

DAIMLERCHRYSLER

Agenda

7<sup>th</sup> Annual Meeting



# Contents

1. Presentation of the Formally Approved Financial Statements, the Approved Consolidated Financial Statements, and Management Reports for DaimlerChrysler AG and the Group for the 2004 Financial Year and the Report of the Supervisory Board	5
2. Resolution on the Allocation of Unappropriated Profit	5
3. Resolution on Ratification of Board of Management Actions in the 2004 Financial Year	5
4. Resolution on Ratification of Supervisory Board Actions in the 2004 Financial Year	5
5. Resolution on the Appointment of Auditors for the 2005 Financial Year	5
6. Resolution on Authorizing the Company to Acquire Its Own Shares	5
7. Resolution on the Election of a Supervisory Board Member	8
8. Resolution on Rescinding the Existing Authorization to Issue Convertible Bonds and Notes with Warrants and the Existing Conditional Capital I and II and Amendment of the Memorandum and Articles of Incorporation	9
9. Resolution on the Authorization of the Board of Management to Issue Convertible Bonds and/or Notes with Warrants, to Create Conditional Capital I and Amendment to the Memorandum and Articles of Incorporation	10
10. Resolution on the Rescission of Section 14 (2) of the Memorandum and Articles of Incorporation	15
Re Agenda Item 6): Report of the Board of Management	15
Re Agenda Item 7): Disclosures pursuant to section 125 (1) sentence 3 German Stock Corporation Act (Aktiengesetz)	17
Re Agenda Item 9): Report of the Board of Management	17
Conditions Governing Attendance at the Annual Meeting and Exercise of Voting Rights	21

Dear Shareholder:

Our **7th Annual Meeting** will be held on **Wednesday, April 6, 2005, at 10.00 a.m. C.E.T.**, 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 23, 2004.

On request, this invitation and the agenda of the Annual Meeting will be provided to you in German, without delay and free of charge.

Diese Einladung mit der Tagesordnung zur Hauptversammlung werden wir Ihnen auf Verlangen auch in deutscher Sprache unverzüglich und kostenlos zusenden.

**1. Presentation of the Formally Approved Financial Statements, the Approved Consolidated Financial Statements, and Management Reports for DaimlerChrysler AG and the Group for the 2004 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 <http://www.daimlerchrysler.com/ir/am2005>. 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 €1,519,236,286.50 be allocated as follows:

Dividend distribution of €1.50 for each share entitled to dividends	€1,519,236,286.50
Transfer to disclosed reserves	-
Profit carried forward	-
Unappropriated profit	€1,519,236,286.50

The dividend shall be paid out on April 7, 2005.

\* Convenient translation.  
The German text is legally binding.

**3. Resolution on Ratification of Board of Management Actions in the 2004 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 2004 Financial Year**

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

**5. Resolution on the Appointment of Auditors for the 2005 Financial Year**

The Supervisory Board recommends that KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main and Berlin, be appointed as auditors for the financial statements of DaimlerChrysler AG and for the consolidated financial statements of DaimlerChrysler AG and subsidiaries for the 2005 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 shares is due to expire in the course of the current financial year, the Board of Management is to be granted a new authorization to acquire the company's own 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 approved 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 sections 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, which is nearly 10% of the capital stock of €2,633,342,896.60 reported as of December 31, 2004. 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 shares owned by or in the possession of the company or to be attributed to the company pursuant to sections 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 7, 2005 and shall be valid until October 6, 2006. The authorization for the company to acquire its own shares resolved by the Annual Meeting of the Shareholders of DaimlerChrysler AG on April 7, 2004, 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 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 at the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange on the third trading day prior to 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 Corporate 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 stock subscription rights granted to management in the context of the Stock Option Plan approved 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 sections 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 stock 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 price at the opening of Xetra trading (or at the opening of 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 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 Election of a Supervisory Board Member**

A member of the Supervisory Board, Prof. Victor Halberstadt has resigned his seat on the Supervisory Board with effect from the close of this Annual Meeting. Consequently, a by-election will need to be held for the office of Prof. Halberstadt.

