

# DAIMLER TRUCK



## **Master Policy: Board Policy**

2-L 6.0

# Policy Profile

**Indispensable Policy:** ☐ yes ☒ no

<p><b>Purpose</b></p> <p>The purpose of this policy is to define key principles for the establishment and working methods of supervisory and advisory boards.</p>	
<p><b>Scope of Application (short description)</b></p> <p>This policy applies globally to all employees of all levels.</p>	<p><input type="checkbox"/> only in GERMANY</p> <p><input type="checkbox"/> only out of GERMANY <input checked="" type="checkbox"/> Global</p> <p>Selected Countries: _____</p>
<p><b>Entities</b></p> <p>All entities in Daimler Truck Group controlled directly or indirectly by DTH AG in which the setting up of a supervisory or advisory board is prescribed by law, the articles of association, or a legal agreement</p>	<p><b>Company Functions &amp; Levels</b></p> <p>CEO/CFO of a controlled entity</p>
<p><b>Required Actions</b></p> <p>Acknowledgement and adherence.</p>	<p><b>Responsible Department and Policy Owner</b></p> <p>Policy Responsible: T/CO – Nicole Engel Policy Contact Person: T/CO – Nils Romeike</p>
<p><b>Referenced Documents</b> (incl. links)</p> <ul style="list-style-type: none"> <li>None – former Annex “Key companies of the Daimler Truck Group” is included in this document</li> </ul>	

# Contents

<b>1. Overview .....</b>	<b>4</b>
<b>2. Principles for the Establishment and Working Methods of Supervisory and Advisory Boards .....</b>	<b>6</b>
<b>2.1 Selection of Board Members.....</b>	<b>6</b>
<b>2.2 Board Composition and Requirements for Board Members .....</b>	<b>7</b>
<b>2.3 Qualification of Board Members.....</b>	<b>8</b>
<b>2.4 Reservation of consent and reporting obligations to the Board of Management and Supervisory Board .....</b>	<b>8</b>
<b>2.5 Compensation of Board Members.....</b>	<b>8</b>
<b>2.6 Trustee Agreements with Board Members as Owners of Obligatory Shares .....</b>	<b>9</b>
<b>3. Data Updates and Data Maintenance .....</b>	<b>9</b>
<b>4. Concept for Confirming Corporate Governance with Controlled Shareholdings .....</b>	<b>9</b>

## 1. Overview

### Definitions



#### "Shareholdings"

of Daimler Truck Holding AG and Daimler Truck AG under this policy means any companies in which Daimler Truck Holding AG or Daimler Truck AG directly or indirectly holds shares. This includes controlled and non-controlled shareholdings.

#### "Controlled shareholdings"

of Daimler Truck Holding AG and Daimler Truck AG under this policy are all companies in which Daimler Truck Holding AG or Daimler Truck AG directly or indirectly holds the majority of the shares, or over which these can directly or indirectly exercise a controlling influence in some other manner.

#### "Key companies of the Daimler Truck Group"

under this policy are companies in which the Board of Management of Daimler Truck Holding AG and Daimler Truck AG reserves the right to appoint boards.

The current list of "Key companies of the Daimler Truck Group":

Long name of company	Company code	Country
Daimler Truck AG	2725	Germany
Daimler Trucks North America LLC	1331	USA
Mitsubishi Fuso Truck and Bus Corporation	4156	Japan
Daimler Buses GmbH	0245	Germany
Daimler Truck Financial Services GmbH	3848	Germany

#### "Mandates"

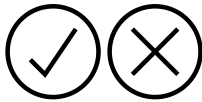
under this policy are seats initiated by Daimler Truck Holding AG, Daimler Truck AG or a controlled shareholding in supervisory or advisory boards (Board of Directors (non-managing directors), Supervisory Board, Advisory Board, etc.) of natural persons who have an employment or consulting relationship with Daimler Truck Holding AG, Daimler Truck AG or a controlled shareholding of the Daimler Truck Group. This includes mandates in controlled shareholdings and mandates in supervisory or advisory boards of other, non-controlled shareholdings, including external or charitable institutions, if the mandate is being held on the initiative of Daimler Truck Holding AG, Daimler Truck AG or a controlled shareholding of the Daimler Truck Group. This does not include activities for associations or cooperation on expert commissions.

### Aim



The purpose of this policy is to define key principles for the establishment and working methods of supervisory and advisory boards.

