



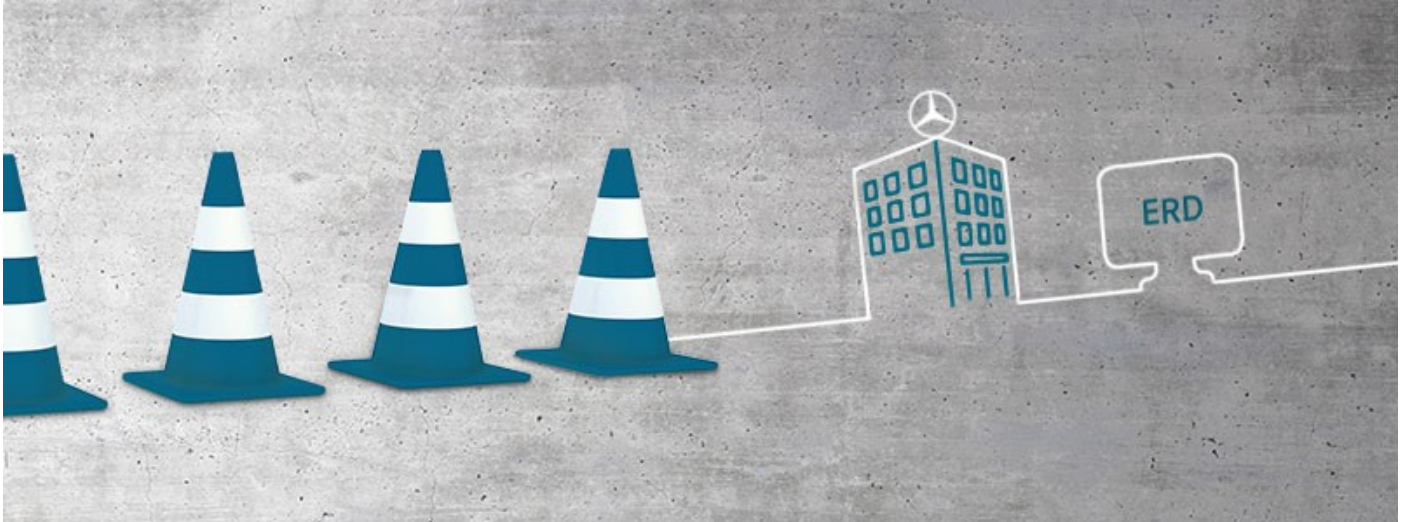
Board Policy, B 73.4

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Purpose of the Policy / Summary

This policy defines key principles for selecting board members and exercising mandates. Supervisory and advisory boards must be set up and board members appointed only if the board is prescribed by law or a legal agreement.

Board members are selected by the business division or functional division in charge. The selection of board members must be approved. Holding a mandate is generally tied to the existence of an employment or consulting relationship and is related to a function. There is generally no separate compensation for holding a mandate.

For the board composition, it is important to ensure a reasonable level of professional and business knowledge and experience. Current or future conflicts of interest on the part of the board member must always be disclosed to the business division or functional division responsible.

The members of supervisory and advisory boards must be entered in GENESIS immediately and in full and their details must be kept up to date.

Changes to Previous Version

2024/11/8 – Revision

-Formal adjustments

-Adjustments and addition to the Glossary

Action Requirement

for managers of the Policy-Issuing Company



Please review to what extent the new version of the policy affects your area of responsibility and comply with these requirements.

General requirements for managers*:

Please familiarize yourself with the provisions of this policy and comply with them.

- When selecting board members of supervisory and advisory boards in shareholdings, certain principles for the composition of the board and a selection process defined in the policy must be observed.
- The selection of a board member must be approved.
- The requirements for board members specified in the policy as well as the requirements for the execution and resignation of mandates must be observed.
- The policy also regulates the duties of board members.
- Board members must be entered in GENESIS.

* This overview does not claim to reproduce the requirements in full.

[for employees of the Policy-Issuing Company](#)

Please familiarize yourself with the provisions of this policy and comply with them.

[for members of the managing bodies of controlled companies](#)

Please enact this policy immediately and communicate it to the affected employees.

General requirements for managers*:

Please familiarize yourself with the provisions of this policy and comply with them.

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[for members of the managing bodies of Framework Light Companies](#)

This is an indispensable policy. Your company falls within the scope of application of this policy. Please enact this policy immediately.

[Risks that this policy is intended to avoid](#)

Risk of incorrect and unsuitable appointments to supervisory bodies of shareholdings.