In accordance with sections 96 (1) and 101 (1) of the German Stock Corporation Act (Aktien-gesetz) and section 7 (1) sentence 1 no. 3 of the Employee Codetermination Act (MitbestG), the Supervisory Board is composed of ten shareholder representatives and ten employee representatives.

In electing shareholder representatives, the Annual Meeting of the Shareholders is not bound by any recommendations.

The Supervisory Board proposes that

Mr. Arnaud Lagardère,  
Paris, France  
General Partner and Chief Executive Officer of Lagardere SCA and Chairman and Chief Executive Officer of Arjil Commanditee – Arco SA, Hachette SA, Lagardere Active SAS, Lagardere Active Broadband SAS, Lagardere Active Broadcast SA, Lagardere SAS and of Lagardere Capital & Management SA

be elected to the Supervisory Board as a shareholder representative with effect from the close of this annual meeting for the period ending at the close of the Annual Meeting of the Shareholders resolving on the ratification of the actions of the Board of Management and the Supervisory Board for the 2009 financial year.

Further mandates held by the shareholder representative proposed for election are contained in the supplementary information on Agenda Item 7 following the list of individual Agenda Items.

## **8. Resolution on Rescinding the Existing Authorization to Issue Convertible Bonds and Notes with Warrants and the Existing Conditional Capital I and II and Amendment of the Memorandum and Articles of Incorporation**

The authorization to issue convertible bonds and notes with warrants granted by the Annual Meeting of the Shareholders on April 19, 2000 expires on April 18, 2005. It is therefore to be rescinded and replaced by a new authorization. The same applies to the Conditional Capital I included in section 3 (5) of the Memorandum and Articles of Incorporation, which is intended to meet the conversion and option rights arising from the bonds and is therefore also to be rescinded and replaced by new Conditional Capital I. Furthermore, section 3 (6) of the Memorandum and Articles of Incorporation also provides for a Conditional Capital II, which is now redundant due to the final maturity of the respective bonds and is thus to be rescinded. This is to be used as an opportunity to sort and number the other existing conditional capital in a different order. The current Conditional Capital IV is to be renamed Conditional Capital II. At the same time, the conditional capital is to be renumbered in ascending order in the paragraphs of section 3 of the Memorandum and Articles of Incorporation. The content of the current Conditional Capital IV is to remain unchanged.

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

- a) *Rescission of the existing authorization to issue convertible bonds and/or notes with warrants and of the existing Conditional Capital I*  
The authorization of the Board of Management resolved by the Annual Meeting of the Shareholders on April 19, 2000 under Agenda Item 7 to issue convertible bonds and/or notes with warrants by April 18, 2005 and the conditional capital pursuant to section 3 (5) of the Memorandum and Articles of Incorporation of up to €300,000,000.00 (Conditional Capital I) shall be rescinded.
- b) *Rescission of the existing Conditional Capital II*  
The conditional capital pursuant to section 3 (6) of the Memorandum and Articles of Incorporation of up to €40,485,533.40 (Conditional Capital II) shall be rescinded.
- c) *Amendment of the Memorandum and Articles of Incorporation*  
The existing conditional capital in section 3 (8) of the Memorandum and Articles of Incorporation is to be renamed as follows:  
The term “Conditional Capital IV” contained in section 3 (8) (old) of the Memorandum and Articles of Incorporation is to be replaced by the term “Conditional Capital II”.  
The content of the conditional capital remains unchanged.

As a result of the rescission of Conditional Capital II, the reordering of the remaining conditional capital and the amendment of the Memorandum and Articles of Incorporation to be resolved, the position of the remaining paragraphs of section 3 of the Memorandum and Articles of Incorporation shall be changed as follows:

Paragraph 8 (old) becomes paragraph 6 (new).

Section 3 (6) (new) of the Memorandum and Articles of Incorporation reads:

“The capital stock of the corporation shall be conditionally increased by an amount not to exceed €249,600,000.00 through the issuance of up to 96,000,000 no par value registered shares (Conditional Capital II). The conditional capital increase shall be undertaken only to the extent that the holders of option rights, issued by DaimlerChrysler AG in the period up to April 18, 2005 in conformity with the resolution passed at the Annual Meeting held on April 19, 2000, actually exercise their options and the corporation does not grant any of its own shares in fulfillment of the options. The new shares shall participate in the profits of the corporation as of the beginning of the financial year of their issuance.”