---

**Dos & Don'ts**

- Supervisory and advisory boards must be set up and board members appointed only if the board is prescribed by law, the articles of association, or a legal agreement.
- The selection of board members will be made by the business segment or functional division that is in charge, in agreement with the competent HR unit.
- Therefore, performing a mandate is always related to a function.
- Current or future conflicts of interest of the board member must always be disclosed to the competent business segment or functional division of Daimler Truck Holding AG and Daimler Truck AG.
- Holding a mandate is generally tied to the existence of an employment or consulting relationship.
- For the board composition, it is important to ensure a reasonable level of professional and business knowledge and experience.
- Immediately after being selected or appointed, all board members must complete an onboarding training course.
- There is no separate compensation for holding a mandate.

---

**Further information**

None – former Annex “Key companies of the Daimler Truck Group” is included in this document



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

Supervisory and advisory boards must be set up and board members appointed only if the board is prescribed by law, the articles of association, or a legal agreement. The following requirements on the working methods must be taken into account where permissible by law and taking account of the company'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 written procedure 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.

### 2.1 Selection of Board Members

Vacancies or newly appointed mandates must be reported to M&A and the HR head responsible for the business segment or functional division in a timely manner (with advance notice) by the responsible business segment or functional division, in order to agree on recommendations for appointment with the internal decision-making levels and to initiate a background check on the candidate by HR based on the risk.

Board members will be selected from the recommendations for appointment by the business segment or functional division that is in charge of the relevant mandate under the Daimler Truck Holding AG and Daimler Truck AG schedule of responsibilities or specific regulation, always in agreement with the competent HR unit. The selection of candidates from other divisions will be made in coordination with the responsible head of the business segment or functional division to which the candidate belongs. The same applies to re-election or termination of a mandate.

In general, when making a selection, the significance and type of business activity must be taken into account for the respective mandate. Therefore, performing a mandate is always related to a function. Generally, managers from the Daimler Truck Group are chosen to take on mandates.

First, it is important to remember that any person chosen to take over a mandate is obligated to immediately disclose any current or future conflicts of interest to the Daimler Truck Holding AG and Daimler Truck AG business segment or functional division responsible for the mandate before accepting a mandate. This is without prejudice to other disclosure obligations. Board members cannot perform operational tasks with regard to the mandate at the same time, and in particular cannot be given signature authority for the bank accounts.

The internal decision-making level is dependent on the significance of the mandate; this is without prejudice to the rights of consent by other boards (such as the Supervisory Board of Daimler Truck Holding AG and Daimler Truck AG).

- The competent Board of Management of Daimler Truck Holding AG and Daimler Truck AG will decide on candidates for mandates with key companies of the Daimler Truck Group.
- The Board of Management member of Daimler Truck Holding AG and Daimler Truck AG in charge of the division will decide on candidates for all other mandates. The Board of Management member can delegate his or her decision-making authority within the division. This delegation can be made to a management level no lower than L1.

Board members on a board must meet all of the related board members' obligations for consultation and control of management under locally applicable law, and the respective articles of association and/or rules of procedure. The disclosure obligations described above must also be observed while holding the mandate.

Holding a mandate is generally tied to the existence of an employment or consulting relationship with Daimler Truck Holding AG, Daimler Truck AG or one of their controlled shareholdings. If the employment or consulting relationship ends, all mandates must be surrendered no later than the time that termination takes effect. This also applies to termination of a contractual relationship upon commencing retirement. In the event of partial retirement, all mandates must be surrendered no later than the time the "release period" begins.

Exceptions are possible only in justified, individual cases. They must be limited in term and require consent by the Board of Management member in charge of the division along with the HR Director of Daimler Truck Holding AG and Daimler Truck AG. If a Board of Management member of Daimler Truck Holding AG, Daimler Truck AG or Daimler Truck Financial Services GmbH is to hold a mandate after leaving the company, this will require the consent of the competent supervisory board.

## 2.2 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 relevant supervisory or advisory board must have an overall composition so 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, 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 diversity requirements (e.g. required international scope, gender quota, local empowerment, etc.)
- Need for an HR representative (on the shareholder side) if the Supervisory Board is based on co-determination.

From a personal standpoint, a board member must be willing:

- to immediately disclose any conflicts of interest.
- to personally hold the mandate in his or her own responsibility, i.e. without taking instructions and in an independent manner.
- to exercise the rights of participation, to obtain information and to collaborate based on his or her mandate.
- to observe the loyalty, due diligence and confidentiality obligations relating to the mandate.

If there is an intention to surrender the mandate (e.g. for personal reasons), generally three months' notice must be given to the business segment or functional division manager, M&A, and the competent HR head. The notice period can be shortened on mutual agreement.

