

# DAIMLERCHRYSLER



## Counter Motions 4<sup>th</sup> Annual Meeting



**DaimlerChrysler AG, Stuttgart**  
**April 10, 2002, Messe Berlin**

The German original text of the agenda and the counter motions is available on the Internet at [www.daimlerchrysler.com/ir/hv2002](http://www.daimlerchrysler.com/ir/hv2002). It can be requested from the Company free of charge.

Den deutschen Originaltext der Tagesordnung und der Gegenanträge finden Sie im Internet unter [www.daimlerchrysler.com/ir/hv2002](http://www.daimlerchrysler.com/ir/hv2002). Eine Abschrift kann bei der Gesellschaft kostenfrei angefordert werden.



## Dear Shareholders,

For our Annual Meeting to be held in Berlin on April 10, 2002, some shareholders have submitted counter motions to Agenda Items 3 and 4, and informed us that they would like to influence other shareholders to vote in support of their counter motions.

### Association for the Protection of Small Shareholders (SdK),

Karlsplatz 3, 80335 Munich

#### Re: Agenda Item 3

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

##### Reason

DaimlerChrysler is worth less today than Daimler-Benz was worth alone. And money continues to be eliminated. The forecasts of a year ago, according to which – bad enough – the minimum rate of return required to cover capital costs would not be achieved until 2003, have already been trashed. The Board of Management has had to halve its earnings promises for 2002.

Weak profitability, reduced dividends, negative free cash flow in the industrial business: To resolve its self-induced problems the management allowed itself a period of grace with the so-called milestones. Now the milestones are turning into stumbling blocks.”

#### Re: Agenda Item 4

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

##### Reason

With its decision to prematurely extend Jürgen Schrempp’s contract by a further two years until 2005, the Supervisory Board of DaimlerChrysler AG has sent out a false signal. They should have waited, at least to see whether the Board of Management achieves the promised milestones after the Chrysler mistake. Not until then should a contract extension have been considered. As long as the Supervisory Board does not ensure that DaimlerChrysler creates value rather than destroying it, its actions should not be ratified.”

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**Central Association of Critical Shareholders**, Schlackstrasse 16, 50737 Cologne

**Re: Agenda Item 3**

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

Reason

The La Plata regional court and the Nuremberg state prosecutor are investigating the Mercedes production manager, Juan Tasselkraut, in connection with complicity in the murder of members of the labor council of the Gonzáles Cátan Mercedes plant. During the military dictatorship (1976-1983), 30,000 opponents of the regime were murdered, including at least 14 Mercedes labor council members. Before the regional court in La Plata, surviving labor council members and journalist Gaby Weber, who initiated the case, accused Mercedes managers of complicity. Manager Tasselkraut defended himself with the statement that at that time, “productivity at the plant fell by more than half,” and after the deaths of the labor councilors, “it normalized again.” The Board of Management is simply ignoring these accusations and preventing any clarification.”

**Re: Agenda Item 4**

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

Reason

The Supervisory Board has not instructed the Board of Management to clear up the infringements of human rights during the military dictatorship in Argentina. The journalist, Gaby Weber, has informed the Supervisory Board in writing of accusations of fraud, claiming that Mercedes managers made money out of the kidnapping of their colleague, Metz, by putting ransom money into their own pockets. In this way they defrauded the shareholders of their dividends. The suspicion is based on statements by witnesses and on documents. The Supervisory Board seems not to be interested in the clarification of this matter. In connection with conflicting information on the amount of the ransom money the Group stated to the state prosecutor, “We have no explanation for that.” Additional arguments against ratification can be seen on the Internet at [www.kritischeaktionare.de](http://www.kritischeaktionare.de).”

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### German Association for the Protection of Security Holdings (DSW),

PO Box 350263, 40443 Düsseldorf

#### Re: Agenda Item 3

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

##### Reason

The Board of Management has not only revised its forecasts, but also failed to achieve the revised milestones for its restructuring program. It is responsible for the immense loss in value of shareholders’ assets and the reduction in the dividend distribution. Furthermore, it provides absolutely inadequate information on future profit developments and thus causes additional uncertainty among investors. It clings on to the failed idea of a global corporation. It does not deserve to be ratified.”