#### **9. Resolution on the Authorization of the Board of Management to Issue Convertible Bonds and/or Notes with Warrants, to Create Conditional Capital I and Amendment to the Memorandum and Articles of Incorporation**

To ensure that the Board of Management will maintain its ability to use attractive financing options to provide the company with debt capital at favorable interest rates, the authorization granted by the Annual Meeting of the Shareholders in 2000 to issue convertible bonds and/or notes with warrants and Conditional Capital I is to be renewed.

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

#### *a) Authorization to issue convertible bonds and/or notes with warrants*

- (1) Face value, authorization period, maturity, capital stock amount

The Board of Management, with the consent of the Supervisory Board, is authorized to issue register and/or bearer convertible bonds and/or notes with warrants (hereinafter jointly referred to as “bonds”) with a total face value of up to €15,000,000,000.00 with a maturity of no more than twenty years by April 5, 2010, and to grant conversion or option rights for new shares in DaimlerChrysler AG with an allocable portion of the capital stock of up to €300,000,000.00 to the holders and/or creditors of bonds as more closely defined in the terms and conditions for the convertible bonds or notes with warrants (hereinafter referred to as “conditions”).

In addition to euros, the bonds can also be issued in the legal currency of an OECD country, limited to the corresponding equivalent value in euros. They can also be issued by majority-owned direct or indirect subsidiaries of DaimlerChrysler AG; in this case, the Board of Management shall be authorized to assume the guarantee for repayment of the bonds for the issuing company and to grant shares in DaimlerChrysler AG to the holders of such bonds to meet the conversion or option rights granted with these bonds.

The bonds can be issued wholly or in installments, once or several times.

(2) Conversion right, conversion obligation

The holders or creditors of convertible bonds have the right to convert their convertible bonds into new shares in DaimlerChrysler AG in accordance with the convertible bond conditions. The bond conditions can also stipulate a conversion obligation upon maturity or on an earlier date. In this case, the conditions can include a provision that the company is entitled to make up any difference between the face value of the bond and a stock market price of the shares, to be determined more precisely in the conditions, at the time of the conversion obligation, but at least 80% of the stock market price of the shares at the time of issue of the bond – as described in paragraph (5) – multiplied by the conversion ratio, wholly or partially in cash.

(3) Option right

In the case of the issue of notes with warrants, each bond comes with one or more warrants, entitling the holder to subscribe to new shares in DaimlerChrysler AG in accordance with the option conditions to be stipulated by the Board of Management. The maturity term of the option may not exceed twenty years.

(4) Conversion ratio, share of capital stock

The conversion ratio for convertible bonds is obtained by dividing the face value of the bond by the established conversion price for a new share in DaimlerChrysler AG. The conversion ratio can also be obtained by dividing the issue price of a bond that is below the face value by the determined conversion price for a new share in DaimlerChrysler AG. In addition, the bond conditions can include the provision that the conversion ratio is variable and can be rounded up or down to a whole number; moreover, an additional payment to be made in cash can also be stipulated. Provision can also be made for fractions to be combined and/or compensated in cash. The capital stock attributable to the shares to be issued at the time of conversion or to be received in the event of exercising of options for each bond may never exceed the face value and issue price of the convertible bonds or notes with warrants.

#### (5) Conversion price/Option price

The conversion price or option price to be stipulated for a share in each case must – even in the event of a variable conversion ratio or a variable conversion price or option price and taking into account roundings and additional payments – amount to at least 80% of the average closing price of the DaimlerChrysler AG share at the close of Xetra trading (or at the closing of a functionally equivalent successor to the Xetra system) on the ten trading days on the Frankfurt Stock Exchange prior to the day of the Board of Management resolution on the issue of the convertible bonds or notes with warrants, or correspond to at least 80% of the average closing price of the DaimlerChrysler share at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) during the trading days on which the subscription rights are traded on the Frankfurt Stock Exchange, with the exception of the last two trading days of subscription rights trading. The bond conditions can also include the provision that the option price or conversion price can be changed during the term within a range to be stipulated by the Board of Management depending on the development of the share price or as a result of anti-dilution provisions. Notwithstanding section 9 (1) of the German Stock Corporation Act (Aktiengesetz), the conversion price or option price shall be reduced as a result of an anti-dilution clause in accordance with the conditions of the convertible bonds or

