

# DAIMLER

## **Annual Meeting 2016**

### **Counter motions and election proposals from shareholders**

**Dear Shareholders,**

As follows, you will find the counter motions and election proposals from shareholders as defined by Sections 126 and 127 of the German Stock Corporation Act on the items of the agenda of the Annual Shareholders' Meeting to be held on April 6, 2016.

The following motions are listed in the same order as they were received by Daimler.

### **Voting and issuing voting instructions on motions submitted by shareholders**

Even if you do not participate in the Annual Shareholders' Meeting in person or through a proxy other than a bank, a shareholders' association or person or institution exercising the same function, you can still support counter motions of shareholders by entering "No" (i.e. rejecting the proposal of the management) or by giving appropriate voting instructions on the corresponding items of the agenda in the absentee voting / voting instructions template of our e-service for shareholders or on your reply form.

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Mr. **Eckhard Kuhla**, Syke

**Regarding Item 3 of the Agenda:**

The actions of the members of the Board of Management are not to be ratified.

Reason:

With its current personnel policy, Daimler is fundamentally acting in contravention of the Basic Law for the Federal Republic of Germany. The target agreements of the senior executives include clearly defined targets on how many women are to be promoted by the end of the year so that the desired number of female executives can be achieved. Furthermore, as Mr. Porth confirmed in his interview in Spiegel magazine of July 18, 2012, executives who do not promote enough women are sanctioned with reduced earnings. As a result, a large number of sometimes completely unsuitable women are promoted to senior positions at Daimler in which they in no way perform adequately. In addition, Daimler has set up a Global Diversity Office, which – without generating any economic value added – squanders budgets. The fact that people are treated preferentially due only to their gender is a contravention of Article 3 Paragraph 3 of the Basic Law for the Federal Republic of Germany, which states as follows: “No-one may be disadvantaged or preferred due to his gender, his descent, his race, his language, his domicile and origin, his belief, his religious or political views.”

The target quota of 20% women in executive positions by 2020, which is the aim of the Board of Management, means that not the best employees are taken into consideration for promotion. This is a clear abandonment of the performance principle. This – together with the creation of a Global Diversity Office free of any value added – is a violation of Section 93 of the German Stock Corporation Act “Duty of care and responsibilities of the members of the board of management.”

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Mr. **Paul Russmann**, Stuttgart

**Regarding Item 3 of the Agenda:**

The actions of the members of the Board of Management are not to be ratified.

Reason:

According to the Annual Report 2015, Daimler has been involved “in refugee assistance programs for a long time now. For example, since 2013, Daimler and the ‘Wings of Help’ relief organization have sent three convoys with supplies for Syrian refugee camps in Turkey, and the partners have also sent two aid shipments by plane to northern Iraq. We have also contributed €100,000 annually for three years to the city of Stuttgart’s “Welcome Fund.” We have donated a further €100,000 to refugee assistance projects sponsored by a community organization in Sindelfingen. In addition, we donated €1 million to the ‘Bild hilft e. V. – Ein Herz für Kinder’ child refugee aid association. We finance German courses for refugees, collect food donations from Daimler cafeterias and provide aid organizations with an ‘assistance fleet’ of Mercedes-Benz vehicles.”

In contrast, Daimler AG does not write a word in its Annual Report 2015 about the supply of military Unimogs and tank transporters. The recipients of military Unimogs and tank transporters from the Daimler plant in Wörth in recent years have included Egypt, Abu Dhabi,

Algeria, Angola, Iraq, Israel, Jordan, Qatar, Kuwait, Libya, Morocco, Oman, Pakistan, Saudi Arabia, Syria, Tunisia, Turkey and the United Arab Emirates – countries in which human rights are trampled underfoot and which are located in crisis areas and war zones.

The official Daimler AG website also fails to mention the Group's armaments production and armaments export. Anyone who wants to find out more about the "inhuman armaments production" (IG Metall trade union in Stuttgart, September 2014) of the three-pointed star has to resort to a relatively unknown source: <http://www.mb-military-vehicles.com>.

Is the Board of Management afraid of reputational damage resulting from publication in the annual report and on the company's website of the delivery of military goods?

With the export of military commercial vehicles, the Daimler Critical Shareholders (Arndtstr. 31, 70197 Stuttgart, Tel: 07 11-608396, [www.kritischeaktionaeere.de](http://www.kritischeaktionaeere.de)) are of the view that also in 2015, Daimler AG violated the intention of "good corporate governance," as well as its corporate social responsibility (CSR) and the intention of the Global Compact.

