Dieter Zetsche received fringe benefit payments in the amount of €27,585. The fixed remuneration components accordingly account for 44% and the variable remuneration components for 56% of the remuneration.

The remuneration awarded and due in the financial year 2022 to the former members of the Board of Management of Mercedes-Benz Group AG, who resigned more than 10 years ago, amounted to €11.8 million (prev. year: €15.2 million) in total.

## Remuneration of the Supervisory Board

### Principles of Supervisory Board remuneration

Pursuant to Section 113 Subsection 3 AktG, the Annual Shareholders' Meeting of Mercedes-Benz Group AG must resolve upon the remuneration of the members of the Supervisory Board at least every four years. This resolution was adopted by the 2021 Annual Shareholders' Meeting with an approval rate of 95.39%. Article 10 of the Articles of Incorporation of Mercedes-Benz Group AG was adjusted. The remuneration of the members and the Chair of the Legal Affairs Committee was increased; in all other respects, the level of Supervisory Board remuneration remained unchanged. The new rules for Supervisory Board remuneration were applicable for the first time for the financial year 2021.

The remuneration of the Supervisory Board members is set, in the view of the Company, in an appropriate relationship to their responsibilities and to the situation of the Company and takes into account the recommendations of the German Corporate Governance Code (DCGK) as well as the remuneration of the supervisory boards of other large, listed companies. An appropriate and relevant remuneration makes an important contribution to the competition for outstanding talent for composition of the Supervisory Board and as a result for the best

possible supervision and advice of the Board of Management. This in turn is a precondition for the long-term success of the Company.

The members of the Supervisory Board receive a function-related, fixed remuneration without variable components, to strengthen their independence in the performance of monitoring and advisory duties and in personnel and remuneration decisions. In addition, especially in economically strained situations in which variable remuneration components generally decrease, there is a need to more intensively monitor and advise the Board of Management, accompanied by an increased workload and increased liability risk for Supervisory Board members.

### Remuneration amount

Taking into account the higher time requirements of the Chair, the Deputy Chair of the Supervisory Board as well as the Chairs and members of committees, the members of the Supervisory Board receive fixed annual remuneration of €144,000. The Chair of the Supervisory Board receives an additional €288,000; the Deputy Chair of the Supervisory Board receives an additional €144,000.

Fixed remuneration						
Chairman		Deputy Chairman		Member		
€432,000		€288,000		€144,000		
Committee remuneration						
Audit committee		Legal Affairs Committee		Presidential committee	Mediation Committee	Nomination Committee
Chair	Member	Chair	Member	Member		
€144,000	€72,000	€115,200	€57,600	€57,600	€28,800	€28,800
Attendance fee						
€1,100						



### Committee remuneration

- Members and chairs of the Audit Committee are remunerated with an additional €72,000 and €144,000, respectively.
- Membership of the Presidential Committee is remunerated with an additional €57,600. No additional remuneration is paid for the Chair of the Presidential Committee, as this activity is generally included in the remuneration of the Chair of the Supervisory Board, who chairs the Presidential Committee by virtue of the Rules of Procedure of the Supervisory Board and its committees.
- Membership of other Supervisory Board committees is remunerated with an additional €28,800.
- No additional remuneration is paid for the Chair of the Mediation Committee and the Nominating Committee, as this activity is generally included in the remuneration of the Chair of the Supervisory Board, who chairs the Mediation Committee and the Nominating Committee according to legal provisions or by virtue of the Rules of Procedure of the Supervisory Board and its committees.
- With effect from January 1, 2021, the expansion of duties and the associated increased time commitment of the members and the Chair of the Legal Affairs Committee were taken into account by means of additional function-related remuneration of €57,600 and €115,200, respectively.

Functions on committees shall only be taken into account for a maximum of three committees; if a member of the Supervisory Board has functions in more than three such committees, the three highest-paid committee functions shall be relevant. Members of a Supervisory Board committee are only entitled to remuneration for such membership in a financial year if the committee has held at least one meeting to fulfil its duties in this period.

### Attendance fee

The members of the Supervisory Board and its committees receive an attendance fee of €1,100 for each meeting of the Supervisory Board and its committees that they attend as a member, with attendance by telephone or video conference or using other comparable customary means of telecommunication also entitling them to an

attendance fee. The attendance fee is paid only once if several meetings of the Supervisory Board and/or its committees are held on the same calendar day.

Furthermore, the members of the Supervisory Board are reimbursed for the value-added tax and expenses incurred for Supervisory Board activities.