of the notes with warrants by means of the payment of a corresponding amount in cash upon exercising the conversion right or by means of a reduction of the additional payment if, during the conversion or option period, DaimlerChrysler AG increases its capital stock, granting stock subscription rights to its shareholders, or if DaimlerChrysler AG, or its majority owned direct or indirect subsidiaries, issues further convertible bonds or notes with warrants or grants other options and the holders of conversion or option rights are not granted subscription rights to the extent to which they would be entitled after exercising the conversion or option right. Instead of a cash payment or a reduction of the additional payment, the conversion ratio can also – to the extent possible – be adjusted through division by the reduced conversion price. Furthermore, in case of a capital reduction or measures which could lead to a dilution of the value of the issued shares of the company, the conditions can provide for an adjustment of the conversion or option rights.

#### (6) Cash settlement

The bond conditions can include a provision or an allowance that the company does not grant shares in DaimlerChrysler AG to the holders of conversion or option rights, but pays the equivalent cash surrender value that corresponds to the average closing price of the DaimlerChrysler share at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange during the last one to ten trading days prior to declaration of the conversion or exercising of the option, in accordance with the conditions.

#### (7) Granting subscription rights, exclusion of subscription rights

The shareholders have statutory subscription rights when the bonds are issued. The bonds can also be offered to the shareholders by way of indirect subscription rights; they are then taken over by a bank or bank consortium with the obligation to offer them to the shareholders.

However, with the consent of the Supervisory Board, the Board of Management is entitled to exclude the right of shareholders to subscribe to the bonds with conversion or option rights to shares in DaimlerChrysler AG if the issue price is not significantly below the theoretical market value of the bond, as calculated according to the generally accepted financial calculation methods. An expert from an experienced investment bank or auditing firm that is not involved in the issue of the respective bond is to be mandated to calculate the market value.

However, the authorization to exclude subscription rights only applies to bonds with conversion and/or option rights (or conversion obligation) for shares with a total allocable portion of no more than 10% of the capital stock, both when this authorization enters into effect and when it is exercised. The sale of the company's own shares is to be included in this limit of 10% of the capital stock in so far as it takes place during the term of this authorization with exclusion of subscription rights pursuant to section 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz). Furthermore, shares issued from authorized capital with exclusion of subscription rights pursuant to section 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) during the term of this authorization are to be included in this limit of 10% of the capital stock.

In addition, with the consent of the Supervisory Board, the Board of Management is authorized to exclude subscription rights of the shareholders regarding fractional amounts that arise as a result of the subscription ratio, and to also exclude subscription rights in so far as is necessary to grant subscription rights to the holders/creditors of conversion and/or option rights or holders/creditors of convertible bonds with conversion obligations to the extent to which they would be entitled after exercising the conversion and/or option rights or after fulfillment of the conversion obligations.

(8) Authorization to stipulate the further bond conditions

The Board of Management is authorized to determine the further details of the issue and terms of the bond, in particular the interest rate, issue price, maturity term and denomination, conversion or option price and the conversion or option period, or to stipulate these details in coordination with the executive bodies of majority-owned subsidiaries of Daimler-Chrysler AG that issue the convertible bonds or notes with warrants.

*b) Capital increase*

The capital stock shall be conditionally increased by up to €300,000,000.00. The purpose of the conditional capital increase is to grant shares to the holders or creditors of convertible bonds and/or notes with warrants issued pursuant to the aforementioned authorization in a) by April 5, 2010 by DaimlerChrysler AG or its majority owned direct or indirect subsidiaries. The new shares are issued at a conversion price or option price to be stipulated pursuant to a) paragraph (5). The conditional capital increase is only to be carried out to the extent to which use is made of conversion or option rights or to which the holders or creditors who are under a conversion obligation fulfill this obligation. The new shares shall participate in the profits of the company as of the beginning of the financial year in which they are created through the exercising of conversion or option rights or through the fulfillment of conversion obligations. The Board of Management is authorized to determine the further details of the implementation of a conditional capital increase.