The fact that the supply of armaments can deter young people from applying for a job at our company is shown by inquiries such as this one addressed to the Critical Shareholders in March 2016:

"I am currently looking for a new job and have included Daimler on my short list. What I don't like is the production of 'Mercedes-Benz Defence Vehicles.' It seems that very dubious business has been done with them in the past. I would like to know which position the company now has on this issue and will have in the future. Is a complete exit planned?"

Anyone who wants to avoid image damage to our company, to combat the causes of migration and to respect human rights has to proscribe the export of military Unimogs and tank transporters.

Following the exit from the Daimler armaments producers EADS and Rolls-Royce, which was demanded by the Critical Shareholders and has now taken place, our goal is also to terminate the business with the production and export of military vehicles.

The military vehicles that are produced account for less than one percent of the Group's entire production of commercial vehicles. It would therefore be easy for Daimler AG to take the next step, in particular when it involves the delivery of military vehicles to crisis areas and war zones.

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Mr. **Wilm Diedrich Müller**, Neuenburg

**Regarding Item 4 of the Agenda:**

Persons, furthermore and less importantly, I have hereby requested with regard to Item of the Agenda Number 4 that the actions of none of the members of the Supervisory Board of the aforementioned firm Daimler are to be ratified for financial year 2015.

Reason:

I justify this unpleasant request with the fact that in the year 2015, the aforementioned firm Daimler failed to non-violently destroy the aforementioned firm European because the same firm European is a criminal organization, because I was excluded from the last election to the "European Parliament" – quite arbitrarily – properly objected to that exclusion, upon which that election was by no means repeated (this time properly), but I was intimidated by the enforced seizure of my firm Diedrich Müller, which constitutes the basis for my means of economic existence, never again to object to - apparently fraudulent – elections.

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Ms. **Beate Winkler-Pedernera**, Stade

**Regarding Item 3 of the Agenda:**

The actions of the members of the Board of Management are not to be ratified.

Reason:

Daimler AG creates reasons for flight because it contributes to 180,000 people in South Sudan being poisoned and their livelihood being taken away.

"If areas and regions become uninhabitable and can no longer be farmed due to environmental destruction or changes, migration is often the only possibility for the people there." [www.aktion-deutschland-hilft.de](http://www.aktion-deutschland-hilft.de)

Although our company's involvement in the refugee crisis is laudable, it has a bitter aftertaste when one considers that at the same time, we are contributing ourselves to the reasons for flight through our sponsor and supplier PETRONAS.

Highly topically, the newspaper Süddeutsche Zeitung reported on March 8, 2016 under the headline "PETRONAS' dirty business puts Daimler under pressure" about environmental pollution in South Sudan. Close to an oil-producing region in South Sudan, people have to drink polluted water. Studies have suggested a connection to PETRONAS. This suspicion was confirmed and made specific by an ARD reporting program transmitted on the same day with the title "Environmental disaster in South Sudan – Daimler sponsor under suspicion." Hydrogeological investigations by the human-rights and aid organization "Hoffnungszeichen, Sign of Hope e.V." <https://www.hoffnungszeichen.de/informieren/laender-projekte/suedsudan> have shown that the pollution in the Thar Jath oil field in South Sudan has found its way into drinking water. Hair analyses of persons living in nearby villages reveal a dangerously high level

of lead poisoning. According to *Report*, an expertise on this subject has been prepared by the forensic toxicologist Professor Fritz Pragst of the Institute for Forensic Medicine of the Berlin Charité hospital. According to BR 24, there are indications of birth deformities in babies whose parents came into contact with the water polluted with heavy metals.

These reports show that the title sponsor of our Formula One team, PETRONAS, is risking the health and lives of the people of a whole region with its improper disposal of waste materials from oil production.

The cooperation between Daimler and PETRONAS already started in 2009. With a stake of 68%, PETRONAS is the biggest shareholder in the oil consortium SPOC, which is active in South Sudan. On December 22, 2009, PETRONAS announced the signing of a sponsoring agreement with our company for Formula One. Our Board of Management should have had doubts about such a partnership before this agreement was signed. Two weeks before, CNN reported on environmental pollution by PETRONAS in South Sudan.

In March 2010, hat Hoffnungszeichen Sign of Hope e.V. notified the Board of Management of these facts. Instead of terminating the cooperation with PETRONAS or urging the supplier (lubricants and fuels for Formula One) and sponsor to comply with environmental standards, the Board of Management actually extended the cooperation with PETRONAS to include the German Touring Car Championships (DTM).

