

DAIMLERCHRYSLER



Agenda

5th Annual Meeting

DaimlerChrysler AG, Stuttgart,
April 9, 2003, Messe Berlin

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Dear Shareholder:

Our **5th Annual Meeting** will be held on **Wednesday, April 9, 2003, at 10.00 a.m.**, at the Berlin Trade Fair Center (Messe Berlin), Special Entrance, corner of Masurenallee/ Messedamm, 14055 Berlin, Germany. The invitation and the agenda were published in the electronical Federal Gazette (elektronischer Bundesanzeiger) on February 25, 2003.

Agenda

1. Presentation of the Audited Financial Statements, the Approved Consolidated Financial Statements, and Management Reports for DaimlerChrysler AG and the Group for the 2002 Financial Year and the Report of the Supervisory Board

The aforementioned documents can be examined at the company's registered office at Epplestrasse 225, D-70567 Stuttgart, and on the Internet at www.daimlerchrysler.com/ir/am2003. Promptly upon request, each shareholder shall receive a copy of the aforementioned documents free of charge.

2. Resolution on the Allocation of Unappropriated Profit

The Board of Management and the Supervisory Board recommend that the unappropriated profit of €3,147,002,560.00 be allocated as follows:

Dividend distribution of €1.50 for each share entitled to dividends	€1,519,205,239.50
Transfer to disclosed reserves	€1,627,797,320.50
Profit carried forward	
Unappropriated profit	€3,147,002,560.00

The dividend shall be paid out on April 10, 2003.

3. Resolution on Ratification of Board of Management Actions in the 2002 Financial Year

The Board of Management and the Supervisory Board recommend that the actions of the Board of Management be ratified.

4. Resolution on Ratification of Supervisory Board Actions in the 2002 Financial Year

The Board of Management and the Supervisory Board recommend that the actions of the Board of Management be ratified.

5. Resolution on the Appointment of Auditors for the 2003 Financial Year

The Supervisory Board recommends that KPMG Deutsche Treuhand-Gesellschaft AG, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main and Berlin, be appointed as auditors for the 2003 financial year.

6. Resolution on Authorizing the Company to Acquire Its Own Shares

Since the authorization issued by the last Annual Meeting allowing the company to acquire its own ordinary shares shall expire in the course of the financial year, the Board of Management is to be granted new authorization to acquire its own ordinary shares.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) The company shall be authorized to acquire shares in the company in order to
- introduce shares in the company to foreign stock exchanges where they have not yet been admitted for trading or
 - be able to offer company shares to third parties in the context of mergers with companies or in the context of the acquisition of companies or participating interests in companies or
 - offer such shares for subscription to members of the Board of Management of the company, members of management of affiliated companies pursuant to sections 15 et seq. German Stock Corporation Act (Aktiengesetz) and other management staff of the company and its affiliated companies (hereinafter collectively referred to as: “management”) in the context of the Stock Option Plan agreed at the Annual Meeting on April 19, 2000 under Agenda Item 8 or
 - offer them as employee shares to employees of the company and its affiliated companies pursuant to §§ 15 et seq. German Stock Corporation Act (Aktiengesetz) or, if the employee shares are acquired as part of securities lending, to use them to fulfill the obligations arising from this securities lending or
 - cancel such shares.
- b) The authorization is limited to the acquisition of shares with an allocable portion of capital stock of €263,000,000.00, or nearly 10% of the capital stock of €2,633,289,081.80 reported as of December 31, 2002. The authorization may be exercised within the above limitation wholly or in installments once or several times for the pursuit of one or more purposes. The acquired shares may not, in combination with other own shares in the possession of the company or to be attributed to the company pursuant to §§ 71 a et seq. German Stock Corporation Act (Aktiengesetz), at any time exceed 10% of the capital stock.

The authorization shall take effect on April 10, 2003 and shall be valid until October 9, 2004.

The authorization for the company to acquire its own shares resolved by the Annual Meeting of the Shareholders of DaimlerChrysler AG on April 10, 2002 shall lapse as from the time that this new authorization comes into effect.

- c) The acquisition shall be accomplished via the stock exchange or through a public offering made to all shareholders of the company.
- If the acquisition of the shares is accomplished via the stock exchange, the amount paid by the company per share (excluding transaction costs) may not exceed the price determined at the opening of Xetra trading (or at the opening of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange by more than 5% and may not be more than 5% lower than that price.

- If the acquisition is accomplished through a public offering to all shareholders of the company, the offered purchase price or the prescribed values of the offered purchase price margin per share (excluding transaction costs) may not exceed the closing price at the close of Xetra trading (or the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the third trading day prior the day of publication of the offering by more than 20% or be more than 20% lower than that price. The volume of the offer may be limited. If the entire subscription of the offer exceeds this volume, acceptance must be in proportion to the shares included in each offering. A preferential acceptance of a lower number of up to 100 company shares offered for purchase per shareholder of the company can be stipulated.

The provisions of the German Securities Acquisition and Takeover Act are to be adhered to provided that and to the extent that they apply.

- d) The Board of Management is authorized to use company shares acquired as a result of the aforementioned authorization to introduce shares of the company to foreign stock exchanges where they have not previously been admitted for trading.
- e) The Board of Management is authorized to offer company shares acquired as a result of the aforementioned authorization to third parties in the context of corporate mergers or the acquisition of companies or participating interests in companies.
- f) The Board of Management is authorized to use company shares acquired as a result of the aforementioned authorization to meet the subscription rights granted to management in the context of the Stock Option Plan resolved under Agenda Item 8 by the Annual Meeting of the Shareholders on April 19, 2000.

The decision on the extent to which such shares are to be transferred to members of the Board of Management, lies with the Supervisory Board of the company.

- g) The Board of Management is authorized to issue company shares acquired as a result of the aforementioned authorization to employees of the company and its affiliated companies pursuant to §§ 15 et seq. German Stock Corporation Act (Aktiengesetz) or, if the employee shares are acquired as part of securities lending, to use them to fulfill the obligations arising from this securities lending.
- h) The Board of Management is authorized to retire and cancel company shares acquired as a result of the aforementioned authorization without the cancellation or execution thereof requiring an additional resolution by the Annual Meeting of the Shareholders.
- i) The authorizations described under points d), e), f), g) and h) above may be exercised wholly or in installments, once or several times, individually or together. The price at which shares in the company are introduced to such exchanges pursuant to the authorization in d) or at which they are issued to third parties pursuant to the authorization in e) may not be more than 5% lower (excluding transaction costs) than the opening price in Xetra trading (or the functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the date of the initial public offering or the date of the binding agreement with the third party.
- j) The right of the shareholders to subscribe to the company's own shares shall be excluded in so far as these shares are used as a result of the aforementioned authorizations in d), e), f) and g).

7. Resolution on the cancellation of the Authorized Capital I and II, Cancellation of Conditional Capital II and III, the Renaming of Conditional Capital IV, V and VI and Amendment of the Memorandum and Articles of Incorporation

§ 3 (2) of the Memorandum and Articles of Incorporation authorizes the Board of Management to increase the capital stock in exchange for cash contributions (Authorized Capital I) and § 3 (3) provides for an authorization to increase the capital stock in exchange for cash contributions for the purpose of issuing employee shares (Authorized Capital II). These authorizations expire on April 30, 2003. They should therefore be cancelled and be replaced by new Authorized Capital I, II and III, which shall be more extensive in terms of both amount and content. This change shall cause the paragraphs after § 3 (3) to each move back one paragraph.

§ 3 (6) of the Memorandum and Articles of Incorporation also provides for a Conditional Capital II and § 3 (7) a Conditional Capital III. Since the purpose of these conditional capital increases was to enable the consummation of the merger with the former Daimler-Benz Aktiengesellschaft and they are now no longer required, they are to be cancelled. This should cause a change in the numbering of the continuing conditional capital increases.

What was previously Conditional Capital IV therefore is to become Conditional Capital II, the former Conditional Capital V is to become Conditional Capital III and the former Conditional Capital VI is to become Conditional Capital IV.