*c) Amendment to the Memorandum and Articles of Incorporation*

Section 3 (5) of the Memorandum and Articles of Incorporation is to be reworded as follows:

“The capital stock shall be conditionally increased by an amount not to exceed €300,000,000.00 (Conditional Capital I). The conditional capital increase shall be undertaken only to the extent that

- (a) the holders or creditors of conversion rights or option certificates attached to the convertible bonds and notes with warrants to be issued by DaimlerChrysler AG or its majority owned direct or indirect subsidiaries up to April 5, 2010, in accordance with the enabling resolution of the Annual Meeting of the Shareholders on April 6, 2005, actually exercise their conversion or option rights or
- (b) the holders or creditors of the convertible bonds to be issued by DaimlerChrysler AG or its majority-owned direct or indirect subsidiaries up to April 5, 2010 in accordance with the enabling resolution of the Annual Meeting of the Shareholders on April 6, 2005 fulfill their conversion obligation.

The new shares shall participate in the profits of the corporation as of the beginning of the financial year in which such shares are created through the exercising of conversion or option rights or through the fulfillment of conversion obligations.”

## 10. Resolution on the Rescission of Section 14 (2) of the Memorandum and Articles of Incorporation

Since the provision in section 14 (2) of the Memorandum and Articles of Incorporation, which regulates the notice period for the Annual Meeting of the Shareholders, only reproduces the legal text and the legislature plans to amend the notice periods, section 14 (2) of the Memorandum and Articles of Incorporation shall be deleted without substitution.

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

Section 14 (2) of the Memorandum and Articles of Incorporation shall be rescinded.

Section 14 (2) (old) of the Memorandum and Articles of Incorporation currently reads:

“Notice of the meeting shall be given at least one month prior to the final deadline for shareholder registration for the Annual Meeting. The notice period shall be calculated without counting the day on which the notice is given and the last day of the registration period.”

\* \* \*

## Re Agenda Item 6):

**Report of the Board of Management** concerning the exclusion of stock subscription rights in the event of the sale of the company’s own shares pursuant to section 71 (1) sentence 5 in conjunction with section 186 (4) sentence 2 and section 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz):

The sale 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 use the shares 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 vital for the future development of the company. This includes the possibility of obtaining equity capital on the market at any time at appropriate conditions.

Consequently, the company must be able to tap into other major capital markets around the world. In individual cases, this can also make 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 the position to have own shares available to it to offer them as consideration in the context of corporate mergers or the acquisition of companies or participating interests. International competition and the globalization of the economy increasingly demand this form of consideration.

Therefore, the proposed authorization would grant the company the necessary flexibility to exploit arising opportunities to acquire companies or participating interests quickly and flexibly. There are no concrete plans to utilize this authorization. The Board of Management will report to the Annual Meeting of the Shareholders on any utilization of this authorization.

The DaimlerChrysler Stock Option Plan approved at the Annual Meeting of the Shareholders on April 19, 2000 can be serviced 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 conditions of the DaimlerChrysler Stock Option Plan were adopted 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 in the Commercial Register in Stuttgart. They can also be examined as an integral part of the contemporaneous disclosure at the company's registered office at Epplestraße 225, D-70567 Stuttgart and on the Internet at <http://www.daimlerchrysler.com/ir/am2005>. On request, each shareholder will be sent a copy of the aforementioned documents free of charge.

The decision on how the options are to be serviced in each case will be taken by the company's relevant boards. Their decision will be guided exclusively by the interests of the shareholders and the company and they will report on their decision at the subsequent Annual Meeting 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 obtain the necessary shares by using securities lending to acquire shares in the company and, where necessary to use shares in the company to meet the reimbursement claims of the lenders.

The company should be able to retire and cancel its own shares without a new resolution being adopted by the Annual Meeting.

In addition to purchasing shares via the stock exchange, the company shall also be given the opportunity to acquire shares in the company through a public offering (tender procedure). This alternative provides that any shareholders of the company willing to sell can decide how many shares to sell and, if a price range is set, at what price they are willing to offer them. If the volume offered at the set price is in excess of the quantity of shares requested by the company, acceptance of the offers to sell must be allocated appropriately. It should be possible to allow 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 determining the quotas to be acquired, and thus facilitates technical settlement.