## 2.3 Qualification of Board Members

Daimler Truck Holding AG and Daimler Truck AG will help all designated board members perform the mandate responsibly by offering them training courses. Immediately after being selected or appointed, all board members must complete an onboarding training course which will inform all board members of their rights and duties. The training course will be automatically assigned assigned to the board members by Legal & Compliance. Information on D&O insurance (Directors and Officers insurance) and on the proper procedure in the event that claims must be filed with the D&O insurance company must be gathered by the board members from T/COC.

In addition, each board member of a controlled shareholding is required to gather specific information from the respective Legal Responsible, who is listed in GENESIS for each company of the Daimler Truck Group:

- Articles of association
- Rules of procedure for the board, if any
- Information on the board in charge of appointing a financial statement auditor
- Meeting minutes from the last year (if handouts are permitted under local law, possibly based on a non-disclosure agreement)
- Appointment letter or copy of the shareholder resolution
- Overview of the key local contacts
- If applicable, information on special, industry-specific duties (e.g. under banking supervisory laws) and, for publicly listed companies, on securities trading and capital market obligations under local law.

## 2.4 Reservation of consent and reporting obligations to the Board of Management and Supervisory Board

Consent and reporting obligations as listed in the rules of procedure for the Board of Management and Supervisory Board of Daimler Truck Holding AG and Daimler Truck AG must be observed.

Special case: If a member of an executive body as defined in Section 32 of the Mitbestimmungsgesetz (MitbestG – German Codetermination Act) (managing directors, supervisory board) is appointed or removed from office or granted discharge at a shareholding with equal employee-shareholder representation in which Daimler Truck Holding AG, Daimler Truck AG or Daimler Truck Financial Services GmbH has a direct stake of at least 25%, the exercise of the voting rights of the respective company at the shareholders' meeting of the relevant shareholding company requires prior consent by the shareholder representatives on the Supervisory Board of the respective company. The obligations under Section 32 MitbestG are otherwise unaffected.

## 2.5 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 the mandate will not be additionally compensated in any way (not even through share-based compensation or a meeting 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 not considered reasonable after written agreement with the persons in charge of selecting candidates, the board



member is required to report the compensation to his or her responsible HR manager <sup>1</sup>. 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.

Special case: To hold a mandate on stock-listed shareholdings or for pensioners who are assuming / holding a mandate, in individual cases a different regulation can be defined; this requires consent by the Board of Management of Daimler Truck Holding AG and Daimler Truck AG. If the board member is a member of the Board of Management of Daimler Truck Holding AG and Daimler Truck 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, the lack of a compensation waiver for the mandate requires consent of the Supervisory Board of Daimler Truck Holding AG and Daimler Truck AG and the controlled shareholding in which the person is member on the Board of Management or executive body.

If, by way of exception, payments are made to hold a mandate, the board member is required to report to his/her responsible HR manager on all payments received in relation to holding the mandate (= obligation to provide). The total compensation received and promised in a financial year (salaries, profit sharing, rights of pre-emption and other share-based payments, meeting fees, expense reimbursements, insurance payments, commissions and indirect benefits of all kinds) must be reported in the first 30 calendar days of the financial year for the past financial year in a single list to the responsible HR manager.

## **2.6 Trustee Agreements with Board Members as Owners of Obligatory 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"), Daimler Truck Holding AG, Daimler Truck AG or the controlled shareholding which directly holds the shares will transfer the required 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 rights of pre-emption) must, where legally possible, be assigned to Daimler Truck Holding AG, Daimler Truck 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 trustee agreement.

## **3. Data Updates and Data Maintenance**

All changes relating to supervisory and advisory boards in the GENESIS shareholding management and information system must be updated immediately by the local M&A data maintenance staff. Responsibility for data accuracy lies with the local M&A data approver of the respective shareholding (for controlled shareholdings, this is the CFO; for non-controlled shareholdings, this is the division controller).

## **4. Concept for Confirming Corporate Governance with Controlled Shareholdings**

Once a year, the CEO or CFO of a controlled shareholding will review and confirm – possibly with the assistance of the Legal Responsible established in GENESIS – the status of Corporate Governance ("Annual Governance Review") in its company, such as:

- Up-to-date status of articles of association and rules of procedure

---

<sup>1</sup> depending upon the responsible person: Corporate Office or HR department

- Board members
- Proper performance of the required board meetings
- Implementation of Daimler Truck policies
- Implementation of legal changes.

Every year, the process will be started by Legal and managed and documented by the GENESIS shareholding management system.

