

Corporate Governance Statement pursuant to Section 289a HGB

This statement is an integral part of the consolidated Management Report of Daimler AG and the Group for the 2010 financial year. According to Section 317 para. 2 sentence 3 HGB, the information pursuant to Section 289 a HGB shall not be included in the examination of the external auditor.

Statement by the Board of Management and Supervisory Board of Daimler AG pursuant to Section 161 of the German Stock Corporation Act (AktG) regarding the German Corporate Governance Code, as amended 26 May 2010

Section 161 AktG requires the Board of Management and the Supervisory Board of a listed stock corporation to issue an annual declaration stating that the recommendations of the German Corporate Governance Code Government Commission as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette have been and are being complied with, or which recommendations were not or are not being complied with, along with the reasons. Permanent public access to the statement must be provided on the company's website.

The German Corporate Governance Code ("Code") contains rules with varying levels of binding effect. Apart from presenting aspects of the applicable Stock Corporation Law, it includes recommendations from which the companies are permitted to deviate. According to Section 161 AktG, companies must explain the reasons for deviating from Code recommendations. Additionally, the Code includes suggestions, which can be deviated from without a reporting requirement.

The Board of Management and Supervisory Board of Daimler have decided not only to report and justify deviations from the recommendations in the Code (see I.), but also deviations from its suggestions, without being legally required to do so.

For the period since the last Declaration of Compliance (April 2010 to July 1, 2010), the following Declaration refers to the Code as amended on 18 June 2009. With respect to Daimler AG's Corporate Governance practices since 2 July 2010, the Declaration refers to the requirements of the Code in the version dated May 26, 2010, which were published in the electronic Federal Gazette on July 2, 2010.

The Board of Management and the Supervisory Board of Daimler AG declare that as a rule, the recommendations and suggestions of the German Corporate Governance Code have been and are being met. The Board of Management of Daimler AG also intends to meet these recommendations and suggestions in the future. Only the following recommendations and suggestions of the German Corporate Governance Code have not been, and will not be applied:

I. Deviations from the Recommendations of the German Corporate Governance Code

1. D&O insurance deductible for the Supervisory Board (Clause 3.8, Paragraph 3)

Daimler AG's Directors' & Officers' liability insurance (D&O insurance) also applies to the members of the Supervisory Board. Since no insurance protection is offered for intentional acts and omissions or for intentional breaches of duty, an agreement concerning a deductible is only relevant with regard to negligent breaches of duty.

With the renewal of the D&O insurance policy as of April 1, 2010, Supervisory Board members have a 50% deductible on the applicable compensation for negligent breaches of duty.

Since the remuneration structure of the Supervisory Board is limited to fixed remuneration without any performance bonus components, setting a deductible for Supervisory Board members at 1.5 times the fixed annual remuneration would have disproportionate economic impact, compared to the members of the Board of Management, whose compensation includes fixed remuneration and performance bonus components. Therefore, the Supervisory Board has set a deductible of 50% of the respective remuneration for its members, which exceeds the share of the statutory deductible to total remuneration specified for members of the Board of Management.

2. Specific Objectives for the Composition of the Supervisory Board (Code Clause 5.4.1, Sentence 2)

On December 9, 2010, in addition to previous quality objectives, the Supervisory Board defined specific numbers for its composition, which provide for an appropriate number of female members.

3. Compensation of the Supervisory Board (Code Clause 5.4.6, Paragraph 2, Sentence 1)

The Supervisory Board of Daimler AG receives suitable remuneration, which includes fixed and function-related components, along with attendance fees. A base annual fee is set for each member in the Articles of Incorporation. This fee increases with the assumption of additional functions within the Supervisory Board, such as a membership or chair in a committee, or serving as chair or deputy chair of the Supervisory Board pursuant to the respective area of responsibility. Supervisory Board members who exercise several of the aforementioned functions are to be remunerated solely for the function with the highest remuneration. We believe that a function-related compensation system is also more appropriate for the supervisory role of the Supervisory Board members, since it eliminates potential conflicts of interest that might arise from Supervisory Board decisions that could influence performance criteria. Therefore, there is no performance-based remuneration.

II. Deviations from the Suggestions of the German Corporate Governance Code

1. Broadcast of the Annual Meeting Using Modern Communication Media (Code Clause 2.3.4)

The Annual Meeting of Daimler AG will be broadcast online until the end of the Report by the Board of Management. Any further transmission, for example of comments by individual shareholders, could be construed as a serious violation of shareholders' personal privacy as well. The circumstance that a full broadcast would first require legal legitimation by the Articles of Incorporation or the Rules of Procedure of the Annual Meeting demonstrates that shareholders' personal privacy may not be automatically overruled by considerations to offer such broadcast.

Consequently, we will continue to forego such a broadcast.

2. Variable Compensation of the Supervisory Board Relating to the Company's Long-Term Performance (Code Clause 5.4.6, Paragraph 2, Sentence 2)

Due to the introduction of performance-based remuneration for the members of the Supervisory Board, we refer to the comments under I.3.