At the same time, the conditional capital increases referred to in § 3 are to be reorganized in ascending order. In terms of content, the conditional capital increases are to remain unchanged. The paragraphs that follow § 3 (7) move up as a result of the cancellation of Conditional Capital II and III and change order within the consecutive numbering sequence.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) Cancellation of the existing Authorized Capital I
The authorization of the Board of Management, pursuant to § 3 (2) of the Memorandum and Articles of Incorporation, to increase the capital stock of the corporation in the period up to April 30, 2003 by up to €255,645,940.60 (Authorized Capital I) issued by the Annual Meeting on May 27, 1998 under Agenda Item 7, upon the approval of the Supervisory Board by issuing new, no par value registered shares in exchange for cash contributions, shall be cancelled.
- b) Cancellation of the existing Authorized Capital II
The authorization of the Board of Management, pursuant to § 3 (3) of the Memorandum and Articles of Incorporation, to increase the capital stock of the corporation in the period up to April 30, 2003 by up to €25,564,594.06 (Authorized Capital II) issued by the Annual Meeting on May 27, 1998 under Agenda Item 7, upon the approval of the Supervisory Board by issuing new, no par value registered shares in exchange for cash contributions for the purpose of issuing employee shares, shall be cancelled.
- c) Cancellation of the existing Conditional Capital II
The Conditional Capital pursuant to § 3 (6) of the Memorandum and Articles of Incorporation in the amount of up to €44,460,000.00 (Conditional Capital II) for the purpose of the consummation of the merger with Daimler-Benz Aktiengesellschaft shall be cancelled.

d) Cancellation of the existing Conditional Capital III

The Conditional Capital pursuant to § 3 (7) of the Memorandum and Articles of Incorporation in the amount of up to €40,716,000.00 (Conditional Capital III) for the purpose of the consummation of the merger with Daimler-Benz Aktiengesellschaft shall be cancelled.

e) Amendment of the Memorandum and Articles of Incorporation

The continuing conditional capital increases provided for in § 3 of the Memorandum and Articles of Incorporation shall be renamed as follows:

The name contained in § 3 (8) (old) of the Memorandum and Articles of Incorporation “residually Conditional Capital IV” shall be replaced by the name “residually Conditional Capital II”.

The name contained in § 3 (9) (old) of the Memorandum and Articles of Incorporation “residually Conditional Capital V” shall be replaced by the name “residually Conditional Capital III”.

The name contained in § 3 (5) (old) of the Memorandum and Articles of Incorporation “Conditional Capital VI” shall be replaced by the name “residually Conditional Capital IV”.

In terms of content, the conditional capital increases remain unchanged.

As a result of the cancellation of the Conditional Capital II and III, the reordering of the remaining conditional capital increases and the amendments to the Memorandum and Articles of Incorporation which are to be proposed for resolution, the position of the remaining paragraphs of § 3 of the Memorandum and Articles of Incorporation shall be changed as follows:

para. 4 (old) becomes para. 5 (new);

para. 5 (old) becomes para. 8 (new);

para. 8 (old) becomes para. 6 (new);

para. 9 (old) becomes para. 7 (new);

8. Resolution on the Creation of a New Authorized Capital I in Exchange for Cash Contribution and Amendment of the Memorandum and Articles of Incorporation

To ensure that the Board of Management remains able in future to use authorized capital to strengthen the company's equity base, a new authorized capital increase must be created and placed at the disposal of the Board of Management for such purposes.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) The Board of Management shall be authorized to increase the capital stock of the corporation through April 8, 2008 by a total of €500,000,000.00 (Authorized Capital I), in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for cash contributions. The shareholders are to be granted stock subscription rights.

The Board of Management, however, shall be authorized to exclude the subscription rights upon the approval of the Supervisory Board to the extent the residual amounts or balances are required to compensate. Further, the Board of Management shall be authorized, subject to the approval of the Supervisory Board, to suspend the subscription rights of the shareholders, if this is necessary, to grant a subscription right to holders of warrants or holders of convertible bonds or notes previously issued by Daimler-Benz Aktiengesellschaft or its subsidiaries or previously issued or still to be issued by DaimlerChrysler AG or its subsidiaries in the future, in the amounts to which such holders would be entitled upon the exercise of their warrants or conversion rights or upon the fulfillment of their conversion obligations. Furthermore, the Board of Management shall be authorized, subject to the approval of the Supervisory Board, to suspend the stock subscription rights of shareholders if the issue price of the new shares is not significantly lower than the stock market price; provided, however, that this authorization applies only if the value of the shares issued under the suspension of the subscription rights in line with § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) does not exceed a total of 10% of the capital stock, either at the time this authorization takes effect or when it is exercised. The sale of own shares is to be included in this limit of 10% of the capital stock, insofar as it takes place during the suspension of subscription rights due to an authorization to sell own shares in line with § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) valid at the time of this authorization or an authorization in lieu thereof. Furthermore, shares issued or to be issued by way of honoring bonds with conversion and/or warrants are to be included in this limit of 10% of the capital stock, if the bonds were issued during the suspension of subscription rights due to an authorization to issue bonds in line with § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) valid at the time this authorization takes effect or an alternative authorization taking effect in line with § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz).

The Board of Management, with the approval of the Supervisory Board, shall be authorized to stipulate the further content of the stock rights and the conditions for issuing shares.

b) § 3 (2) of the Memorandum and Articles of Incorporation shall be reformulated as follows ¹:

“(2) The Board of Management is authorized to increase the capital stock of the corporation through April 8, 2008 by a total of €500,000,000.00 (Authorized Capital I), in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for cash contributions. The shareholders are to be granted stock subscription rights.

¹ This is a translation. The German text is legally binding.

The Board of Management, however, is authorized to exclude the subscription rights upon the approval of the Supervisory Board to the extent the residual amounts or balances are required to compensate. Further, the Board of Management is authorized, subject to the approval of the Supervisory Board, to suspend the subscription rights of the shareholders, if this is necessary, to grant a subscription right to holders of warrants or holders of convertible bonds or notes previously issued by Daimler-Benz Aktiengesellschaft or its subsidiaries or previously issued or still to be issued by DaimlerChrysler AG or its subsidiaries in the future, in the amounts to which such holders would be entitled upon the exercise of their warrants or conversion rights or upon the fulfillment of their conversion obligations. Furthermore, the Board of Management is authorized, subject to the approval of the Supervisory Board, to suspend the stock subscription rights of shareholders if the issue price of the new shares is not significantly lower than the stock market price; provided, however, that this authorization applies only if the value of the shares issued under the suspension of the subscription rights in line with § 186 para 3 sentence 4 of the German Stock Corporation Act (Aktiengesetz) does not exceed a total of 10% of the capital stock, either at the time this authorization takes effect or when it is exercised. The sale of own shares is to be included in this limit of 10% of the capital stock, insofar as it takes place during the suspension of subscription rights due to an authorization to sell own shares in line with § 186 para 3 sentence 4 of the German Stock Corporation Act (Aktiengesetz) valid at the time of this authorization or an authorization in lieu thereof. Furthermore, shares issued or to be issued by way of honoring bonds with conversion and/or warrants are to be included in this limit of 10% of the capital stock, if the bonds were issued during the suspension of subscription rights due to an authorization to issue bonds in line with § 186 para 3 sentence 4 of the German Stock Corporation Act (Aktiengesetz) valid at the time this authorization takes effect or an alternative authorization taking effect in line with § 186 para 3 sentence 4 of the German Stock Corporation Act (Aktiengesetz).

The Board of Management, with the approval of the Supervisory Board, is authorized to stipulate the further content of the stock rights and the conditions for issuing shares.”

9. Resolution on the Creation of a New Authorized Capital II in Exchange for Non-Cash Contribution and Amendment of the Memorandum and Articles of Incorporation

To ensure that the Board of Management remains able in future to use authorized capital, particularly for the acquisition of companies and participating interests in companies, and to be able to call upon non-cash capital increases to do so, new authorized capital must be created and placed at the disposal of the Board of Management for such purposes.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) The Board of Management shall be authorized to increase the capital stock of the corporation through April 8, 2008 by a total of €500,000,000.00 (Authorized Capital II), in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for non-cash contributions. The Board of Management shall be authorized, subject to the approval of the Supervisory Board, to suspend the stock subscription rights of shareholders. The Board of Management, with the approval of the Supervisory Board, shall be authorized to stipulate the further content of the stock rights and the conditions for issuing shares.