Scope of application

This policy applies to all employees and members of governing bodies



- with the functions CEO or CFO

— as well as —

- of the levels V-3

— as well as —

- of the organizational units Corporate Development (FD) and Legal (IL/L)

[Explanation on scope of application](#)

This policy applies to managers and employees of Mercedes-Benz Group AG and controlled Companies involved in the selection of board members and the taking on and resignation of mandates, as well as to natural persons who have been selected to take on or already hold mandates.

The policy also applies to:

- Local master data entry user and local master data approval user in GENESIS.
- CEOs and CFOs of controlled Companies.

Period of Validity of this Version

7/1/2024 - 6/30/2029

Last Revision of this Version

11/8/2024

Topic

Integrity & Compliance (Subsidiary Management)

Approval

Renata Jungo Brüngger IL
5/27/2024

Documentation

Published in the Enterprise Regulations Database (ERD) in Mercedes-Benz' Social Intranet on 11/8/2024.

Mandatory documents

[Policy](#)

Board Policy: 6 Pages

Annex: Material Group Companies of Mercedes-Benz Group AG and material Companies of the Mercedes-Benz Cars & Vans Division: 1 Page

Annex: Glossary: 2 Pages

[Further Applicable Regulations](#)

- [B 74.6 M&A and Cooperation Management Policy](#)
- [C 185.2 Compliance Checks Policy](#)

Helpful documents



Board Policy, B 73.4

- [Web-based training "Management Module – Corporate Governance"](#)



1 Objectives

The objective of this policy is to define key principles for selecting [board members](#) and exercising [mandates](#) at shareholdings of the Mercedes-Benz Group.

2 Principles for the Establishment and Working Methods of Supervisory and Advisory Boards

Supervisory and advisory boards at [shareholdings](#) are to be set up and [board members](#) appointed to them only if the board is prescribed by law or a legal agreement.

The following requirements on the working methods of the boards must be complied with where permissible by law and taking account of the [shareholding's](#) situation:

- The administrative work for meetings should be kept to a reasonable minimum, meaning as few meetings as possible.
- Resolutions should be adopted by way of circulation or in a telephone or video conference.
- If meetings are necessary and a meeting location is not prescribed by law or the articles of association, meetings will be held at the most cost-effective and convenient location.

3 Selection and Approval of Board Members; Resignations

3.1 Selection of Board Members

[Board members](#) are selected by the business division or functional division to which the [shareholding](#) in question is assigned. When [mandates](#) are being assigned as part of an M&A project covered by the *M&A and Cooperation Management Policy, B 74*, selection will take place in coordination with M&A. Candidates from other divisions are to be selected in coordination with the business division or functional division to which the candidate belongs. The same applies to re-election.

In the case of mandates at a [non-controlled shareholding](#), selection will take place in coordination with the antitrust contact person in the case of re-election and the assignment of new mandates.

The [board members](#) must be personally and professionally suited to the task of exercising their respective [mandates](#) (see also *Clause 4* below). Consequently, when a [board member](#) is being selected, the candidate's functions and responsibilities should also be taken into account. As a general rule, managers are to be selected to take on [mandates](#).

Supervisory and advisory boards must be set up and board members appointed only if the board is prescribed by law or a legal agreement.

Board members are selected by the business division or functional division in charge.



If necessary, compliance checks on the selected candidates should be initiated by the business division or functional division via the HR unit responsible (see *Compliance Checks Policy*, C 185).

3.2 Approval of the Selection of Board Members

The selection of a **board member** requires approval. The internal decision-making level for approval depends on the significance of the **mandate**, as follows:

- The relevant member of the Board of Management of Mercedes-Benz Group AG or Mercedes-Benz AG, as applicable, decides on candidates for **mandates** at **material Group companies of Mercedes-Benz Group AG** and **material companies of the Mercedes-Benz Cars & Vans division** in accordance with the annex to this policy, "Material Group Companies of Mercedes-Benz Group AG and material Companies of the Mercedes-Benz Cars & Vans Division". That member may delegate decision-making authority to other members of the Board of Management by unanimous resolution.
- The **member of the Board of Management of Mercedes-Benz Group AG responsible for the division** to which the **shareholding** is assigned decides on candidates for **mandates** at the **shareholding** in question. That member may delegate decision-making authority to managers at Level 1 and Level 2 within the same division.

Should the selection of a **board member** take place as part of an M&A project covered by the *M&A and Cooperation Management Policy, B 74*, only the approval requirements detailed in policy B 74 need be complied with for the approval of the selection of that **board member**.