Stuttgart, December 2010

The Supervisory Board

The Board of Management

Information on Corporate Governance Practices

Daimler AG is a German stock corporation governed by German law, particularly the Stock Corporation Act, the Co-Determination Act, capital market legislation, and the Daimler AG Articles of Incorporation.

For Daimler AG, good corporate governance is more than merely fulfilling legal requirements. With the exceptions listed in our Declaration of Compliance pursuant to Section 161 AktG, we have fulfilled not only the recommendations but also the suggestions of the German Corporate Governance Code.

Additional relevant, company-wide governance practices, which extend beyond the legal requirements and pertain to the applicable Corporate Governance Code, include our Integrity Code and our Code of Ethics.

Integrity Code

The Integrity Code is a set of guidelines implemented in 1999 and revised in 2003, which define a binding framework for the actions of all our employees worldwide. The Integrity Code also defines conduct requirements for such areas as international business, handling conflicts of interest, equality issues, combating corruption, the role of internal control systems, and compliance requirements for legal standards and other internal and external regulations. The "Principles of Social Responsibility" are also anchored in the Integrity Code. The Code outlines our commitment to internationally recognized human rights and workers' rights. We expect all employees to comply strictly with the Code, which can be found online at www.daimler.com/corporate-governance/guidelines

Code of Ethics

We introduced our Code of Ethics in July 2003. This Code addresses the members of the Board of Management and persons with special responsibility for the contents of financial reporting. The provisions of the Code are aimed at the prevention of irregular conduct among the corresponding persons and the promotion of ethical behavior, as well as full, appropriate, accurate, timely and clear disclosure of corporate information. The Code of Ethics is also available online at www.daimler.com/corporate-governance/guidelines

Description of Operating Principles of the Board of Management and Supervisory Board and Composition and Operating Principles of its Committees

Daimler AG is required by German stock corporation law to apply a dual management system which includes strict separation of personnel between the Board of Management, as executive, and the Supervisory Board, as monitor ("two-tier board"). Thus, the Board of Management manages the company while the Supervisory Board advises and supervises the Board of Management. No person may serve as a member of both boards at once.

Board of Management

The Board of Management of Daimler AG was comprised of six members as of December 31, 2010. Information concerning areas of responsibility and curriculum vitae are available online at www.daimler.com/bom

The Board of Management has designed a set of internal Rules of Procedure, available online under www.daimler.com/rules-of-procedure, which regulates the responsibilities of its members, in particular for adoption of resolutions and contains provisions for prevention of conflicts of interest. The duties of the Board of Management include setting the company's strategic orientation in coordination with the Supervisory Board and the management of the company's business. Matters of fundamental or significant importance require the consent of the entire Board of Management. Certain transaction types of special significance also require the approval of the Supervisory Board.

The Board of Management prepares the company's quarterly and interim reports, the annual financial statements of Daimler AG and the consolidated financial statements. It is in charge of monitoring the risk management system, which it has also devised. Furthermore, the Board of Management ensures compliance with all legal requirements, official regulations and internal company policies, and works to ensure their observation by Group companies (Compliance). The Board of Management reports regularly to the Supervisory Board about matters such as the company budget, profitability and business developments, along with the ICS, the risk management system and Compliance issues.

The Board of Management does not have any committees.

Supervisory Board

In accordance with the German Co-Determination Act, the Supervisory Board of Daimler AG has 20 members, half of whom are elected by the shareholders at the Annual Meeting. The other half consists of members who are elected by employees of the German operations. Information about the members of the Supervisory Board is available at www.daimler.com/supervisory-board. Shareholder representatives and employee representatives are equally obligated under law to act in the company's best interests.

The Supervisory Board has designed a set of Rules of Procedure for itself, which defines its duties and responsibilities, in particular: sending notifications of, preparing and chairing its meetings and the procedures for adopting resolutions. The Supervisory Board Rules of Procedure also stipulate that more than half of shareholder representatives on the Board must be independent in order to allow for independent advice and monitoring of the Board of Management. Daimler AG's current Supervisory Board meets this criterion. The Rules of Procedure of the Supervisory Board are available online at www.daimler.com/rules-of-procedure.

The Supervisory Board monitors and advises the Board of Management in its executive role. It has a veto right for transactions of fundamental importance. It also specifies information and reporting duties for the Board of Management.

The duties of the Supervisory Board include appointing and removing members of the Board of Management as well as defining the remuneration system for the Board of Management, and the amount of individual remuneration of the members of the Board of Management. In view of the international activities of the company, the Supervisory Board takes the issue of diversity (e.g. gender, ethnic origin, and other personal characteristics) into consideration in the composition of the Board of Management, and with regard to nominees for the election of shareholder representatives to the Supervisory Board.

The Supervisory Board reviews the annual financial statements and consolidated financial statements and reports the results of its review to the Annual Meeting.