- b) A new § 3 (3) shall be inserted into the Memorandum and Articles of Incorporation, to be worded as follows¹:

“(3) The Board of Management is authorized to increase the capital stock of the corporation through April 8, 2008 by a total of €500,000,000.00 (Authorized Capital II), in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for non-cash contributions. The Board of Management is authorized, subject to the approval of the Supervisory Board, to suspend the stock subscription rights of shareholders. The Board of Management, with the approval of the Supervisory Board, is authorized to stipulate the further content of the stock rights and the conditions for issuing shares.”

10. Resolution on the Creation of a New Authorized Capital III for the Issue of Employee Shares and Amendment of the Memorandum and Articles of Incorporation

To ensure that the Board of Management remains able in future to use authorized capital to issue employee shares, a new authorized capital must be created and placed at the disposal of the Board of Management for such purposes. Furthermore, the Board of Management must be in a position in future to procure those shares that are to be issued as employee shares by way of securities lending and to use the new shares to fulfill the obligations arising from such securities lending, in order to facilitate the issue of employee shares.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) The Board of Management shall be authorized to increase the capital stock of the corporation through April 8, 2008 by a total of €26,000,000.00 (Authorized Capital III), in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for cash or non-cash contributions, in order to issue new shares to employees of DaimlerChrysler AG and its subsidiaries. The shares to be issued to employees of DaimlerChrysler AG and its subsidiaries may also be procured as part of securities lending, and the new shares may be used to fulfill the obligations arising from this securities lending. The subscription rights of shareholders is excluded. The Board of Management, with the approval of the Supervisory Board, shall be authorized to stipulate the further content of the stock rights and the conditions for issuing shares.
- b) § 3 (3) (old)/§ 3 (4) (new) of the Memorandum and Articles of Incorporation shall be reworded as follows¹:

“(4) The Board of Management is authorized to increase the capital stock of the corporation through April 8, 2008 by a total of €26,000,000.00 (Authorized Capital III), in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for cash or non-cash contributions, in order to issue the new shares to employees of DaimlerChrysler AG and its subsidiaries. The shares to be issued to employees of DaimlerChrysler AG and its subsidiaries may also be procured as part of securities lending, and the new shares may be used to fulfill the obligations arising from this securities lending. The subscription rights of the shareholders is excluded. The Board of Management, with the approval of the Supervisory Board, is authorized to stipulate the further content of the stock rights and the conditions for issuing shares.”

1 This is a translation. The German text is legally binding.

11. Resolution on the Change to the Company's Purpose ¹

The description of the company's objects is to be amended in the Memorandum and Articles of Incorporation to address the fact that the company's activities are now more narrowly focused on the automotive sector and closely related activities.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) In § 2 (1) of the Memorandum and Articles of Incorporation the 4th bullet point containing the words "plants, machinery and equipment for power generation, distribution and utilization" and in the 5th bullet point the words "electrical and" and in the 6th bullet point the words "business consultancy," and in the 7th bullet point the words", media and trade fair operations" are to be deleted.
- b) § 2 (1) of the Memorandum and Articles of Incorporation shall in future read as follows:

"(1) The general purpose for which the corporation is organized is to engage, directly or indirectly, in the business of development, production and sale of products and to render services, especially in the following lines of business:

- surface vehicles,
- maritime vehicles, aerospace vehicles and other products in the fields of transport, aerospace and marine technology,
- engines and other propulsion systems,
- electronic equipment, machinery and systems,
- communication and information technology
- financial services of all kinds, insurance brokerage, and
- management and development of real property."

12. Resolution on the Amendment of the Memorandum and Articles of Incorporation Pertaining to the Supervisory Board ¹

The provisions of the memorandum and articles of incorporation which relate to the Supervisory Board are to be revised. The following changes are to be made:

Tasks and powers of the Supervisory Board

The work of the Supervisory Board is extremely important in the context of the corporate governance of DaimlerChrysler AG, and this importance should also be documented in the company's Memorandum and Articles of Incorporation.

Composition of the Supervisory Board

To implement the German Corporate Governance Code in respect of the composition of the Supervisory Board, more detailed provisions are to be included in the memorandum and articles of incorporation concerning the eligibility of members of the Supervisory Board for election by the Annual Meeting. In addition, the responsibility for receiving notice of resignation by members of the Supervisory Board is to be more precisely defined. This shall in the future be shared by the company's Board of Management. The provisions relating to the first Supervisory Board are obsolete and should therefore be deleted.

¹ The text provides a translation. The German text of the Memorandum and Articles of Association is legally binding.

The chairman of the Supervisory Board and his/her deputy

In order to adapt the memorandum and articles of incorporation to take account of the planned staggering of the terms of office of the members of the Supervisory Board, the provisions relating to the founding meeting of the Supervisory Board are to be deleted and the memorandum and articles of incorporation are to be trimmed down in other respects. In addition, the duties of the Supervisory Board chairman, which were previously set out in § 10 (4) (old) of the memorandum and articles of incorporation, are to be incorporated into the provisions concerning the chairman of the Supervisory Board and his/her deputy as this is a more logical place.

Committees of the Supervisory Board

The previous provision concerning the committees of the Supervisory Board merely reflected the legal position. In future, the provisions concerning the adoption of resolutions in committees should be integrated into the provisions concerning resolutions of the Supervisory Board. As part of the trimming down of the memorandum and articles of incorporation, the provisions are therefore to be shortened and reworded.

Resolutions of the Supervisory Board

Some of the provisions concerning the convening of the Supervisory Board, agendas, statements of intent and minutes are already covered by statute and are set out in recently issued rules of procedure of the Supervisory Board. With the objective of slimming down the Memorandum and Articles of Incorporation, these provisions are to be deleted. As part of the provisions governing the meetings and resolutions of the Supervisory Board, members of the Supervisory Board are to be allowed in future to take part in a meeting of the Supervisory Board via a telephone or video conference link and to adopt resolutions using new communication media. Consequently the provision governing resolutions of the Supervisory Board is to be completely reformulated.

Duty of confidentiality of the members of the Supervisory Board

The provisions concerning the duty of confidentiality of the members of the Supervisory Board are to be formulated in more detail in the memorandum and articles of incorporation.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) A new § 7 with the following wording is to be inserted into the memorandum and articles of incorporation:

“§ 7 Tasks and powers of the Supervisory Board

(1) The Supervisory Board has all the rights and responsibilities prescribed by law, the Memorandum and Articles of Incorporation or by other methods and means, in particular by rules of procedure. In particular, it shall monitor and advise the Board of Management in its management activities.

(2) The Board of Management shall report to the Supervisory Board to the extent prescribed by law. Further reporting obligations can be stipulated in rules of procedure.”

- b) § 18 (3) (old) becomes § 7 (3) (new).

§ 7 (3) (new) of the Memorandum and Articles of Incorporation reads:

“(3) Changes to the Memorandum and Articles of Incorporation which merely affect the written form may be approved by resolution of the Supervisory Board.

c) The numbering of the previous §§ 7-23 changes by one digit to §§ 8-24. The order remains unchanged.

d) In § 7 (1) sentence 1 (old)/§ 8 (1) sentence 1 (new), the words “shall consist of twenty members, of whom ten are to be elected by the shareholders and ten are to be elected by the employees” shall be replaced by the words “shall conform to statutory requirements”.

e) § 7 (1) sentence 1 (old)/§ 8 (1)sentence 1 (new) shall in future read as follows:

“The composition of the Supervisory Board shall conform to statutory requirements.”

§ 7 (1) sentence 1 (old) of the Memorandum and Articles of Association currently reads:

“The Supervisory Board shall consist of twenty members, of whom ten are to be elected by the shareholders and ten are to be elected by employees.”

f) In § 7 (1) sentence 2 (old)/§ 8 (1) sentence 2 (new) the words “of members of the Supervisory Board” shall be inserted after the words “Each appointment”.

g) § 7 (1) sentence 2 (old)/§ 8 (1) sentence 2 (new) shall in future read as follows:

“Each appointment of members of the Supervisory Board shall be for a period ending no later than the close of the Annual Meeting which ratifies the members’ actions for the fourth financial year following the commencement of the term of office.”

