Daimler AG satisfies the recommendations of the German Corporate Governance Code published in the official section of the German Federal Gazette on April 24, 2017 in the Code version dated February 7, 2017, with the exception of Clause 3.8 Paragraph 3 (D & O insurance deductible for the Supervisory Board) and Clause 5.4.5 Paragraph 1 Sentence 2 (maximum number of Supervisory Board mandates for members of the Management Board of a listed company) and will continue to observe the recommendations with the aforesaid deviations. Since the issuance of the last compliance declaration in December 2018, Daimler AG has observed the recommendations of the German Corporate Governance Code with the exception of Clause 3.8 Paragraph 3 and as of September 24, 2019 with the further exception of Clause 5.4.5 Paragraph 1 Sentence 2.

D&O insurance deductible for the Supervisory Board (Clause 3.8, Paragraph 3). As in previous years, the Directors' & Officers' liability insurance (D&O insurance) also contains a provision for a deductible for the members of the Supervisory Board, which is appropriate in the view of Daimler AG. However, this deductible does not correspond to the legally required deductible for members of the Board of Management in the amount of at least 10% of the damage up to at least one and a half of the fixed annual remuneration. Since the remuneration structure of the Supervisory Board is limited to function-related fixed remuneration without performance bonus components, setting a deductible for Supervisory Board members in the amount of 1.5 times the fixed annual remuneration would have a disproportionate economic impact when compared with the members of the Board of Management, whose compensation consists of fixed and performance bonus components.

Maximum number of Supervisory Board mandates for members of the Management Board of a listed company (Clause 5.4.5 Paragraph 1 Sentence 2). According to this recommendation, members of the Management Board of a listed company shall not accept more than a total of three Supervisory Board mandates in non-group listed companies or on supervisory bodies of non-group entities that make similar requirements. Whether the number of mandates held by members of the Management Boards of listed companies still seems appropriate is, however, to be assessed more appropriately on a case-by-case basis than by a rigid upper limit. The individual workload expected for a member of the Management Board as a result of the total number of mandates held does not necessarily increase in proportion to their number.

Stuttgart, September 2019

For the Supervisory Board
Dr. Manfred Bischoff
Chairman

For the Board of Management
Ola Källenius
Chairman