#### Re: Agenda Item 4

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

##### Reason

In a legally questionable manner, the Supervisory Board extended Board of Management contracts although the Board of Management has yet to prove itself in the company’s present crisis. Moreover, it has not instructed the Board of Management to prepare sufficient management personnel to resolve the problems of the Group. It has obediently followed the Board of Management idea of a global corporation without any criticism and still holds on to this idea after the lack of success. It has not carried out overdue personnel changes. It does not deserve to be ratified.”

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**Eva Grässlin**, Haierweg 51, 79114 Freiburg

#### Re: Agenda Item 3

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

##### Reason

The dismissal of 44,000 employees, the disastrous development of financial statements, share price and dividends are the result of an entirely mistaken strategy of globalization by the Board of Management. This mismanagement is in blatant contrast to the remuneration and stock options given in recent years to the Board of Management Chairman and members, as well as to the other top managers. According to the new Code of Behavior for Corporate Executives issued by the German Federal Government, the income of each individual member of a board of management should be disclosed in the annual financial statements. But once again, in the current annual report DaimlerChrysler has published only the total for all members of the Board of Management. Instead of the necessary transparency, the Board of Management practices the American profit attitude combined with German secrecy. DaimlerChrysler should accept the Code of Behavior without any reservations.”

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**Jürgen Grässlin**, Haierweg 51, 79114 Freiburg

**Re: Agenda Item 3**

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

Reason

With the development and production of combat aircraft and helicopters, launch rockets and military satellites, atomic weapons and mines (submunitions), EADS is the biggest armaments company in Europe. DaimlerChrysler is EADS’ biggest shareholder with a stake of around 33%. With its uninhibited export of weapons all over the world, EADS continues the inglorious tradition of DaimlerChrysler Aerospace (Dasa). Instead of finally taking the necessary steps to reduce the level of arms and introduce conversion (to manufacturing civil goods), Jürgen E. Schrempp announced that “in no way” is a departure by the DaimlerChrysler Group from the “very good collaboration” with EADS foreseen. The DaimlerChrysler Board of Management shares the responsibility for worldwide murder with EADS weapons.”

**Re: Agenda Item 4**

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

Reason

The Central Association of Critical DaimlerChrysler Shareholders was the only shareholder association to reject the acquisition of Chrysler and of a stake in Mitsubishi. Driven by the unrealistic target of becoming the world’s Number One automotive group, the Board of Management and the Supervisory Board consented to these acquisitions of loss-makers as demanded by Jürgen E. Schrempp. In blind obedience, the representatives of the capital side in the Supervisory Board approved the global power fantasies of the Board of Management Chairman. Today, tens of thousands of dismissed employees and the shareholders have to suffer for these empty promises. The direction for the future can only be set with an ecologically and socially compatible corporate policy. The merger has failed, Mercedes-Benz must separate from Chrysler.”

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**Dr. Leonhard Knoll**, Bahnhofweg 1b, 97350 Mainbernheim

**Re: Agenda Item 3**

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

Reason

There is no doubt that the Chairman of the Board of Management has proven to be a permanent failure, and has now replaced his predecessor, Edzard Reuter, as the biggest eliminator of capital in the country. This fact has meanwhile been confirmed by the Group’s independent employee association in its information leaflet No. 80 of June 2001. The question of “Who is the biggest eliminator of capital?” is followed by photographs of the two main contenders, Edzard Reuter and Jürgen Schrempp. The answer is given in the manner of the Oscar awards: “And the winner is, Jürgen E. Schrempp.” It would therefore be a mockery of the shareholders and the employees to ratify his actions.”

**Re: Agenda Item 4**

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

Reason

Instead of ejecting capital eliminator Schrempp, his contract of employment has even been prematurely extended. By this action the Supervisory Board has adopted the permanent failures of the Board of Management Chairman as its own, and has clearly documented that it regards sharing this lack of success with the Board of Management as more important than the interests of the shareholders and employees.”

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**Robert Kuntze**, Parzivalstrasse 41, 80804 Munich

**Re: Agenda Item 3**

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

Reason

We shareholders have suffered exorbitant share-price losses and are now to suffer again as the dividend is to be cut by about two thirds. Whereas Schrempp and Co. still allow themselves most generous management-board salaries. Despite mistakes they have made or are responsible for and the massively reduced dividend, these salaries have not yet been reduced! According to serious estimates by the Frankfurter Allgemeine newspaper of May 8, 2001, Schrempp earned about €7 million in the year 2000, which is among the highest incomes of all board-of-management chairmen of the DAX 30 companies! Only flimsy arguments have been presented as justification for the fact that no official statement has yet been made on this subject. See next counter motion for further details.”