§ 7 (1) sentence 2 (old) of the Memorandum and Articles of Incorporation currently reads:

“Each appointment shall be for a period ending no later than the close of the Annual Meeting which ratifies the members’ actions for the fourth financial year following the commencement of the term of office.”

h) In § 7 (old)/§ 8 (new) of the Memorandum and Articles of Incorporation a new paragraph 2 shall be inserted with the following wording:

“(2) No more than two former members of the Board of Management of the corporation elected by the Annual Meeting may be members of the Supervisory Board. Furthermore, the Annual Meeting shall not elect any persons to the Supervisory Board who at the time of election hold executive positions or advisory roles in major competitors of the corporation or in major competitors of its subsidiaries, or, if they are also members of the Board of Management of a listed company, hold more than four other Supervisory Board mandates in listed companies outside the Group in addition to the Supervisory Board mandate for the corporation.”

i) § 7 (2) (old) shall become § 8 (3) (new) of the Memorandum and Articles of Incorporation and shall be reworded as follows:

“(3) Members of the Supervisory Board may resign from the Supervisory Board even without cause, by submitting four weeks’ notice in writing to the Supervisory Board Chairman and the Board of Management. An amicable reduction of the notice period is admissible.”

§ 7 (2) (old) of the Memorandum and Articles of Incorporation currently reads:

“(2) Members of the Supervisory Board may resign from the Supervisory Board even without cause, by submitting four weeks’ notice in writing to the Supervisory Board Chairman. The Chairman of the Supervisory Board, or in the event of the Chairman’s resignation, his Deputy may grant consent to a reduction of the notice period.”

j) § 7 (3) (old) of the Memorandum and Articles of Incorporation shall be deleted.

§ 7 (3) (old) of the Memorandum and Articles of Incorporation which is proposed for deletion reads:

“(3) The term of office of the first Supervisory Board shall expire upon the entry of this provision in the Commercial Register.”

k) § 8 (old)/§ 9 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

“§ 9 Chairman and Deputy Chairman of the Supervisory Board

(1) The Supervisory Board shall elect a Chairman and a Deputy Chairman.

(2) In the event of the resignation of the Chairman or Deputy Chairman, a successor shall be elected immediately.”

§ 8 (old) of the Memorandum and Articles of Incorporation currently reads:

“§ 8 Chairman and Deputy Chairman of the Supervisory Board

(1) Following the Annual Meeting at which the ten shareholders’ representatives on the Supervisory Board are elected, a meeting of the Supervisory Board shall be convened without the need to issue an invitation. The Supervisory Board meeting shall appoint a Chairman and a Deputy Chairman of the Supervisory Board from its members for the duration of its term of office in conformity with the provisions of the Codetermination Act.

(2) If the Chairman or the Deputy Chairman resign before the expiration of their term of office, a successor shall be elected without delay for the remainder of the term.”

l) § 10 (4) (old) becomes § 9 (3) (new)

§ 9 (3) (new) of the Memorandum and Articles of Incorporation reads:

“The Chairman of the Supervisory Board, or in his absence his Deputy, shall preside as Chairman of the Supervisory Board Meeting and decide the order of items on the agenda and the manner of voting.”

m) § 9 (old)/§ 10 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

“The Supervisory Board constitutes a committee as defined in § 27 (3) of the Codetermination Act. In addition, the Supervisory Board can form further committees for particular tasks and powers. The committees shall perform their assigned tasks on behalf of and in representation for the Supervisory Board as a whole, insofar as this is legally admissible.”

§ 9 (old) of the Memorandum and Articles of Incorporation currently reads:

“(1) Following the election of the Chairman and Deputy Chairman of the Supervisory Board, the Supervisory Board shall elect a committee for the duration of its term of office pursuant to its obligations under section 31, sub-section 3 of the Codetermination Act, which shall include the Chairman and the Deputy Chairman of the Supervisory Board and two additional members, one to be elected by the employees’ representatives on the Supervisory Board from their members and one to be elected by the shareholders’ representatives from their members, by a majority of the votes cast.

(2) In the event that one of the additional members of the aforementioned committee referred to in sub-clause 1 resigns prematurely, a successor shall be elected without delay for the remainder of the resigning member’s term of office.

(3) Elections under the aforementioned sub-clause 2 shall be subject to the same regulations as elections under the aforementioned sub-clause 1.

(4) The Supervisory Board may form committees from its members entrusted with special duties or powers. To the extent permitted by law, the powers of the Supervisory Board to pass resolutions may also be exercised by such committees. For resolutions in the committees, clause 10, sub-clauses 6 to 8 shall apply, unless otherwise required by binding statutory provisions; clause 10, sub-clause 5 shall not apply.”

n) § 10 (old)/§ 11 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

“§ 11 Resolutions of the Supervisory Board

(1) A quorum of the Supervisory Board shall be constituted when notices have been issued to all its members at their last known address and at least ten members of the Supervisory Board participate in passing the resolution. Abstentions from members of the Supervisory Board are included when determining whether there is a quorum.

(2) In justified exceptional cases, members of the Supervisory Board can, subject to the approval of the Chairman, take part in a meeting of the Supervisory Board or its committees via a telephone or video conference.

(3) Members of the Supervisory Board who do not take part in the meeting nor in the manner described in para. 2, may participate in a resolution of the Supervisory Board and its committees by submitting their vote in writing (or also by fax) to the person chairing the meeting, prior to the vote. This shall also apply to the additional casting vote of the Chairman.

(4) If not all members of the Supervisory Board attend a meeting of the Supervisory Board and the absent members of the Supervisory Board do not submit their votes as described in para. 3, the passing of the resolution shall be postponed if at least two members of the Supervisory Board taking part in the meeting so request. In the event of postponement and if a special meeting of the Supervisory Board is not convened, the resolution shall be deferred to the next regular meeting. A minority request for postponement shall be disallowed for the second resolution.

If the Chairman of the Supervisory Board is present at the meeting, or if one of the attending members is in possession of his vote submitted in the manner described in para. 3, the aforementioned sub-clause shall not apply when the number of shareholders' representatives on the Supervisory Board take part in the meeting or take part in the passing of a resolution by submitting their vote in the manner described in para. 3 equals the number of employee representatives, or when an imbalance is offset by the voting abstention of certain Supervisory Board members.

(5) The Chairman, or in his absence, the Deputy Chairman may also arrange for the voting on a resolution of the Supervisory Board to be carried out in writing, by fax or e-mail – or by a combination of these communication media – if no member of the Supervisory Board objects to this procedure within an appropriate period of time, to be decided by the Chairman. The Chairman shall determine the details of the procedure. This regulation also applies to resolutions in committees.

(6) Resolutions shall be passed by a simple majority of votes cast unless other forms of majority are required by law. Abstentions shall not be counted in determining the outcome of the vote. In the event of an equality of votes, any member of the Supervisory Board may request that a second vote be conducted. The Chairman, or in his absence, the Deputy Chairman shall decide when the vote is to be repeated. If the second vote also results in an equality of votes, the Chairman of the Supervisory Board shall be given an additional casting vote. This regulation also applies to resolutions in committees, provided that the Chairman of the Supervisory Board and his Deputy shall be replaced by the Chairman of the Committee or his Deputy, unless otherwise required by binding statutory provisions.”

§ 10 (old) of the Memorandum and Articles of Incorporation currently reads:

“§ 10 Meetings, Resolutions and Statements of Intent of the Supervisory Board

(1) Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board or by his Deputy if the Chairman is unable to attend. Meetings shall be called in writing (including by telefax), by telex or by telegram, with a notice of two weeks. The individual items on the agenda shall be stated with sufficient clarity so as to allow the non-attending members of the Supervisory Board to make use of their right to vote by proxy. In urgent cases, the required notice of meeting may be shortened to three days.

(2) If due notice has not been given of an item on the agenda, a resolution may be passed only if no member of the Supervisory Board objects. Non-attending members of the Supervisory Board shall be given an opportunity to object to the resolution within a reasonable period of time, to be decided by the Chairman; the resolution shall only become effective if the non-attending members of the Supervisory Board do not raise any objections within the prescribed period.