### Re Agenda Item 7):

Disclosures pursuant to section 125 (1) sentence 3 German Stock Corporation Act (Aktiengesetz)

The shareholder representative proposed for election under Agenda Item 7, Mr. Arnaud Lagardère, holds no other offices on supervisory boards required by law to be established.

He holds offices on comparable domestic or foreign bodies at the following companies:

France Telecom SA,  
LVHM Moët Hennessy Louis Vuitton SA,  
Fimalac SA,  
EADS NV,  
Hachette Vivre SA,  
Hachette Distribution Services SA,  
Virgin Stores SA,  
Hachette Filipacchi Medias SA,  
Lagardere Ressources SAS,  
Arjil & Cie,  
Lagardere Active Radio International  
Sedi TV-Teva SNC.

### Re Agenda Item 9):

**Report of the Board of Management** concerning the exclusion of subscription rights in the event of the issue of convertible bonds and notes with warrants pursuant to section 221 (4) in conjunction with section 186 (4) sentence 2 and section 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz):

#### *a) Initial situation*

The Board of Management is currently authorized by the resolution approved at the Annual Meeting of the Shareholders on April 19, 2000 under Agenda Item 7 to issue bonds with conversion and/or option rights for shares in the company by April 18, 2005, once or several times. The total face value of the bonds is limited to the equivalent value of €15,000,000,000.00. The proportionate amount of the capital stock of the shares to be issued on the basis of the conversion and option rights may not exceed €300,000,000.00. With the consent of the Supervisory Board, the Board of Management is authorized to exclude the subscription rights of the shareholders.

The Board of Management has not exercised this authorization.

#### *b) Proposed resolution*

In view of the fact that the aforementioned authorization expires on April 18, 2005 and the authorization to issue bonds with conversion and/or options rights is to be continued, it is proposed to replace it with a new authorization to issue convertible bonds and/or notes with warrants, with largely identical content. This makes it possible to grant convertible bonds and/or notes with warrants up to a face value of €15,000,000,000.00, with a term of up to twenty years and with conversion and/or option rights for shares in the company with a proportionate share in the capital stock of up to €300,000,000.00.

*c) Advantages of the financing instrument*

Adequate capital resources are an essential foundation for the continued development and a successful market presence of the company. Depending on the prevailing market situation, the issue of convertible bonds and notes with warrants can enable the company to take advantage of attractive financing options and terms in order to provide the company with capital at low rates of interest. The conversion and option premiums generated are beneficial to the company.

The proposed option of providing a conversion obligation for convertible bonds extends the scope for structuring financing instruments of this kind.

When issuing convertible bonds and notes with warrants, for reasons of flexibility, the company should also, depending on the market situation, be able to make use of the German or international capital markets via its majority-owned subsidiaries and to issue bonds not only in Euros, but also in the legal currency of any OECD country in order to facilitate this.

*d) Conversion price/Option price*

The conversion or option price for a share may not be below 80% of the average closing price of the DaimlerChrysler share at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) on the ten trading days prior to the day of the resolution by the Board of Management on the issue of the convertible bond or notes with warrants. Alternatively, the opportunity shall be taken to establish the conversion or option price for a DaimlerChrysler share on the basis of the average price of the DaimlerChrysler share during the trading days of subscription rights trading, with the exception of the last two trading days. This must also amount to at least 80% of the calculated value.

*e) Cash settlement, variable structuring of the terms*

To further increase flexibility, the conversion or option conditions can include the provision that instead of granting shares in the company to the holders of conversion or option rights, the company pays out an equivalent value in the event of exercising of the conversion or option right. Such virtual convertible bonds and notes with warrants enable the company to use financing close to capital market with no actual need for a capital-raising measure under company law. This takes into account the fact that an increase in capital stock may be inappropriate at the future time of exercising of the conversion or option rights. Moreover, since no new shares are issued, utilization of the cash payment option protects the shareholders against any reduction in the amount of their holding or dilution of the net asset value of their shares. In this respect, in accordance with the conversion or option conditions, the equivalent value to be paid in cash corresponds to the average closing price of the DaimlerChrysler share at the close of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) during the last one to ten trading days prior to declaration of the conversion or exercising of the option.