### Share ownership

All members of the Supervisory Board have made a commitment to acquire Company shares in the amount of 20% of their gross annual remuneration (excluding committee remuneration and the attendance fee) every year and to hold these shares until the end of one year after they have left the Company's Supervisory Board (voluntary obligation based on the 'comply or explain' principle). This does not apply to Supervisory Board members whose Supervisory Board remuneration is subject in a mandatory or voluntary manner to the guidelines of the German Trade Union Confederation on the transfer of supervisory board remuneration to the Hans Böckler Foundation, or which is subject to the same extent to a transfer to the employer or credited against a claim to payment due to a service or employment contract. In the event that a lower amount of the Supervisory Board remuneration is transferred or offset, the respective rules provide that the voluntary commitment applies to 20% of the amount not transferred or offset. With this voluntary commitment, the members of the Supervisory Board are expressing their focus on and commitment to the long-term, sustainable success of the Company.

### Additional benefits

No remuneration was paid in the financial year 2022 for services provided personally beyond the aforementioned board and committee activities, in particular for advisory or agency services, except for the remuneration paid to the members of the Supervisory Board representing the employees in accordance with their contracts of employment.

The members of the Supervisory Board were also covered in the year under review by a financial loss and liability insurance policy for executive bodies and certain executives (Directors & Officers insurance) taken out by and in the interest of the Company. The insurance premiums were paid by the Company. This approach is in line with market practice and appropriate, in the view of the Company.

## Remuneration of Supervisory Board members in the financial year 2022

The individual remuneration awarded and due to Supervisory Board members, which consists of 100% fixed remuneration components, is shown in the table below as vested remuneration for 2022 because the underlying activities have been fully performed.

The total remuneration for the activities of the members of the Supervisory Board of Mercedes-Benz Group AG in the financial year 2022 amounted to €6.6 million (prev. year: €5.0 million).

### Supervisory Board remuneration

	Fixed remuneration		Committee remuneration		Attendance fee		Total remuneration	
	2022	2021	2022	2021	2022	2021	2022	2021
in €k								
Dr Bernd Pischetsrieder (Chair) <sup>1</sup>	432	362	86	72	13	15	532	449
Ergun Lümali (Deputy Chair) <sup>2</sup>	241	144	169	96	19	15	429	255
Bader M. Al Saad (until 29.04.2022) <sup>3</sup>	47	144	0	0	3	10	50	154
Sari Baldauf <sup>4</sup>	144	144	29	68	9	15	182	227
Michael Bettag <sup>5</sup>	144	144	0	0	8	10	152	154
Ben van Beurden <sup>6</sup>	144	109	86	65	10	12	240	186
Dr Clemens Börsig (until 29.04.2022) <sup>3</sup>	47	144	85	259	6	17	137	420
Nadine Boguslawski <sup>7</sup>	144	60	0	0	7	3	151	63
Michael Brecht	191	288	110	187	15	19	316	494
Dr Martin Bruder Müller <sup>4</sup>	144	109	0	0	7	7	151	116
Elizabeth Centoni <sup>8</sup>	144	109	58	0	8	8	209	117
Dame Polly Courtice (since 29.04.2022) <sup>9</sup>	97	0	39	0	7	0	143	0
Marco Gobetti (since 29.04.2022) <sup>9</sup>	97	0	0	0	4	0	102	0
Michael Häberle <sup>10</sup>	144	144	58	58	11	14	213	216
Timotheus Höttges <sup>4</sup>	144	144	49	0	11	10	204	154
Olaf Koch <sup>10</sup>	144	36	217	33	17	6	378	75
Roman Romanowski <sup>10</sup>	144	46	39	0	10	3	193	49
Prof. Dr Helene Svahn <sup>10</sup>	144	36	0	0	8	3	152	39
Monika Tielsch <sup>11</sup>	144	9	0	0	8	0	152	9
Elke Tönjes-Werner	144	144	0	0	8	10	152	154
Dr Frank Weber <sup>11</sup>	144	144	0	0	8	10	152	154
Roman Zitzelsberger	144	144	58	58	9	14	210	216

1 Additionally from Mercedes-Benz AG in 2022 EUR: 311,200

2 Additionally from Mercedes-Benz AG in 2022 EUR: 224,800

3 Additionally from Mercedes-Benz AG in 2022 EUR: 31,469

4 Additionally from Mercedes-Benz AG in 2022 EUR: 91,900

5 Additionally from Mercedes-Benz AG in 2022 EUR: 83,768

6 Additionally from Mercedes-Benz AG in 2022 EUR: 136,200

7 Additionally from Mercedes-Benz AG in 2022 EUR: 137,300

8 Additionally from Mercedes-Benz AG in 2022 EUR: 90,800

9 Additionally from Mercedes-Benz AG in 2022 EUR: 61,768

10 Additionally from Mercedes-Benz AG in 2022 EUR: 93,000

11 Additionally from Mercedes-Benz AG in 2022 EUR: 53,956

Note: The table shows the Supervisory Board members active in 2022.