It is important to observe consent and reporting obligations, particularly those required by law or listed in the rules of procedure for the Board of Management and Supervisory Board of Mercedes-Benz Group AG, Mercedes-Benz AG or Mercedes-Benz Mobility AG.

If a member of the Supervisory Board is to be appointed or removed from office at a German **shareholding** with equal employee-shareholder representation in which Mercedes-Benz Group AG, Mercedes-Benz AG or Mercedes-Benz Mobility AG has a direct stake of at least 25%, the requirements of Section 32 of the *Mitbestimmungsgesetz* (MitbestG – German Co-determination Act) must be complied with.

The business division or functional division will need to obtain the necessary approvals and consents. Furthermore, the business division or functional division responsible will need to ensure that the resolutions of the **shareholding** on the appointment of **board members** are adopted in good time. Retroactive appointments of **board members** are generally not permitted.

The selection of board members must be approved.



3.3 Resignation of Mandates

Holding a **mandate** is generally tied to the existence of an employment or consulting relationship with Mercedes-Benz Group AG or one of its **controlled shareholdings**. Any **board member** will be required to resign all **mandates** no later than the date on which the termination of their employment or consulting relationship takes effect. This also applies to termination of a contractual relationship upon commencing retirement. In the event of partial retirement, the **board member** will be required to resign all **mandates** no later than the time at which the "inactive phase" begins. Exceptions are possible only in justified, individual cases. They must be limited in term and require consent from the person who approved the selection of the **board member** (see *Clause 3.2*). This will not affect any consent obligations of other internal boards.

If a Board of Management member of Mercedes-Benz Group AG, Mercedes-Benz AG or Mercedes-Benz Mobility AG is to hold any **mandates** after leaving the company, it will be necessary to check in each individual case whether this also requires the consent of the respective Supervisory Board.

Furthermore, a **mandate** is always related to a function. If a **board member** switches to a different set of functions and responsibilities within the Group, it will generally be necessary for the **board member** to resign the **mandate**. In such cases, however, it is permissible for the previous **board member** to continue to hold the **mandate** for a certain period of time even after the switch to ensure an orderly transition to the appointment of a new member to the board.

If a **board member** intends to resign a mandate (due to a planned change of role, for example), that **board member** should generally give three months' notice to the business division or functional division.

Furthermore, Mercedes-Benz Group AG (or the **controlled shareholding** that prompted the taking on of the **mandate**) may request that a **board member** resign a **mandate** at any time without notice. The **board member** will then be required to resign the **mandate**.

4 Board Composition and Requirements for Board Members

When appointing supervisory and advisory boards in **controlled shareholdings**, alongside any criteria under the law or articles of association (e.g. gender quotas), it is important to ensure a reasonable level of professional and business knowledge and experience – including financial and controlling expertise.

For **controlled shareholdings**, the supervisory or advisory board must be composed overall such that the members in sum have the knowledge, skills and professional experience needed for proper performance of the tasks required by the law, articles of association, rules of procedure,

Holding a mandate is generally tied to the existence of an employment or consulting relationship.

In principle, holding a mandate is related to a function.

For the board composition, it is important to ensure a reasonable level of professional and business knowledge and experience.



etc. Specifically, the following professional requirements must be taken into account:

- Market knowledge (especially for sales companies)
- Financial expertise (accounting and bookkeeping)
- Technical expertise (where relevant)
- Management experience
- Risk management experience (financial risks, non-financial risks, legal risks and compliance risks)
- Any requirements related to a listing on the stock exchange or related to official, e.g. banking supervision, regulations
- Any requirements from general or national ESG and diversity requirements (e.g. required international scope, gender quota, local empowerment, etc.)
- Any expertise in personnel matters on the shareholder side (HR, particularly pay structure), such as on the supervisory board of a company that has equal employee-shareholder representation under German law.

From a personal standpoint, a [board member](#) must be willing to do the following in particular:

- Immediately disclose any conflicts of interest
- Personally hold the mandate on his or her own responsibility, i.e. independently and without taking instructions
- Exercise the rights of participation, to obtain information and to collaborate based on his or her [mandate](#)
- Observe the loyalty, due diligence and confidentiality obligations relating to the [mandate](#).

5 Rights and Obligations of Board Members

[Board members](#) are required to disclose any conflicts of interest to the business division or functional division responsible before assuming a [mandate](#) and immediately upon the emergence of such conflicts during their period of holding the mandate. This is without prejudice to other disclosure obligations, such as those to boards of the [shareholding](#) concerned.