It is also shocking that Daimler continues to stand by this partner, although in a discussion in November 2015, the aid organization Hoffnungszeichen Sign of Hope e.V. was openly threatened: "If you continue publishing without submitting it to the industry, it will be regarded as an act against South Sudan and as a threat to the country's security." Daimler employees did not intervene – at least openly – the cooperation was maintained. In the past several days, Formula One drivers have again been conspicuously advertising PETRONAS. According to the German Foreign Ministry, the threat by the South Sudan government is to be taken very seriously. Hoffnungszeichen Sign of Hope e.V. then withdrew all of its expatriate staff from clinics and projects in South Sudan.

Our Board of Management has been aware for many years of the blatantly polluting and unscrupulous behavior of PETRONAS. It is well known that people in South Sudan are being poisoned by PETRONAS. The Board of Management is also aware of the threats made to Hoffnungszeichen Sign of Hope e.V. Nonetheless, PETRONAS is still a sponsoring partner of our company and profits from our brand. Unfortunately, this is damaging Daimler's reputation.

With the ongoing cooperation with PETRONAS, our Board of Management is contravening important objectives: the "sustainability program 2010 to 2020," the "human rights" and "environment" principles of the Global Compact and "corporate social responsibility."

The actions of the members of the Board of Management can therefore not be ratified.

The former member of the Board of Management Ms. Hohmann-Dennhardt formulated this principle very clearly: "Protecting the environment for present and future generations and complying with all applicable regulations and laws is a fundamental concern of Daimler and its partners," and "we believe that no business transaction is worth risking the reputation of our company. We expect the same of our partners."

[www.daimler.com](http://www.daimler.com)

**Regarding Item 4 of the Agenda:**

The actions of the members of the Supervisory Board are not to be ratified.

Reason:

The Supervisory Board continues to support the company's maximization of profits through the increasing use of temporary staff and in particular by employee outsourcing, and has not prohibited the Board of Management from pursuing this policy.

As a result of massive public pressure and legal clarifications, some contracts for services and labor had to be converted to temporary employment contracts last year. Some employees actually obtained through legal action the privilege of belonging to the permanent staff. The criteria for these changes of workers' status are opaque and unclear, however.

Employee outsourcing is increasing at all plants and is causing resentment amongst those affected. With the use of an example, I will make clear that the way in which the outsourced group of former Daimler employees are treated at ISS Facilities shows many of the pitfalls of outsourcing.

In October 2006, Daimler AG sold its then services subsidiary DEBEOS GmbH to the services company ISS Facilities Services GmbH. The employees continued to work in the same places and performed the same tasks, which represents the outsourcing of the supply of temporary workers rather than a contract for services and work. The persons involved lost all of the rights of the permanent staff such as increases in the company pension, wage increases, profit sharing, the right to apply for jobs within the company etc. Their jobs were safeguarded only for a ten-year period in a framework agreement. This last remaining security will now expire at the end of 2016. In recent years, 22 longstanding employees were already dismissed by way of operations being closed down; it was suggested to others that their contracts should be terminated by mutual agreement. Will the remaining approximately 160 longstanding employees be unemployed after 2016?

Eighteen months ago, the employees' status was restricted further. Their company passes were replaced by external-company passes. This means they are no longer allowed to use the staff car park. The Daimler addresses and access to the intranet have been blocked. No more direct contact with Daimler is allowed. This is a nonsensical job description for people who constantly have to deal with Daimler employees at the plant gates, at reception, in buildings and office support, in waste disposal and in technical service, and is a human tragedy. Daimler employees deliberately avoid contacts with ISS employees as they may otherwise receive written warnings. It is unacceptable that core areas like this are outsourced.

Already at the last Annual Shareholders' Meeting; I as a Critical Daimler Shareholders (Arndtstr. 31, 70197 Stuttgart, Tel: +49 711 608396, [www.kritischeaktionaeere.de](http://www.kritischeaktionaeere.de)) requested that the Board of Management reconsider its strategy of employee outsourcing, because it is unethical that the management does not feel responsible for all employees. Mr. Zetsche's concise answer to my inquiries in earlier Annual Shareholders' Meetings "We do not comment on external companies!"

The Board of Management has openly and repeatedly expressed its support for increasing employee outsourcing. It claims that the rising tendency primarily serves to protect the permanent staff. When an increasing proportion of the workforce as a sort of underclass has to bear the risks for the permanent staff, it serves to maximize profits but to call it ethical would be

cynical! Even the permanent staff members are not keen on this policy, because employee outsourcing is also an instrument for putting pressure on their wages and working conditions. There is a constant threat of being replaced by other less expensive applicants.

This behavior contradicts Daimler's own high standards in the area of integrity and social responsibility.

Despite being aware of such deficits, the Supervisory Board has not prevented this conduct by the Board of Management.

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Mr. **Jürgen Grässlin**, Freiburg

**Regarding Item 3 of the Agenda:**

The actions of the members of the Board of Management are not to be ratified.