The members of the Supervisory Board are responsible for arranging their own education and training measures in order to perform their duties, but also receive support from the company. In addition to measures, which are already offered, Daimler AG will provide other programs in the future as required. The content could include topics such as technological and business developments, bookkeeping and accounting, internal control system (ICS) and risk management systems, Compliance, changes in legislation and Board of Management remuneration.

Composition and Operating Principles of Supervisory Board Committees

The Supervisory Board has formed four committees, which perform to the extent legally permissible the tasks assigned to them in the name of, and on behalf of, the entire Supervisory Board: the Presidential Committee, the Nomination Committee, the Audit Committee and the Mediation Committee. The committee chairmen report on their work to the Supervisory Board no later than in the Supervisory Board meeting following the respective committee meeting. The Supervisory Board has designed Rules of Procedure for all its committees. These Rules of Procedure can also be found

online at www.daimler.com/rules-of-procedure, together with information about current committee members (www.daimler.com/supervisory-board/committees).

a. **Presidential Committee**

The **Presidential Committee** is comprised of the Chairman of the Supervisory Board, his deputy and two additional members, who are elected by a majority of the votes cast on the respective resolution of the Supervisory Board.

The Presidential Committee provides the Supervisory Board with recommendations for the appointment of Board of Management members and is responsible for their contractual matters. It submits proposals to the Supervisory Board about the structure of the remuneration system for the Board of Management and about appropriate individual compensation for Board of Management members, and decides on approval of ancillary employment of Board of Management members.

In addition, the Presidential Committee discusses and decides on issues of Corporate Governance while providing recommendations to the Supervisory Board. It supports and advises the Chairman of the Supervisory Board and his deputy and prepares meetings of the Supervisory Board.

b. **Nomination Committee**

The Nomination Committee is composed of at least three members, who are elected by a majority of the votes cast by the Supervisory Board members representing the shareholders. It is the only Supervisory Board Committee comprised solely of shareholder representatives. It makes recommendations to the Supervisory Board concerning persons to be nominated for election as members of the Supervisory Board at the Annual Meeting. It takes into account the specific objectives that the Supervisory Board has set for its own composition. It also defines the requirements for each specific position to be occupied.

c. **Audit Committee**

The **Audit Committee** is comprised of four members who are elected by a majority of votes cast on the relevant resolution of the Supervisory Board. The committee chairman must have special knowledge of accounting principles as well as special knowledge and experience regarding internal control processes. All other members of the Audit Committee must have special knowledge about accounting, business or finance.

The Supervisory Board has established the independence of the committee chairman, Dr. h.c. Bernhard Walter, and the shareholder representative to the Audit Committee, Dr. Clemens Börsig. Both have special knowledge and experience in the application of accounting principles and internal control systems, and are financial experts.

The Audit Committee deals with issues related to accounting and risk management, ICS, internal audits, Compliance and annual financial statements. It discusses the effectiveness, functionality and adequacy of the internal control system (ICS) and the risk management system with the Board of Management and the external auditors at least once per year. It also discusses the effectiveness and adequacy of the internal audit system and Compliance management with the Board of Management. It receives regular reports from the Corporate Audit department. At least once per quarter, the Audit Committee receives a report from the Business Practices Office about complaints and information regarding any policy violations, criminal acts or suspicious bookkeeping, accounting and auditing matters, and holds consultations on handling these matters.

The Audit Committee and the Board of Management review the interim and quarterly reports prior to publication. Based on the Auditor's Report, the Audit Committee reviews the annual financial statements and consolidated financial statements and discusses them with the auditor. It provides the Supervisory Board with its recommendations for the appropriation of distributable profits and approval of the annual financial statements and consolidated financial statements of

Daimler AG. The Audit Committee also gives recommendations for the nomination of the external auditors, assesses their suitability and independence, and after their appointment in the Annual Meeting, commissions them for the audit of the annual and consolidated financial statements and a review of the interim reports. The committee also negotiates the auditor's fee and determines the main focus of the audit.

The Audit Committee receives reports from the external auditors on all processes which are considered critical for accounting, and on any possible weaknesses of the ICS and risk management system with regard to the accounting process. Finally, the Audit Committee approves services, provided to Daimler AG or one of its Group companies by the firm of external auditors or its affiliates, and services which are not directly related to the annual audit.

d. Mediation Committee

The Mediation Committee is composed of the Chairman of the Supervisory Board and his deputy, as well as one employee representative to the Supervisory Board and one shareholder representative to the Supervisory Board, each elected with the majority of the votes cast. Its sole purpose is to perform the functions set forth in Section 31.3 of the German Co-Determination Act. Accordingly the Mediation Committee is in charge of nominating Board of Management members if the first nomination procedure did not result in the required majority of two-thirds of the Supervisory Board members.

For more information on Corporate Governance at Daimler AG, please see the Corporate Governance Report on pages 160 - 165 et seq. of the 2010 Annual Report at www.daimler.com/investor-relations/berichte-und-kennzahlen/berichte.