[Board members](#) must not carry out any operational activities (such as being involved in or representing the [shareholding](#) in "day-to-day business") at the [shareholding](#) assigned to the applicable supervisory or advisory board and, in particular, must not be appointed as authorized signatories for its bank accounts.

The [board member](#) must fulfill all obligations to advise and supervise the management on his or her own responsibility in accordance with locally applicable law, the articles of association and any rules of procedure.

Current or future conflicts of interest on the part of the board member must always be disclosed to the business division or functional division responsible.



6 Qualification of Board Members

Mercedes-Benz Group AG provides support for designated **board members** with preparing to hold a **mandate** responsibly. In particular, **board members** are required to complete the web-based *Management Module – Corporate Governance* training course. This training course provides **board members** with information about essential rights and responsibilities relating to their **mandates** and is assigned automatically.

In the case of **mandates** at **controlled shareholdings**, the **shareholding** in question is required to provide **board members** with the specific company documents necessary for them to exercise their mandates (e.g. articles of association, board rules of procedure, minutes to meetings in the current and preceding year, letter of appointment or copy of shareholder resolution, etc.). In the case of **mandates** at **non-controlled shareholdings**, **board members** are required to obtain the relevant company documents from the respective **shareholding**.

7 Compensation of Board Members

Holding a **mandate** on the board is considered part of the employment or consulting relationship and is covered by the compensation under that contractual relationship.

Therefore, holding a **mandate** is not to be additionally compensated in any way (not even through share-based compensation or an attendance fee). Where permissible by law in consideration of labor law requirements, the **board member** will ensure that with regard to the **mandate**, no compensation is defined or he/she will waive this compensation.

If this is not permissible by law or is not considered reasonable following consultation with the business division or functional division to which the **shareholding** in question is assigned, the following will apply: The **board member** will be required to report the total compensation received and promised in a financial year (salaries, profit sharing, preemption rights and other share-based payments, attendance fees, expense allowances, insurance payments, commissions and indirect benefits of all kinds) once per year within the first 30 calendar days of the financial year for the previous financial year in a single list to the HR unit responsible. The compensation for the mandate will then be offset under the relevant stipulations in the employment or consulting agreement with salary or bonus payments under this contractual relationship.

HR may, in isolated cases, apply different rules to the taking on of **mandates** by retirees.

Furthermore, different rules are possible for taking on **mandates** at listed **shareholdings**, albeit subject to the consent of the person who

Board members are required to complete corporate governance training.

There is generally no separate compensation for holding a mandate.

Different rules are possible in certain exceptional cases.



approved the selection of the [board member](#) (see [Clause 3.2](#)). This will not affect any consent obligations of other internal boards. If the [board member](#) is a member of the Board of Management of Mercedes-Benz Group AG or a [controlled shareholding](#) with a German stock corporation as its legal form, or is a member of an executive body of a company that has equal employee-shareholder representation under German law, it will be necessary in each individual case to check whether not offsetting the compensation for the [mandate](#) requires the consent of the Supervisory Board of Mercedes-Benz Group AG or the [controlled shareholding](#) in which the person is a member of the Board of Management or executive body.

8 Trust Agreements with Board Members as Owners of Compulsory Shares

If national law requires that a [board member](#) hold one or more shares of the [shareholding](#) in order to hold a [mandate](#) on the board ("[obligatory shares](#)"), Mercedes-Benz Group AG will transfer a corresponding number of shares to the [board member](#) for his or her term, or arrange for this transfer where legally permissible if it does not hold the required number of shares in the [shareholding](#).

All financial rights relating to this [obligatory share](#) (particularly dividends or preemption rights) must, where legally possible, be assigned to Mercedes-Benz Group AG or the [controlled shareholding](#) that directly holds the shares in the relevant [shareholding](#). Details, such as the exercise of voting rights, will be governed by a trust agreement.

9 Data Updates and Data Maintenance

The members of supervisory and advisory boards as well as all changes to the composition of supervisory and advisory boards must be entered in the GENESIS shareholding management and information system immediately and in full. Furthermore, with regard to the composition of the supervisory board at a company that has equal employee-shareholder representation, there must be an indication of whether the board member is a shareholder representative or an employee representative. The master data approval user of the [shareholding](#) in question is responsible for ensuring that the data is correct. Complete and correct entry in GENESIS is a technical requirement for the assignment of *Management Module – Corporate Governance*.

All financial rights relating to obligatory shares must be assigned where permissible.

The members of supervisory and advisory boards must be entered in GENESIS immediately and in full and their details must be kept up to date.