Furthermore, the provision can also be made that the number of shares to be subscribed upon exercise of the conversion or option rights or after fulfillment of the conversion obligations, or a conversion right relating to this, is variable and/or the option or conversion price can be changed during the term within a range to be stipulated by the Board of Management according to the development of the share price or as a result of anti-dilution provisions. These possibilities ensure that the issue is in close conformity with market conditions. The above regulations on the level of the conversion/option price also apply in this respect.

*f) Subscription rights of shareholders and exclusion of subscription rights*

The shareholders are to be entitled to subscription rights when convertible bonds and notes with warrants are issued.

However, with the consent of the Supervisory Board, the Board of Management can exclude the subscription rights with application *mutatis mutandi* of sections 221 (4) sentence 2 in conjunction with 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) if the respective bond is issued at a price that is not significantly below the theoretical market value of the bond.

The exclusion of the subscription rights enables the company to respond quickly to favorable stock market situations and be able to place a bond on the market quickly and flexibly with attractive terms. In contrast, in view of the increased volatility of the stock markets, the issue of convertible bonds and notes with warrants with granting of subscription rights is often less attractive, as in order to comply with the subscription period, the issue price must be set at a very early stage, which happens to the detriment of optimum exploitation of the stock market situation and the value of the bond. Favorable terms

and conditions, which are as close as possible to market conditions, can generally only be established if the company is not bound to them for an excessively long offer period. Due to the existing statutory notice periods in the context of a subscription rights issue, a significant discount allowance on the price is frequently necessary. Section 186 (2) of the German Stock Corporation Act (Aktiengesetz) now allows publication of the subscription price (and therefore the terms of bond in the case of convertible bonds and notes with warrants) up to three days before the end of the subscription period. However, even in such cases there is a market risk over several days, which leads to contractual discounts. Aside from this, due to the uncertainty regarding utilization, subscription rights make the alternative placement with third parties more difficult and cause additional expenditure. Finally, due to the length of the subscription period, the company is also prevented from responding quickly to changes in market conditions. This makes procurement of capital more difficult.

Pursuant to section 221 (4) sentence 2 of the German Stock Corporation Act (Aktengesetz), the provision of section 186 (3) sentence 4 of the German Stock Corporation Act (Aktengesetz) applies correspondingly to the exclusion of subscription rights. The authorization to exclude subscription rights pursuant to section 186 (3) sentence 4 of the German Stock Corporation Act (Aktengesetz) only applies to bonds with rights to shares with a total allocable portion of no more than 10% of the capital stock, both when this authorization enters into effect and when it is exercised. Shares issued from the authorized capital during the term of this authorization, as well as the sale of the company's own shares in conformity with existing authorizations or replacements thereof, are to be included in this limit in so far as they take place with exclusion of the stock subscription rights pursuant to section 186 (3) sentence 4 of the German Stock Corporation Act (Aktengesetz). This inclusion is in the interest of the shareholders in terms of the smallest possible dilution of their holding.

Section 186 (3) sentence 4 of the German Stock Corporation Act (Aktengesetz) requires the established issue price to be not significantly below the market price. To ensure that this requirement is also met for the issue of convertible bonds and notes with warrants, in the context of each issue, the Board of Management is obliged to obtain an opinion from an experienced investment bank or auditing firm which is not involved in the issue of the relevant bond. This opinion must verify that the issue price is not significantly below the market value of the bond. In this way, shareholders should be protected against dilution of their shareholding. Due to the issue price being established at a level not significantly below the theoretical market value, as provided for in the authorization, the value of subscription rights would practically fall to zero. Thus, an exclusion of subscription rights results in no financial disadvantage to shareholders. Shareholders who wish to maintain their share in the capital stock

of the company can do so under almost identical conditions by making additional purchases on the capital market. In doing so, their financial interests are appropriately protected.

Furthermore, with the approval of the Supervisory Board, the Board of Management is authorized to exclude subscription rights regarding fractional amounts. Such fractional amounts can result from the amount of the respective issue volume and the application of a practicable exchange ratio. Here, the exclusion of subscription rights enables the utilization of the requested authorization by means of round amounts, thus making the capital-raising measure easier to process.