(3) A quorum of the Supervisory Board shall be constituted when notices have been issued to all its members at their last known address and at least ten members of the Supervisory Board participate in passing the resolution.

(4) The Chairman of the Supervisory Board, or in his absence his Deputy, shall preside as Chairman of the Supervisory Board Meeting and decide the order of items on the agenda and the manner of voting.

(5) If the members of the Supervisory Board are not present in their entirety when a resolution is to be passed, and if the unattending members do not vote by proxy, the passing of the resolution shall be postponed if at least two of the attending members so request. In the event of postponement and if a special meeting of the Supervisory Board is not convened, the resolution shall be deferred to the next regular meeting. A minority request for postponement shall be disallowed for the second resolution.

If the Chairman of the Supervisory Board is present at the meeting, or if one of the attending members is in possession of his proxy, the aforementioned sub-clause shall not apply when the number of shareholders' representatives on the Supervisory Board attending in person or submitting a vote by proxy equals the number of employee representatives, or when an imbalance is offset by the voting abstention of certain Supervisory Board members.

(6) Resolutions shall be passed by a simple majority of votes cast unless other forms of majority are required by law. Abstentions shall not be counted in determining the outcome of the vote. In the event of an equality of votes, any member of the Supervisory Board may request that a second vote be conducted. The Chairman, or in his absence, the Deputy Chairman shall decide when the vote is to be repeated. If the second vote also results in an equality of votes, the Chairman of the Supervisory Board shall be given an additional casting vote.

(7) Members of the Supervisory Board who are not present may participate in a resolution of the Supervisory Board and its committees by submitting a proxy via other members. This shall also apply to the additional casting vote of the Chairman.

(8) The Chairman of the Supervisory Board, or in his absence, the Deputy Chairman may also arrange for the voting on a resolution of the Supervisory Board to be in writing (including by telefax), by telex or by telegram if no member of the Supervisory Board objects to this procedure within an appropriate period of time, to be decided by the Chairman.

(9) The Chairman of the Supervisory Board, or in his absence, the Deputy Chairman shall issue the statements of intent of the Supervisory Board and its committees and conduct their correspondence.

(10) Minutes of the Supervisory Board's discussions and resolutions shall be issued and signed by the Supervisory Board Chairman. The minutes shall be forwarded to all members."

o) § 11 (old)/§ 12 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

"(1) The members of the Supervisory Board maintain secrecy regarding confidential corporate information, especially company or business secrets, being disclosed to the members of the Supervisory Board in their service; this obligation continues beyond the end of their office as a member of the Supervisory Board. The members of the Supervisory Board are particularly obliged to maintain secrecy concerning confidential reports and confidential deliberations. On termination of their mandate, all confidential documents must be returned to the Chairman of the Supervisory Board.

(2) If, contrary to para 1, a member of the Supervisory Board for a special reason intends to communicate information concerning, in particular, the content and events of Supervisory Board meetings and the content of Supervisory Board submittals and resolutions to a third party, (s)he must first inform the Chairman of the Supervisory Board of this in order to resolve any differences of opinion regarding the obligation to secrecy.

(3) The members of the Supervisory Board shall ensure that any employee they involve similarly abides by the obligation to secrecy.”

§ 11 (old) of the Memorandum and Articles of Incorporation currently reads:

“The members of the Supervisory Board shall be bound to secrecy in respect of confidential information and secrets of the corporation, in particular business or trade secrets which become known to members of the Supervisory Board through their activities on the Supervisory Board. If a member of the Supervisory Board intends to pass on information to third parties, particularly about the proceedings of a Supervisory Board meeting or the content of documents and resolutions of the Supervisory Board, he shall give prior notice to the Chairman of the Supervisory Board to alleviate any possible differences of opinion in construing the duty of secrecy.”

13. Resolution Concerning Changes to the Remuneration of the Supervisory Board and Amendment of the Memorandum and Articles of Incorporation ¹

The remuneration currently paid to the members of the Supervisory Board is below that paid to Supervisory Board members of comparable companies. To strengthen the company’s competitive position in terms of its ability to attract outstanding individuals for its Supervisory Board, the remuneration of the Supervisory Board members shall be increased effective for the current financial year. At the same time, in line with recommendations of the German Corporate Governance Code, there should be greater differentiation between the levels of remuneration for different functions within the Supervisory Board. The memorandum and articles of incorporation should also point out that members exercising more than one function are paid only for one of those functions. Finally, the memorandum and articles of incorporation should make it clear that the company is permitted to take out insurance against pecuniary damage for its Supervisory Board members, and that the company shall bear the costs of such insurance.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) The members of the Supervisory Board shall be reimbursed for their expenses (including the costs of any value added tax incurred by them in the performance of their office) and receive fixed remuneration payable after the financial year-end. The remuneration shall amount to €75,000.00, for the individual member, three times this amount for the Chairman of the Supervisory Board, twice this amount for the Deputy Chairman of the Supervisory Board and the Chairman of the Audit Committee, 1.5 times this amount for chairmen of other Supervisory Board committees and 1.3 times this amount for members of the Supervisory Board committees. If a member of the Supervisory Board exercises several of the aforementioned functions, he shall be remunerated solely according to the function with the highest remuneration. The members of the Supervisory Board shall receive a flat fee of €1,100.00 for each meeting of the Supervisory Board and its committees that they attend. If any members of the Supervisory Board step down from the Supervisory Board during the course of a financial year, they shall receive remuneration proportionate to the time of office served. If a member of the Supervisory Board steps down from a function in connection with an increased remuneration, the previous sentence applies as it relates to the remuneration for the relevant function.

Members of the Supervisory Board shall be covered by insurance against pecuniary damage, taken out in the interest of the corporation for executive bodies and certain senior executives, insofar as such coverage exists. The insurance premiums shall be paid by the corporation.”

¹ The text provides a translation. The German text of the Memorandum and Articles of Association is legally binding.

- b) § 12 (old)/§ 13 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

“§ 13 Remuneration of the Supervisory Board, Liability Insurance

(1) The members of the Supervisory Board shall be reimbursed for their expenses (including the costs of any value added tax incurred by them in the performance of their office) and receive fixed remuneration payable after the financial year-end. The remuneration shall amount to €75,000.00, for the individual member, three times this amount for the Chairman of the Supervisory Board, twice this amount for the Deputy Chairman of the Supervisory Board and the Chairman of the Audit Committee, 1.5 times this amount for chairmen of other Supervisory Board committees and 1.3 times this amount for members of the Supervisory Board committees. If a member of the Supervisory Board exercises several of the aforementioned functions, he shall be remunerated solely according to the function with the highest remuneration. The members of the Supervisory Board shall receive a flat fee of €1,100.00 for each meeting of the Supervisory Board and its committees that they attend. If any members of the Supervisory Board step down from the Supervisory Board during the course of a financial year, they shall receive remuneration proportionate to the time of office served. If a member of the Supervisory Board steps down from a function in connection with an increased remuneration, the previous sentence applies as it relates to the remuneration for the relevant function.

(2) Members of the Supervisory Board shall be covered by insurance against pecuniary damage, taken out in the interest of the corporation for executive bodies and certain senior executives, insofar as such coverage exists. The insurance premiums shall be paid by the corporation.”

§ 12 (old) of the Memorandum and Articles of Incorporation currently reads:

“§ 12 Remuneration of the Supervisory Board

The members of the Supervisory Board shall be reimbursed for their expenses (including the costs of any value added tax incurred by them in the performance of their office) and receive fixed remuneration payable after the financial year-end. The remuneration shall amount to €51,129.19, for the individual member, twice this amount for the Chairman, 1.5 times this amount for the Deputy Chairman and 1.3 times this amount for members elected to committees of the Supervisory Board. Furthermore, the members of the Supervisory Board shall receive a flat fee of €1,022.58 for each meeting of the Supervisory Board.”

