

# DAIMLER

## *Declaration*

### ***by the Board of Management and Supervisory Board of Daimler AG pursuant to Section 161 of the German Stock Corporation Act (AktG) regarding the German Corporate Governance Code***

The Board of Management and Supervisory Board of Daimler AG declare that the recommendations of the German Corporate Governance Code Commission in the Code version dated May 26, 2010, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette on July 2, 2010, have been and are being applied since the last declaration of compliance from May 2011, with the exceptions presented below.

#### **1. D&O insurance deductible for the Supervisory Board (Clause 3.8, Paragraph 3)**

Daimler AG's Directors' & Officers' liability insurance (D&O insurance) also applies to the members of the Supervisory Board. Insurance coverage does not exist for intentional acts and omissions or for intentional breaches of duty. For negligent breaches of duty Supervisory Board members have a 50% deductible on the respective annual remuneration.

Since the compensation structure of the Supervisory Board is limited to 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 compared with the members of the Board of Management, whose compensation consists of fixed and performance bonus components. Therefore, the Supervisory Board has stipulated a deductible for its members in the amount of 50% of the respective annual remuneration, which exceeds the statutory deductible for the members of the Board of Management relative to the total remuneration.

#### **2. Compensation of Members of the Supervisory Board (Clause 5.4.6, Paragraph 2, Sentence 1)**

The members of the Daimler AG Supervisory Board receive suitable remuneration, which includes fixed and function-based components, as well as attendance fees. A base annual fee is set for each member in the Articles of Incorporation, with corresponding increases for the Chair or Deputy Chair of the Supervisory Board and in the case of committee membership, and special consideration to the Chair in the Audit Committee in accordance with the respective area of responsibility. In our view a function-based remuneration system is also more appropriate for the supervisory role of the Supervisory Board members than a performance-based compensation since it eliminates possible conflicts of interest arising from decisions of the Supervisory Board that could influence performance criteria. Therefore, there is no performance-based compensation.

Stuttgart, December 2011