Exclusion of subscription rights in favor of the holders/creditors of convertible or option rights or of convertible bonds with conversion obligations arising from subsequent utilization of this authorization to the extent to which they were entitled after exercising the conversion or option rights has the advantage that, in the event of a further utilization of the authorization, the conversion price or option price for the holders/creditors of existing conversion rights, option rights or convertible bond with conversion obligations does not need to be reduced in accordance with the existing conversion or option conditions.

*g) Conditional capital*

Conditional capital is needed in order to service the conversion and option rights and conversion obligations for shares in the company associated with the convertible bonds and notes with warrants. The issue amount corresponds to the conversion or option price.

\* \* \*

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 1, 2005 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 by contacting

DaimlerChrysler  
Aktionärservice  
Postfach 94 00 01  
69940 Mannheim, Germany

or electronically via the Internet at  
<https://register.daimlerchrysler.com>

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

If a bank is entered in the share register, it may only exercise voting rights attaching to shares it does not own if it has been authorized to do so by the shareholder.

As a service, we continue to offer our shareholders the opportunity to be represented at the Annual Meeting of the Shareholders by employees of the company in accordance with the instructions received. The proxy representatives shall exercise the voting rights of the shareholders in accordance with the instructions given to them. Even when granted power of attorney, they are only authorized to exercise the voting rights if there is an express instruction relating to the individual agenda items.

Powers of attorney and pertinent relevant instructions can be issued in writing to the address above, by fax (fax no. +49 (0)69 910 62635) or electronically via the Internet to  
<https://register.daimlerchrysler.com>.

Issuance of the power of attorney is only possible up to and including April 1, 2005. However, voting instructions and amendments to voting instructions can be issued until shortly before the start of voting on the day of the Annual Meeting of the Shareholders, but in any case at least until 12 noon C.E.T. Further details are included in the documentation to be sent out to shareholders.

Shareholders who wish to order tickets for the Annual Meeting or authorize a proxy representative via the Internet will need their access identifiers to do this. These access identifiers are shown on the back of the invitation letter. Users of the Personal Internet Service can use their self-selected user ID and their self-selected password.

Shareholders who have registered for e-mail transmission of the Annual Meeting material will receive a link to the Personal Internet Service with the invitation e-mail. All other shareholders will receive their shareholder number and the associated individual access number with the letter of invitation by post.

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, Germany  
(Fax no. +49 (0)711/17-94075)

By e-mail to:  
[investor.relations@daimlerchrysler.com](mailto:investor.relations@daimlerchrysler.com)

Motions from shareholders which are eligible for publication and are received before midnight on March 22, 2005 C.E.T. shall be published on the Internet at [www.daimlerchrysler.com/ir/am2005](http://www.daimlerchrysler.com/ir/am2005). Any statements from the management shall be published after this date on the same Internet page.

The company will send the agenda for the Annual Meeting of the Shareholders on April 6, 2005, together with the summary report for the 2004 financial year and the informations for registration and the issuance of proxy voting authorizations, to the shareholders registered in the company's share register.

Shareholders who are unable to attend the Annual Meeting in person can follow the speeches of the Supervisory Board Chairman and the Chairman of the Board of Management on the Internet at [www.daimlerchrysler.com/ir/am2005](http://www.daimlerchrysler.com/ir/am2005), where they will also find information on the Annual Meeting and, subsequently, details of the votes cast.

Stuttgart, February 23, 2005

**DaimlerChrysler AG**  
**The Board of Management**

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

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

DaimlerChrysler 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 Daimler-Chrysler AG that must be disclosed pursuant to Section 21 of the German Securities Trading Law:**

Deutsche Bank AG, Frankfurt (10,4%)

**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 LLC  
Banc One Capital Markets Inc.  
Barclays Bank plc  
Bayerische Hypo- und Vereinsbank AG  
Bayerische Landesbank Girozentrale  
Bear Stearns & Co.  
BNP Paribas  
Caboto Holding SIM S.P.A.  
CALYON  
Citigroup  
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 Securities Ltd.  
Landesbank Baden-Württemberg  
Morgan Stanley & Co.  
Royal Bank of Scotland  
Scotia Bank  
Société Générale  
Westdeutsche Landesbank Girozentrale