**Re: Agenda Item 4**

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

Reason

Due to the inability of this board, the company’s proprietors, the shareholders that is, have suffered exorbitant share-price losses. Despite several reminders, inquiries have not been replied to although they were in some cases addressed directly to the Board of Management / Supervisory Board, often the few answers that came were useless or insufficient, as they replied not at all or only partially to the questions asked. This encourages the suspicion of a cover up. In addition, see first counter motion.”

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**Micheal Mench**, Alfred-Neumann-Anger 8, 81737 Munich

**Re: Agenda Items 3 and 4**

“The actions of the Board of Management and the Supervisory Board are not to be ratified.

Reason:

Daimler-Chrysler is a major sponsor of one of the most brutal and corrupt rodeo associations in the United States, the Professional Rodeo Cowboy Association (PRCA). Rodeo is cruelty to animals as entertainment. The management of DaimlerChrysler has received video tapes of rodeos sponsored by Dodge demonstrating that the animals are harshly treated, although the PRCA claims to adhere to animal-protection guidelines. At these rodeo events children learn that animals can be mistreated, and that those who are the most brutal receive a prize. The management decided simply to ignore this evidence. A letter by the Group to this effect is published on the web-site, [www.anti-corrída.de](http://www.anti-corrída.de).”

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**Maria Postel**, Rossbergstrasse 11, 73734 Esslingen-Zollberg

**Re: Agenda Item 3**

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

Reason

DaimlerChrysler still does not offer soot-particle filters for its diesel-engine cars, although it has meanwhile been proven that from a certain concentration diesel particulate can cause cancer. The Board of Management is ignoring the danger of cancer and apparently regards the introduction of particle filters for passenger cars, which are essential for the environment and human health, as unnecessary. Unlike the French PSA Group, which two years ago had already put a soot-particle filter into series production and thus taken over technological leadership. Peugeot is therefore the first manufacturer in the world to supply practically soot-free diesel engines for cars. Meanwhile, even the ADAC (German Automobile Club) has accused other manufacturers of “collective somnambulism”.

**Re: Agenda Item 4**

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

Reason

DaimlerChrysler AG has deceived the public with regard to the ecological advantages and the time of launching fuel-cell vehicles. Although, among others, experts of the DaimlerChrysler Critical Shareholders (Arndtstrasse 31, 70178 Stuttgart, [www.kritischeaktionaeere.de](http://www.kritischeaktionaeere.de)) have repeatedly pointed out with reference to numerous scientific studies that the introduction of the fuel cell in large numbers by the year 2004 is not feasible, and that on the basis of fossil fuels sufficient reductions in CO<sub>2</sub> are not possible. According to the company’s latest plans, the commercialization of fuel-cell cars will now only take place from the year 2010. Tests in Japan of the A-Class with fuel-cell technology resulted in considerably higher CO<sub>2</sub> emissions than from diesel-engine cars.”

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**Holger Rothbauer**, Poststrasse 12, 72072 Tübingen

**Re: Agenda Item 3**

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

Reason

Despite the shocking revelations at and since the last shareholders’ meeting concerning the involvement of Daimler employees in grave infringements of human rights during the Argentinean military dictatorship, the commission of inquiry demanded by Company Labor Council Chairman Klemm and promised by Board of Management Chairman Schrempp (and with Nobel Peace Prize winner Peres Esquivel available to lead it) still has not begun work as it has not yet been authorized to do so by DaimlerChrysler. In view of continuing criminal investigations and the summons of Tasselkraut and other Daimler employees to appear before the Truth Commission, this behavior is extremely damaging to our image. The Argentinean public and the dependants of the disappeared and murdered persons are still waiting for a sign of action from the Group in this matter.”