## Comparative presentation of remuneration and Company performance

The following table provides an overview of the Company's earnings performance, the development of average employee remuneration and the remuneration of the members of the Board of Management and Supervisory Board of the previous five financial years. The Company's earnings performance is presented based on the financial

indicators of net income of the Company in accordance with HGB and EBIT and FCF IB of the Group. The average remuneration of employees takes into account the annual personnel expenses in relation to the number of employees on a full-time equivalent (FTE) basis at Mercedes-Benz Group AG. In addition, the remuneration awarded and due to current and former members of the Board of Management and Supervisory Board in the financial year and the previous year is shown in its development.

### Comparative presentation

	2022	2021	Change 2022/2021	2020	Change 2021/2020	2019	Change 2020/2019	2018	Change 2019/2018
	in €k	in €k	in %	in €k	in %	in €k	in %	in €k	in %
<b>Earnings performance</b>									
Net income of the Company (HGB) in € million	8,877	9,538	-7%	2,133	347%	-1,678	-227%	5,022	-133%
EBIT of the Group in € million <sup>1</sup>	20,458	29,069	-30%	6,603	340%	4,313	53%	11,132	-61%
FCF IB of the Group in €million	9,156	8,606	6%	8,259	4%	1,368	504%	2,898	-53%

### Employees

Relative change of remuneration of employees of Mercedes-Benz Group AG <sup>2</sup>	-	-	5%	-	6%	-	-	-	-
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### Members of the Board of Management active in the financial year<sup>3</sup>

Ola Källenius	6,581	4,284	54%	3,623	18%	3,335	9%	2,405	39%
Dr Jörg Burzer	2,265	141	1506%	-	-	-	-	-	-
Renata Jungo Brüngger	3,694	2,469	50%	2,288	8%	2,089	10%	2,097	0%
Sabine Kohleisen	2,115	142	1389%	-	-	-	-	-	-
Markus Schäfer <sup>4</sup>	3,285	2,100	56%	1,649	27%	736	124%	-	-
Britta Seeger <sup>4</sup>	3,727	2,462	51%	1,772	39%	1,969	-10%	1,431	38%
Hubertus Troska	4,214	3,103	35%	2,940	6%	3,019	-3%	3,721	-19%
Harald Wilhelm	2,923	1,928	52%	1,465	32%	834	76%	-	-
<b>Average</b>	<b>3,601</b>	<b>2,079</b>	<b>73%</b>	<b>2,290</b>	<b>-9%</b>	<b>1,997</b>	<b>15%</b>	<b>2,414</b>	<b>-17%</b>

### Former members of the Board of Management

Dr Manfred Bischoff (until 16.12.2003)	787	814	-3%	828	-2%	797	4%	764	4%
Wilfried Porth (until 30.11.2021)	2,406	2,399	0%	2,309	4%	2,756	-16%	3,389	-19%
Martin Daum (until 9.12.2021)	690	2,328	-70%	1,967	18%	2,126	-7%	1,875	13%
Bodo Uebber (until 22.05.2019) <sup>5</sup>	2,652	1,087	144%	9,834	-89%	3,135	214%	3,982	-21%
Prof. Dr Thomas Weber (until 31.12.2016) <sup>6</sup>	835	798	5%	763	5%	1,175	-35%	2,453	-52%
Andreas Renschler (until 28.1.2014)	71	-	-	-	-	-	-	-	-
Dr Dieter Zetsche (until 22.05.2019) <sup>7</sup>	4,394	3,539	24%	3,878	-9%	6,580	-41%	8,264	-20%
Sum of other former members of the Board of Management (left more than 10 years ago)	11,752	15,266	-23%	15,065	1%	15,419	-2%	15,148	2%
<b>Average</b>	<b>1,123</b>	<b>744</b>	<b>51%</b>	<b>1,047</b>	<b>-29%</b>	<b>904</b>	<b>-16%</b>	<b>1,093</b>	<b>-17%</b>