Reason:

Death continued to be a master from Wörth, Molsheim (France), Portland (USA) and Mannheim in 2015. Because despite massive criticism from shareholders, numerous military vehicles are produced at those Daimler plants and engines are supplied from the Daimler plant in Mannheim.

In the military version, Mercedes-Benz vehicles (MB) are in demand worldwide. With them, armies, security forces and guerilla units carried out their business in wars and civil wars once again in 2015.

The sale of and advertising for MB vehicles in the military version is especially problematic, see [www.mb-military-vehicles.com](http://www.mb-military-vehicles.com). In the 48-page advertising catalog, the "enormous product portfolio" is advertised and the use of Mercedes military vehicles in asymmetrical conflicts with current military scenarios is described.

Correspondingly, the Daimler Group advertises the sale of military vehicles also at armaments exhibitions, including in the Middle East and repeatedly at the IDEX armaments exhibition in the United Arab Emirates.

On the MB exhibition stand at IDEX in February 2015, advertisements were made for the sale of MB military vehicles for example with the brochures "Ready for Future Operations," "Special Chassis. Ready for Future Operations," "Special Chassis. Unlimited" and "G-Class. Military vehicles." The advertising language used in the sales brochures reveals that the business policy of Daimler AG is determined solely by the profit principle.

Those who know with which uninhibitedness the Daimler Board of Management under the leadership of Dr. Dieter Zetsche has armed warring and human-rights-violating states with MB vehicles in recent years – including absolute dictatorships – must conclude: The resolutions of Daimler AG on "good corporate governance," "corporate social responsibility" and "the Global Compact" are void. The high-profile membership of the Global Compact of the United Nations is degenerating into pure hypocrisy in view of the shocking facts.

As a result, Mercedes military vehicles have been available for use on the battlefields of the Iraq war, in the Russia-Georgia war, the Libya war, the Afghanistan war, the Syria war and now in the Turkish civil war – on the side of the Turkish army against the Kurds.

Mercedes advertises unscrupulously for the sale of the military G-Wagon with the slogan “Combat proven.” What this means in reality is well known as a result of research by the RüstungsInformationsBüro ([www.rib-ev.de](http://www.rib-ev.de)) (Armaments Information Bureau): Mercedes military vehicles are used to transport tanks, troops and materials to the front and to carry away the corpses of dead combatants and civilians. Anyone who exports MB vehicles knows that they will be used for the most serious violations of human rights and that people will have to flee from their homes. Anyone who exports military vehicles reaps refugees – which is exactly what dramatically happened in 2015.

The campaign “Aktion Aufschrei – Stoppt den Waffenhandel!” ([www.aufschrei-waffenhandel.de](http://www.aufschrei-waffenhandel.de)) (Action Outcry – Stop the Weapons Trade) and the German peace movement Vereinigte KriegsdienstgegnerInnen ([www.dfg-vk.de](http://www.dfg-vk.de)) have evidence that of the Unimogs in the military version alone, a number of more than 150,000 have been sold worldwide to more than 80 armies. The Unimog recipient countries include Egypt, Algeria, Indonesia, Iraq, Kuwait, Libya, Pakistan, Saudi-Arabia, Syria and Turkey and many more (published in the book “Schwarzbuch Waffenhandel. Wie Deutschland am Krieg verdient” (Black book weapons trading. How Germany profits from war) by Heyne publishers, pages 294 ff).

As long as the Daimler Board of Management under the leadership of Dr. Zetsche continues with its uninhibited policy of selling and exporting military vehicles, its actions cannot be ratified. In fact, the Board of Management must be made responsible for ensuring that customers buy vehicles from armaments-free automotive companies and invest their money ethically and responsibly elsewhere.

According to a survey carried out by the German testing organization Stiftung Warentest and the Bremen Consumer Center (<http://www.test.de/Umfrage-zu-ethisch-oekologischen-Geldanlagen-Was-Anlegern-wichtig-ist-4654401-0/>), ethical aspects play a decisive role when searching for a politically correct investment.

The consumer survey carried out by opinion research institute Forsa provided a clear picture: “Weapons and armaments have no place in ethical-ecological investments.” Anyone who buys a civil Mercedes vehicle is still buying from a producer of military equipment. Anyone who invests in Daimler is still investing in the military business.

We Critical Daimler Shareholders (KAD, Arndstraße 31, 70197 Stuttgart, Tel.: +49 711 608396, [www.kritischeaktionaeere.de](http://www.kritischeaktionaeere.de)) demand an end to the production and export of MB military vehicles – for ethical, moral and financial reasons.