14. Resolution on the Amendment of the Memorandum and Articles of Incorporation Concerning the Venue for the Annual Meeting and Proxy Voting ¹

Venue for the Annual Meeting

The current version of the Memorandum and Articles of Incorporation describes the possible venues for the Annual Meeting in very general terms. To inform the shareholders in more detail of the possible places where the Annual Meeting can be held, this provision should be drafted in more specific terms.

Proxy voting

The German Corporate Governance Code recommends the appointment of a representative to exercise shareholders' voting rights in accordance with instructions; the implementation of this recommendation should also be set down in the company's Memorandum and Articles of Incorporation. To make the Articles consistent with the wording of the law, the word "Aktienbuch" is to be replaced with the word "Aktienregister" (share register) in the German version of these Articles.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) § 13 (1) (old)/§ 14 (1) (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

"(1) The Annual Meeting shall be convened by the Board of Management or the Supervisory Board. It shall be held at the registered office of the corporation or at a German stock exchange. Furthermore, the Annual Meeting may be held in any domestic location with more than 250,000 inhabitants."

§ 13 (1) (old) of the Memorandum and Articles of Incorporation currently reads:

"(1) The Annual Meeting shall be convened by the Board of Management or the Supervisory Board. The Annual Meeting shall be held at the registered office of the corporation or any other location not prohibited by law."

- b) § 15 (old)/§ 16 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

"(1) Those shareholders who are registered in the share register on the day of the Annual Meeting and who have notified the corporation no later than on the third day before the Annual Meeting shall be entitled to participate in the Annual Meeting and to exercise their voting rights.

(2) A shareholder may exercise his/her voting right by a proxy nominated by him/her.

(3) The corporation shall elect a proxy representative to exercise the voting rights of the shareholders on their instruction. Powers of attorney may be granted to the corporate proxy representatives in writing, by fax or using electronic media in a manner to be determined in detail by the Board of Management. The details, in particular regarding the form and terms for conferring and revocation of powers of attorney, shall be announced together with the convention of the Annual Meeting."

¹ The text provides a translation. The German text of the Memorandum and Articles of Association is legally binding.

§ 15 (old) of the Memorandum and Articles of Incorporation currently reads:

“(1) Those shareholders who are registered in the share register on the day of the Annual Meeting and who have notified the corporation no later than on the third day before the Annual Meeting shall be entitled to participate in the Annual Meeting and to exercise their voting rights.

(2) The shareholder may submit his proxy authorization by any legally allowable means.”

15. Resolution on the Amendment of the Memorandum and Articles of Incorporation Pertaining to the Shareholders’ Participation in Profits ¹

To enable the company to distribute non-cash dividends in accordance with the new provisions of the German Stock Corporation Act (Aktiengesetz), the rules governing the shareholders’ participation in profits shall be amended.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

§ 21 (old)/§ 22 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

“§ 22 Shareholders’ Participation in Profits

(1) The dividends paid to shareholders shall be proportional to their shares in the stock capital of the corporation. When new shares are issued, a different entitlement to profits may be specified.

(2) The Annual Meeting may also, insofar as permitted by law, approve the distribution of non-cash dividends, in addition to the distribution of cash dividends.”

§ 21 (old) of the Memorandum and Articles of Incorporation currently reads:

“§ 21 Criteria for the Shareholders' Participation in Profits

(1) The dividends paid to shareholders shall be proportional to their shares in the stock capital of the corporation.

(2) When new shares are issued, a different entitlement to profits may be specified.”

¹ The text provides a translation. The German text of the Memorandum and Articles of Association is legally binding.

16. Other Amendments to the Memorandum and Articles of Incorporation ¹

Other amendments are to be made purely for the purpose of adapting the wording to the changed wording of the statute.

The Board of Management and the Supervisory Board submit the following resolution for adoption:

- a) § 14 (old)/§ 15 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

“The Annual Meeting which ratifies the actions of the Board of Management and the Supervisory Board, and approves the allocation of unappropriated profits, the appointment of auditors and, in the event stipulated by law, the audited financial statements and the approval of the consolidated financial statements (Annual Meeting), shall be held within the first eight months of each financial year.”

§ 14 (old) of the Memorandum and Articles of Incorporation currently reads:

“The Annual Meeting which ratifies the actions of the Board of Management and the Supervisory Board, and approves the allocation of unappropriated profits, the appointment of auditors and, if applicable, the audited financial statements (Annual Meeting), shall be held within the first eight months of each financial year.”

- b) § 19 (2) (old)/§ 20 (2) (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

“(2) The Board of Management shall prepare the financial statements and the management report as well as the consolidated financial statement and the group management report for the previous financial year during the first three months of the financial year and shall submit them immediately to the Supervisory Board and to the auditors. The proposal to be made by the Board of Management at the Annual Meeting for the allocation of unappropriated profits is to be submitted to the Supervisory Board with the financial statements and the management report.”

§ 19 (2) (old) of the Memorandum and Articles of Incorporation currently reads:

“(2) The Board of Management shall prepare the financial statements and the management report for the previous financial year during the first three months of the financial year and submit them to the auditor. Upon preparation, the Board of Management shall immediately submit to the Supervisory Board the financial statements and management report together with the proposal for allocation of unappropriated profits which the Board of Management intends to submit before the Annual Meeting.”

- c) § 22 (old)/§ 23 (new) of the Memorandum and Articles of Incorporation shall be amended and reworded as follows:

“Announcements by the corporation shall be published in the electronic version of the Federal Gazette (elektronischer Bundesanzeiger).”

§ 22 (old) of the Memorandum and Articles of Incorporation currently reads:

“Announcements by the corporation shall be published in the Federal Gazette (Bundesanzeiger).”

¹ The text provides a translation. The German text of the Memorandum and Articles of Association is legally binding.

17. Resolution on Approval of Conclusion of Intercompany Agreements

DaimlerChrysler AG and Evobus GmbH, with its registered office in Stuttgart (hereinafter: “the enterprise”), concluded a subordination and profit transfer agreement on August 30, 2002/September 25, 2002.

Moreover, DaimlerChrysler AG and DaimlerChrysler Vertriebsgesellschaft mbH, with its registered office in Berlin (hereinafter: “the enterprise”), concluded a subordination and profit transfer agreement on August 6/12, 2002. The essential points of the contracts are as follows:

- Management of the respective enterprise is under the control of DaimlerChrysler AG.
- Each enterprise undertakes to transfer its unappropriated profit to DaimlerChrysler AG.
- DaimlerChrysler AG undertakes to offset any net losses of the respective enterprise in accordance with section 302 of the German Stock Corporation Act.
- Each enterprise may, with the approval of DaimlerChrysler AG, retain earnings from its net profit to the extent permissible under commercial law and economically viable under sound business practice.
- In the absence of external shareholders of the respective enterprise DaimlerChrysler AG does not have to provide any compensation payments or pay any settlements.
- The agreements apply – with the exception of DaimlerChrysler AG’s right to issue directives – retroactively for the period from January 1, 2002 and can be terminated by either side for the first time on December 31, 2006 and, thereafter, as at the end of each financial year. The right to terminate without notice for compelling grounds remains unaffected.

The Board of Management and the Supervisory Board recommend that the conclusion of the subordination and profit transfer agreement be ratified.

Report of the Board of Management on Agenda Item 6 concerning the exclusion of the subscription right in the event of the sale of own shares pursuant to § 71 (1) sentence 5 in conjunction with § 186 (4) sentence 2, § 186 (3) sentence 4 German Stock Corporation Act (Aktiengesetz):

The sale following purchase of own shares shall be permitted in all of the following cases, without any pre-emptive rights of the shareholders:

Among other things, the authorization under Agenda Item 6 is intended to give the company the opportunity to acquire own shares in order to use them for initial public offerings on stock markets where the company's shares are not yet listed.

The company faces intense competition on the international capital markets. An adequate supply of equity capital is important for the future development of the company. This includes the possibility of obtaining equity capital on the market at any time at appropriate conditions. In this respect, the company must be able to penetrate other major capital markets around the world. In individual cases, this can also render it necessary to acquire own shares and use these shares for initial public offerings on foreign stock markets where the company's shares are not currently listed.