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**Paul Russmann**, Forststrasse 160c, 70193 Stuttgart

**Re: Agenda Item 3**

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

Reason

Last year, numerous shareholders gave proxy voting rights to DaimlerChrysler Critical Shareholders, Arndtstrasse 31, 70197 Stuttgart, Tel. +49/711/608396, because the Board of Management ignored their demands to stop supplying submunition mines MIFF/PATS and MUSPA/PAAS. Unfortunately, in the 2001 financial year these landmines were also on offer in the magazine, NATO’S NATIONS. While Italy has classified MIFF and MUSPA as anti-personnel mines and destroyed its stocks, RTG Euromunition (a 50% subsidiary of Daimler/EADS) advertises the submunition mines “to meet the customers’ needs for each target scenario”, and in a brochure it even describes the MIFF mine as being ”to engage mine-clearing vehicles”.”

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**Dr. Norbert Schoch**, Lindenwiesen 12, 73529 Schwäbisch Gmünd

**Re: Agenda Items 3 and 4**

“The actions of the Board of Management and the Supervisory Board are not to be ratified.

Reason:

The Board of Management and the Supervisory Board are clinging on to the wrong and disadvantageous strategic orientation of the corporate goal of not parting company with loss-making Chrysler and Mitsubishi. The forecasts and promises of the Board of Management, approved by the Supervisory Board, concerning the development of these divisions have proven to be incorrect. No improvement can be expected in the foreseeable future.”

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**Walter Schwenninger**, Haagasse 35, 72070 Tübingen

**Re: Agenda Item 3**

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

Reason

For years now, human rights organizations have been criticizing our company’s involvement with illegal regimes via armaments production. For example, during the dictatorship in Argentina, the management of the Daimler plant under Juan Tasselkraut allegedly passed on the names and addresses of eight Daimler employees to the military, who then arrested and killed these people. The Board of Management still has not given satisfactory answers to the question of co-responsibility for infringements of human rights in the company at the time of the Videla regime.”

**Re: Agenda Item 4**

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

Reason

Not only the use of DaimlerChrysler armaments in crisis regions, but also the enormous amounts of money for their purchase, cause hunger and misery as well as spiraling debt in the southern hemisphere.

As DaimlerChrysler is involved with numerous armaments transactions and licensed production of armaments in many of the countries shaken by the international financial crisis, it also bears responsibility.

Civil production also increases the mountain of foreign debt. Neo-liberal globalization has massively increased poverty in these countries. The Supervisory Board should rethink its role concerning the indebtedness of the poor countries and take appropriate action, for example, social and ecological standards for production with capability for the future.”

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**Beate Winkler-Pedernera**, Süderstrasse 170, 21683 Stade

**Re: Agenda Item 3**

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

Reason

In a company in the “free world” there should be a guaranteed right to freely express political opinions. However, in at least one case the situation at DaimlerChrysler AG was rather different. After the praiseworthy minute’s silence held at the Group to commemorate the victims of the attacks of September 11, one employee made a critical comment on the imminent military action by the United States. He was threatened with dismissal for allegedly disturbing the industrial peace. In this way, Daimler acts as a trailblazer for dismantling democratic rights and freedom. This is not acceptable.”

**Re: Agenda Item 4**

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

Reason

27 million shareholders’ votes were received by the conversion expert, Professor Ulrich Albrecht, in the election to the Supervisory Board last year. They were in support of the candidate proposed by the DaimlerChrysler Critical Shareholders (KADC). A clear sign that numerous shareholders are convinced that submunition mines and atomic weapons in the Group’s product portfolio are morally reprehensible. Nevertheless, Jürgen Schrempp holds on to a 30% stake in EADS, an armaments company, and supports the intention of EADS to increase the share of armaments from 20% to 30% of the company’s revenues. By letting the management have its way, the members of the Supervisory Board representing the capital side are ignoring above all the demands for conversion and withdrawal from (atomic) weapons production.”

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**Dr. Winfried Wolf**, An den Bergen 112, 14557 Wilhelmshorst

**Re: Agenda Item 3**

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

Reason

DaimlerChrysler is a substantial shareholder in the armaments company, EADS, and was decisively involved in the formation of this military-industrial complex. EADS is developing major military projects (such as the A400M) or is involved in them (such as the Eurofighter). These projects have the primarily goal of offensive warfare and large-scale action abroad. The German share of the financing of the A400M is not secured, so that promises made by the Federal Government and the number of units that are firmly planned by EADS have the effect of blackmailing the taxpayers. The Galileo satellite program being developed by EADS is erroneously described as “purely civilian”. In reality it also has a significant military function.”