**Comparative presentation**

	2022	2021	Change 2022/2021	2020	Change 2021/2020	2019	Change 2020/2019	2018	Change 2019/2018
	in €k	in €k	in %	in €k	in %	in €k	in %	in €k	in %
<b>Members of the Supervisory Board active in the financial year<sup>8</sup></b>									
Dr Bernd Pischetsrieder (Chair)	532	449	19 %	144	212 %	176	-18 %	154	14 %
Ergun Lümali (Deputy Chair)	429	255	68 %	197	29 %	280	-30 %	230	21 %
Bader M. Al Saad (until 29.04.2022)	50	154	-67 %	128	20 %	165	-22 %	153	8 %
Sari Baldauf	182	227	-20 %	154	47 %	195	-21 %	185	5 %
Michael Bettag	152	154	-1 %	132	16 %	153	-14 %	154	-1 %
Ben van Beurden	240	186	29 %	-	-	-	-	-	-
Dr Clemens Börsig (until 29.04.2022)	137	420	-67 %	284	48 %	331	-14 %	302	10 %
Nadine Boguslawski	151	63	138 %	-	-	-	-	-	-
Michael Brecht	316	494	-36 %	398	24 %	499	-20 %	435	15 %
Dr Martin Bruder Müller	151	116	29 %	-	-	-	-	-	-
Elizabeth Centoni	209	117	80 %	-	-	-	-	-	-
Dame Polly Courtice (since 29.04.2022)	143	-	-	-	-	-	-	-	-
Marco Gobetti (since 29.04.2022)	102	-	-	-	-	-	-	-	-
Michael Häberle	213	216	-2 %	158	37 %	185	-15 %	-	-
Timotheus Höttges	204	154	32 %	62	148 %	-	-	-	-
Olaf Koch	378	75	401 %	-	-	-	-	-	-
Roman Romanowski	193	49	290 %	-	-	-	-	-	-
Prof. Dr Helene Svahn	152	39	293 %	-	-	-	-	-	-
Monika Tielsch	152	9	1.572 %	-	-	-	-	-	-
Elke Tönjes-Werner	152	154	-1 %	132	17 %	153	-14 %	154	-1 %
Dr Frank Weber	152	154	-1 %	132	16 %	168	-21 %	154	9 %
Roman Zitzelsberger	210	216	-3 %	183	18 %	236	-22 %	214	11 %
<b>Average</b>	<b>209</b>	<b>185</b>	<b>13 %</b>	<b>175</b>	<b>5 %</b>	<b>231</b>	<b>-24 %</b>	<b>213</b>	<b>8 %</b>

1 EBIT and FCF IB 2021: incl. discontinued operations.

2 Remuneration of employees of the Company: adjusted for special items and without Long-Term Incentive.

3 2020: Taking into account the voluntary waiver of the Board of Management of 20% of the base salary for the period April 1 to December 31, 2020.

4 2020: The payments from the long-term-oriented variable remuneration also include amounts issued before the appointment as a member of the Board of Management.

5 2020: includes one-time payments from pension commitments. From 1.1.2019-22.5.2019 payments out of active duty, from 23.5.2019 onwards payments out of pension agreements as well as ongoing payments.

6 Payments from pension agreements as well as ongoing payments.

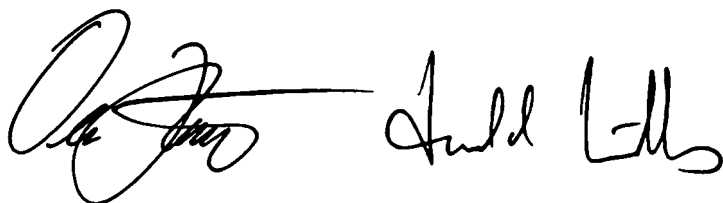
7 From 1.1.2019-22.5.2019 payments out of active duty, from 23.5.2019 onwards payments out of pension agreements as well as ongoing payments.

8 2020: Taking into account the voluntary waiver of the Supervisory Board of 20% of the fixed remuneration for the period April 1 to December 31, 2020. Supervisory Board: in general not including remuneration of subsidiaries. 2019: incl. remuneration of subsidiaries.

Note: In addition to his activities as member of the Board of Management, Dr Manfred Bischoff was also Chair of the Supervisory Board.

For the Board of Management

For the Supervisory Board

The image shows two handwritten signatures in black ink. The first signature on the left is for Ola Källenius, and the second signature on the right is for Harald Wilhelm.The image shows a single handwritten signature in black ink for Dr Bernd Pischetsrieder.

**Ola Källenius**  
Chairman of the Board  
of Management

**Harald Wilhelm**  
Finance & Controlling  
Mercedes-Benz Mobility

**Dr Bernd Pischetsrieder**  
Chairman of the  
Supervisory Board

# Independent Auditor's Report

To Mercedes-Benz Group AG, Stuttgart

## Report on the audit of the remuneration report

We have audited the attached remuneration report of Mercedes-Benz Group AG, Stuttgart, for the financial year from January 1 to December 31, 2022, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

### Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Mercedes-Benz Group AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2022, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

### **Other matter – formal examination of the remuneration report**

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

### **Limitation of liability**

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to Mercedes-Benz Group AG are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as amended on 1 January 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Stuttgart, March 13, 2023

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
[Original German version signed by]

Bock

Wirtschaftsprüfer

[German Public Auditor]

Engelmann

Wirtschaftsprüfer

[German Public Auditor]