The company should also be in a position to have own shares available to enable it to offer them as consideration in the context of corporate mergers or the acquisition of companies or participating interests. International competition and globalization of the economy increasingly demand this form of consideration. Therefore, the proposed authorization would grant the company the necessary flexibility to exploit opportunities that arise to acquire companies or participating interests quickly and flexibly. There are no concrete plans for utilizing this authorization. The Board of Management shall report to the Annual Meeting of the Shareholders on any utilization of this authorization.

The DaimlerChrysler Stock Option Plan resolved at the Annual Meeting of the Shareholders on April 19, 2000 can be accomplished with the conditional capital resolved at that Annual Meeting. The resolution proposed under Item 6 of this year's agenda is intended to give the company the opportunity to additionally service the Stock Option Plan through prior acquisition of own shares. The key points of the DaimlerChrysler Stock Option Plan were resolved by the Annual Meeting of the Shareholders on April 19, 2000. They can be examined as an integral part of the notarized minutes of the Annual Meeting of the Shareholders on April 19, 2000 at the Register of Companies in Stuttgart. They can also be examined as an integral part of the contemporaneous disclosure in the registered office of the company at Epplestrasse 225, D-70567 Stuttgart and on the Internet at www.daimlerchrysler.com/ir/am2003. On request, each shareholder shall immediately receive a copy of the aforementioned documents free of charge.

The decision as to how the options are to be exercised in individual instances shall be adopted by the relevant executive bodies of the company. Their decision shall be guided exclusively by the interests of the shareholders and the company and they shall report on their decision at the subsequent Annual Meeting of the Shareholders after any such decision has been taken.

In addition, the company must be able to issue employee shares to employees of the company and its affiliated companies. In order to facilitate the issue of employee shares, measures should be taken to enable the company to procure the necessary shares by using securities lending to acquire shares in the company and also using shares in the company as required to meet the claims of the lenders.

The company should be able to redeem own shares even without renewed resolution by the Annual Meeting of the Shareholders.

In addition to purchasing shares through the stock exchange the company is also to be given the opportunity to acquire its own shares through a public offering (tender procedure). This alternative provides that any shareholders of the company willing to sell can decide how many shares and, if a price range is set, at what price they are willing to offer them. If the volume offered at the set price exceeds the quantity of shares requested by the company, the acceptance of the offers to sell must be allocated appropriately. There should be a possibility of a preferred acceptance of small offers or small portions of offers of up to a maximum of one hundred shares. This possibility serves to avoid fractional amounts and small residual quantities in the determination of the quota to be acquired and thus facilitates technical settlement.

Report of the Board of Management on Agenda Items 8, 9 and 10 concerning the exclusion of the subscription right in the allocation of the authorized capital pursuant to § 203 (1) and (2) sentence 2 in conjunction with § 186 (4) sentence 2, § 186 (3) sentence 4 German Stock Corporation Act (Aktiengesetz)

a) Overview

The Board of Management and Supervisory Board propose to the Annual Meeting that an authorized capital increase (Authorized Capital I) in the total nominal amount of up to €500,000,000.00, an authorized capital increase (Authorized Capital II) in the total amount of up to €500,000,000.00 and an authorized capital increase (Authorized Capital III) in the total amount of up to €26,000,000.00 be created.

The new Authorized Capital I to III are to replace the previous Authorized Capital I and II, which expire on April 30, 2003. In terms of both their content and their amount, the new Authorized Capital I to III should exceed the previous Authorized Capital I and II, to give the company greater flexibility and to give it additional leeway to act in the interests of its shareholders. The new Authorized Capital I, which is intended to raise additional cash, is to replace the previous Authorized Capital I. However, it shall be for a greater amount than the Authorized Capital it replaces, and thus shall give the company greater financial leeway. The previous Authorized Capital II, which enabled the issue of shares to employees of DaimlerChrysler AG and its subsidiaries, is to be replaced by the new Authorized Capital III. The intention in creating the new Authorized Capital II is to create authorized capital to carry out non-cash capital increases. This is intended to be in addition to the possibilities provided by the current Authorized Capital I and II and should in particular enable the company to use DaimlerChrysler shares to finance the purchase of companies and participating interests in companies.

b) Authorized Capital I

The company intends to continue strengthening its competitive edge through the acquisition of companies, participating interests or parts of companies, thereby creating the basis for long-term, continuous revenue growth. This should also increase the value of the DaimlerChrysler share. The proposed Authorized Capital I must be created to enable the company to use its equity capital as a source of finance. As capital has to be raised quickly when an acquisition target is found, this is not generally a decision that can wait for a shareholders' meeting which only takes place once a year. For this reason, the company needs to create Authorized Capital which the Board of Management can access at short notice.

When calculating the size of Authorized Capital I, care must be taken to ensure that even large-scale corporate acquisitions can be financed through cash contributions.

In the case of a cash capital increase using Authorized Capital I, the shareholders are to be granted a right to subscribe. The Board of Management should however be authorized, with the approval of the Supervisory Board, to exclude the shareholders' right to subscribe to residual amounts or balances arising as a result of the subscription arithmetic and which cannot be equally distributed among all shareholders. The reason for this exclusion is to simplify the issue procedure. Further, the Board of Management is to be authorized, subject to the approval of the Supervisory Board, to suspend the subscription rights of the shareholders, if this is necessary, to grant a subscription right to holders of warrants or holders of convertible bonds or notes previously issued by Daimler-Benz Aktiengesellschaft or its subsidiaries or previously issued or still to be issued by DaimlerChrysler AG or its subsidiaries in the future, in the amounts to which such holders would be entitled upon the exercise of their warrants or conversion rights or upon the fulfillment of their conversion obligations. This suspension of subscription rights makes it possible to offer subscription rights to holders of existing warrants or convertible bonds in the event of a capital increase rather than reducing the option or conversion price in accordance with the terms of the bond. This objective can be achieved by means of the authorization, without the company having to resort to using its own shares.

In cases of a cash capital increase using Authorized Capital I, pursuant to §§ 203 (1) and (2), 186 (3) sentence 4 German Stock Corporation Act (Aktiengesetz) the Board of Management should also be authorized with the approval of the Supervisory Board to exclude the subscription right of the shareholders in respect of the amount of the increase, which does not exceed 10% of the available capital stock either at the time at which the authorization takes effect or at the time the authorization is exercised, provided that the new shares are issued at an issue price which is not substantially below the market price.

This authorization puts the company in a position where it can respond quickly and flexibly to market opportunities in the various business areas, and cover any capital requirement at very short notice. The exclusion of the subscription right enables the management not only to act quickly, but also to place the shares at close to market price. This generates greater revenues from the issue than from subscription right issues. In addition, this type of placement enables the company to attract new groups of shareholders.

When exercising the authorization which permits the exclusion of the subscription right pursuant to §§ 203 (1) and 2, 186 (3) sentence 4 German Stock Corporation Act (Aktiengesetz), the Board of Management shall set the deviance to the market price as low as the market conditions prevailing at the time of placement permit. The deviance to the market price at the time the Authorized Capital I is utilized shall never be more than 5% of the current market price.

The subscription right may not be excluded for more than 10% of the existing capital stock, neither at the time the authorization takes effect nor when it is exercised. These stipulations are a response to the statutory provisions requiring that shareholders be protected against a dilution of their shareholdings. Because the new shares are issued at close to market price and because the amount of capital that can be raised under the exclusion of subscription rights is limited, every shareholder has the opportunity to acquire the number of shares required to maintain his/her stake in the company on virtually equal terms via the stock market. This ensures that in accordance with § 186 (3) sentence 4 German Stock Corporation Act (Aktiengesetz), the financial and voting interests of the shareholders are adequately safeguarded in the event of an authorized capital increase being exercised which entails an exclusion of the shareholders' subscription, whilst the company is given additional flexibility to act in the interests of all shareholders.