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### Position of the Management:

The Management maintains the motions as laid down in the Agenda and states its position on the counter motions as follows:

We have adopted the right course with the strategic focus of our business, and we will consistently pursue this strategy to make DaimlerChrysler one of the world's leading automobile manufacturer.

In the year 2001, we made great progress in the implementation of our strategy with the four pillars of global presence, strong brands, a broad product portfolio and technological leadership. The Executive Automotive Committee (EAC), which we formed at the beginning of 2001, is making a significant contribution to optimizing the Group's entire automotive business. We will utilize new potential for the broader application of innovative technologies and cost reductions through joint projects with our three automotive divisions, Mercedes-Benz Passenger Cars & smart, Chrysler Group and Commercial Vehicles, and with our partner, Mitsubishi Motors Corporation, and through the resulting economies of scale and knowledge transfer.

In order to achieve a lasting improvement in the company's profitability, in the year under review we introduced comprehensive turnaround activities, which have so far been implemented with great success. All of the milestones announced for the year 2001 were accomplished.

On the basis of the turnaround plans, the projects initiated by the EAC, numerous new attractive products, and with the advantage of a portfolio of brands that is unique in the industry, we plan to achieve continuous increases in earnings in the coming years. In all areas of the company, highly qualified employees are working to achieve this goal.

Detailed information on our corporate strategy and its practical effects can be found in our Annual Report 2001 and in the summarized report sent to our shareholders with the invitation to the Annual Meeting.

The Supervisory Board was regularly informed of the Group's strategic direction. It approved the major activities necessary for the implementation of this strategy and fully performed its monitoring function. In a timely manner, the Supervisory Board set the course for continuity and stability in the management of the company with the appointment of Mr. Schrempp and Mr. Hubbert until April 2005. We have a fundamentally positive attitude to the German draft Code of Corporate Governance. We already fulfill almost all of the requirements contained in this code.

On February 6, 2002, we announced that DaimlerChrysler's operating profit excluding one-time effects in full-year 2002 would exceed twice the amount achieved in the prior year by a significant margin. A more detailed statement is not possible at present due to the generally high level of uncertainty concerning the future development of the world economy and our markets. Such statements are also not being made by comparable companies.

DaimlerChrysler is working intensively on the development of fuel-cell technology. But for a successful market launch it is essential to have a close cooperation between automobile manufacturers, energy suppliers and government departments.

International programs in the automobile markets of the world's three major economic areas, to which we as a major partner are making substantial contributions, will create the required conditions by 2010. Tests currently being carried out in Japan show that fuel-cell prototypes using methanol achieve similar CO<sub>2</sub> emissions to highly developed diesel engines. Using fossil fuels, during further stages of development the fuel cell has potential for CO<sub>2</sub> improvements of up to 30% compared with conventional engines.

DaimlerChrysler intensively supports the introduction of sulfur-free diesel fuel, which will result in an immediate reduction in particulate emissions of about 20% for all vehicles in the market. With the further development of diesel technology we have adopted a holistic concept with which we will fulfill the EU4 limits, valid from 2005/2006, as early as possible. With this new concept we will reduce not only emissions of diesel particulate, but also of other pollutants (nitrogen oxide, carbon monoxide and hydrocarbons) by more than 50%. This approach goes much further than the current concepts, which only fulfill the EU3 limits.

DaimlerChrysler regards the cultural, ethnic and religious diversity of its employees as an important and valuable basis of its corporate culture. This naturally includes respect for the value systems of other persons.

The protection and appropriate treatment of animals is one of the values that DaimlerChrysler endorses and supports. Our Dodge brand therefore only sponsors Rodeo events that are organized in accordance with the guidelines of the Professional Rodeo Cowboys Association (PRCA), the most renowned rodeo association in the world.

We have made several statements on the issue of Argentina. We have always supported the judiciary with its investigations and will continue to do so.

The topic of defense technology has been repeatedly discussed in great detail in previous annual meetings. The counter motions that were proposed on this subject were not adopted by the shareholders. Our position on this topic remains unchanged.

The Management reserves the right to make more detailed statements on the individual counter motions at the Annual Meeting on April 10, 2002.

Stuttgart-Möhringen, March 2002

DaimlerChrysler AG  
The Board of Management



DAIMLERCHRYSLER

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