The sale of own shares is to be included in the limit of 10% of the capital stock, insofar as it takes place during the suspension of subscription rights due to an authorization to sell own shares in line with § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) valid at the time of this authorization or an authorization in lieu thereof. Furthermore, shares issued or to be issued by way of honoring bonds with conversion rights and/or warrants are to be included in this limit of 10% of the capital stock, if the bonds were issued during the suspension of subscription rights due to an authorization to issue bonds in line with § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) valid at the time this authorization takes effect or an alternative authorization taking effect in line with § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz).

c) Authorized Capital II

In connection with the company's objective of continuing to strengthen its competitive edge through acquisitions of companies or participating interests or parts of companies, thereby enabling continuous, long-term revenue growth and increasing the value of the DaimlerChrysler share, the company also needs the option of being able to finance such acquisitions through shares. Since capital has to be raised quickly when an acquisition target is found, this is not generally a decision that can wait for a shareholders' meeting which only takes place once a year. This requires the creation of Authorized Capital II.

In the event of a capital increase against non-cash contributions involving the use of Authorized Capital II, the Board of Management must be authorized to exclude the shareholders' subscription right, subject to the approval of the Supervisory Board. This enables the Board of Management to use shares in the company in appropriate cases in connection with mergers or the acquisition of companies, parts of companies, participating interests in companies and other economic assets related to a proposed acquisition without any adverse impact on the stock markets.

DaimlerChrysler AG operates in a very tough and competitive market. In the interests of its shareholders, it must therefore be in a position to act quickly and flexibly at all times within these rapidly changing markets. This includes being able to acquire companies, parts of companies or participating interests in companies to strengthen its competitive position. The companies, parts of companies or interests in companies that are suitable for such acquisition are getting bigger and bigger, and the asking price is frequently very high. Often, it is not possible or – particularly in terms of achieving the best possible financing structure – desirable to pay cash. In many cases the seller also insists on receiving payment in the form of shares from the acquiring company, as this can be more favorable. Having the option of being able to offer payment in the form of shares in the company thus gives the company an advantage in the competition for interesting acquisition targets. The proposed authorization therefore gives the company the necessary scope to act quickly and flexibly when opportunities to acquire companies, parts of companies or interests in companies arise, and puts it in a position whereby it can utilize the Authorized Capital II in appropriate cases to acquire even larger companies, parts of companies or interests in companies in exchange for shares. There are currently no concrete plans for utilizing this authorization.

d) Authorized Capital III

The Board of Management should also be authorized to carry out cash and/or non-cash capital increases using Authorized Capital III. The right of the shareholders to subscribe is excluded in such cases in order that the new shares may be issued to employees of DaimlerChrysler AG and its subsidiaries.

The legislature believes that the issue of employee shares is desirable and has therefore introduced a number of measures to facilitate this. Employee stock option schemes help to integrate employees in the company and promote the assumption of shared responsibility and the stability of the workforce. The issue of employee shares is thus in the interests of the company and its shareholders.

The volume has been calculated on the basis of the number of eligible employees, the anticipated subscription numbers and the duration of the authorization. When setting the issue price, concessions can be granted of the type customary for employee shares.

In order to facilitate the issue of employee shares, measures should be taken to enable the company to procure the necessary shares by using securities lending to acquire shares in the company. The new shares in the company created as a result of the authorized capital should therefore be used both for issuing shares to employees as well as to meet the claims of lenders for the return of shares in the company. This means that it is necessary to exclude shareholders' subscription right. The net economic result is that new shares in the company are used exclusively for issuing employee shares.

e) Utilization of the authorized capital increases

The Board of Management shall carefully consider on a case-by case basis whether it should make use of the authorization to exclude shareholders' subscription rights when utilizing the authorization to increase capital. It shall only make use of this option if, in the assessment of the Board of Management and Supervisory Board, this is in the interests of the company and thus its shareholders.

The Board of Management shall report to the next Annual Meeting of the Shareholders on the utilization of the authorized capital.

Note on Agenda Item 17 (consent to the subordination and profit transfer agreements):

The following documents are available for examination by the shareholders in the office of DaimlerChrysler AG, Epplestrasse 225, 70567 Stuttgart and in the offices of the respective dependent enterprise concerned from the time at which the Annual Meeting of the Shareholders is convened onwards

- the respective subordination and profit transfer agreement concerned,
- the joint reports by the Board of Management of the company and the management of each dependent enterprise prepared in accordance with section 293 a of the German Stock Corporation Act (Aktiengesetz),
- the annual financial statements and the management reports of DaimlerChrysler AG for the last three financial years,
- For EvoBus GmbH:
the annual financial statements and the management reports of EvoBus GmbH, registered office in Stuttgart, for the last three financial years,
- For DaimlerChrysler Vertriebsgesellschaft mbH:
the annual financial statements and the management reports of DaimlerChrysler Vertriebsgesellschaft mbH, registered office in Berlin, for the last three financial years.

On request, each shareholder shall immediately receive a copy of the aforementioned documents free of charge.

The aforementioned documents shall also be made available at the Annual Meeting of the Shareholders.

Those shareholders who on the day of the Annual Meeting of the Shareholders are registered in the share register as shareholders of the company and who have announced their intention to attend by no later than Friday, April 4, 2003 are entitled to participate in the Annual Meeting of the Shareholders and to exercise their voting rights. Shareholders who are registered in the share register may notify the company of their intention to attend directly with

**DaimlerChrysler AG,
Investor Relations HPC 0324, 70546 Stuttgart**

or electronically via the Internet at
www.DaimlerChrysler.com/ir/am2003.

Shareholders who are registered in the share register may also have their voting rights exercised by a representative with written power of attorney, a bank, or a shareholder association. In such cases the authorized representatives must be registered in advance by the shareholder or shareholder's representative. In such instances we ask that shareholders forward the forms they have received to a representative of their choice together with their respective instructions.

If a bank is entered in the share register, it may only exercise the voting right for shares not belonging to it on the basis of authorization by the shareholder.

As a special service we offer our shareholders the opportunity to be represented by employees of the company at the Annual Meeting of the Shareholders. Powers of attorney and relevant instructions can be issued in writing or directed to the aforementioned web address. Details can be found in the documents mailed to the shareholders.

All motions and inquiries from shareholders must be directed to the following company addresses:

In writing or by fax to
**DaimlerChrysler AG
Investor Relations HPC 0324, 70546 Stuttgart
(fax no.+49 (0)711 17 94075)**

Via e-mail to:
investor.relations@daimlerchrysler.com

Motions from shareholders which are intended for publication and are received before midnight on March 25, 2003, shall be published on the Internet at www.daimlerchrysler.com/ir/am2003 as soon as they are received. Any statements of management shall be published after this date on the same Internet page.

The company shall mail the agenda for the Annual Meeting of the Shareholders on April 09, 2003 together with the summary report for the 2002 financial year and the documents for registration or granting of proxy voting authorizations to the shareholders registered in the share register.

Stuttgart, February 25, 2003

**DaimlerChrysler AG
The Board of Management**

Appendix to the Agenda:

Details pursuant to Section 128 (2) of the German Stock Corporation Law

Members of the Board of Management or employees of DaimlerChrysler AG are also members of supervisory boards of the following credit institutes:

Bayerische Hypo- und Vereinsbank AG

DaimlerChrysler Bank GmbH

HVB Real Estate Bank AG

No member of the DaimlerChrysler Supervisory Board is employed by any bank or a member of any bank's board of management.

Credit institutes that hold equity in DaimlerChrysler AG that must be disclosed pursuant to Section 21 of the German Securities Trading Law:

Deutsche Bank AG, Frankfurt (11.8%)

Credit institutes that belonged to a consortium that within the last five years carried out the company's last securities issue:

ABN AMRO Bank N.V.

Banc of America Securities Inc.

Banc One Capital Markets Inc.

Barclays Bank plc

Bayerische Hypo- und Vereinsbank AG

Bayerische Landesbank Girozentrale

Bear Stearns & Co.

BNP Paribas

Caboto Holdings SIM S.P.A.

Commerzbank Aktiengesellschaft

Credit Suisse First Boston Corporation

Deutsche Bank AG

Dresdner Bank AG

DZ Bank Deutsche Genossenschaftsbank AG

Goldman Sachs & Co.

HSBC Bank plc

J. P. Morgan Chase & Co.

Landesbank Baden-Württemberg

Morgan Stanley & Co.

Salomon Smith Barney Inc.

Scotia Bank

Société Générale

UBS Warburg LLC

Westdeutsche Landesbank Girozentrale

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