

# DAIMLER TRUCK

Daimler Truck Holding AG

## **Remuneration system for the members of the Board of Management**

Annual General Meeting  
on May 6, 2026



Convenience translation.  
The German text is legally binding.

## Contents

1	Introduction.....	2
2	Key Adjustments .....	2
3	The remuneration system’s contribution to promoting corporate strategy and long-term development of the Company, and principles of the remuneration system .....	4
4	Process for determining, reviewing, and implementing the remuneration system ...	5
5	Determination of the specific target remuneration (structure und amount).....	6
	5.1 Horizontal and vertical comparison.....	6
	5.2 Differentiation according to the different requirements for the individual Board of Management divisions.....	6
	5.3 Components of the total target remuneration.....	7
	5.4 Structure of the total target remuneration .....	7
	5.5 Caps and maximum remuneration .....	8
6	The remuneration components in detail.....	9
	6.1 Fixed remuneration components .....	9
	6.1.1 Base salary .....	9
	6.1.2 Fringe benefits.....	9
	6.1.3 Pension commitments .....	9
	6.2 Variable remuneration components.....	10
	6.2.1 Annual Bonus.....	11
	6.2.1.1 Financial performance criteria for the Annual Bonus.....	12
	6.2.1.2 Additional strategic performance criteria for the Annual Bonus .....	13
	6.2.1.3 Individual performance factor in the Annual Bonus .....	14
	6.2.2 Stock Based Compensation (SBC).....	14
	6.2.2.1 Basic principles of the SBC.....	14
	6.2.2.2 Financial performance criterion of the SBC.....	16
	6.2.2.3 Additional strategic performance criteria of the SBC .....	17
	6.3 Stock ownership guidelines (SOG).....	18
	6.4 Malus/Clawback .....	19
	6.5 Adjustments to the conditions of the Annual Bonus and/or the SBC in case of extraordinary events or developments.....	19
7	Remuneration-related transactions.....	20
	7.1 Benefits in the event of premature termination of the service contract without good cause or where good cause within the meaning of Section 626 of the German Civil Code (Bürgerliches Gesetzbuch) exists .....	20
	7.2 Additional severance provisions .....	21
	7.3 Sideline activities of Board of Management members.....	21
	7.4 Post-contractual non-compete clause.....	21
	7.5 “60+” Arrangement .....	22
8	Regulations on section 84 para. 3 AktG - temporary dismissal and reappointment of a Board of Management member (“Stay on Board”).....	22
9	Temporary deviations .....	22

## 1 Introduction

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The Annual General Meeting of Daimler Truck Holding AG last had the opportunity to pass a resolution on the approval of the remuneration system for the members of the Board of Management on June 21, 2023. The remuneration system was approved with a majority of 96.62% of votes cast.

In the 2025 financial year, the Supervisory Board and its Presidential and Remuneration Committee conducted a thorough review of the remuneration system. This review considered the newly aligned [corporate strategy “Stronger 2030”](#), legal requirements, recommendations from external remuneration consultants, feedback from investors and proxy advisors, current market practice among DAX40 companies, and employee remuneration.

Based on this, the Supervisory Board resolved on March 11, 2026, to further develop the remuneration system in certain areas while retaining the fundamental structure and principles of the previously approved system.

The following illustration provides an overview of the key adjustments. The later sections then present a comprehensive description of the remuneration system.

## 2 Key Adjustments

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In line with the revised corporate strategy, the adjustments aim to simplify the system (Simpler.) and strengthen the link to financial and strategic targets to foster performance-based remuneration and ownership culture (Faster. Stronger.). In essence, the adjustments include the following points:

To further strengthen the alignment of interests between shareholders and the Board of Management and to promote a share ownership culture within the company, the structure of the long-term variable remuneration is modified. Board of Management members will henceforth receive the long-term variable remuneration no longer in the form of virtual shares but in the form of real Daimler Truck Holding AG shares. In addition, Stock Ownership Guidelines remain in place, regulating the holding obligations regarding the company's shares. In this context, the long-term variable remuneration is renamed from Virtual Share-based Equity Plan to Stock Based Compensation (SBC).

As the financial performance criterion in the SBC, the relative share price performance including dividends (Total Shareholder Return) is applied, as it particularly reflects the interests of the shareholders.

For short-term variable remuneration (Annual Bonus), the focus will no longer be solely on an absolute financial performance criterion but moving forward will also include a relative financial performance criterion. Therefore, the metric “EBIT” will be replaced by “Adjusted Return on Sales (Adjusted ROS).” Adjusted ROS represents the ratio of

adjusted EBIT to revenue and enables a more thorough assessment of profitability, as it eliminates special effects and thus reflects operational performance more accurately.

In both variable remuneration components (Annual Bonus and SBC), it is henceforth possible to complement the financial performance criteria with strategic performance criteria derived from the business strategy with a weighting of 10% to 25% in the Annual Bonus and up to 25% in the SBC compared to the financial performance criteria. Strategic performance criteria may be financial or non-financial in nature. The Supervisory Board will include at least one non-financial performance criterion related to environmental, social, or governance (ESG) within the Annual Bonus with a weighting of 10% to 25% compared to the financial performance criteria.

Furthermore, the Supervisory Board can henceforth take into account the individual performance of the Board of Management members by applying an individual performance factor when determining the payout from the Annual Bonus.

Finally, the maximum remuneration for the Chief Executive Officer (CEO, *Vorstandsvorsitzende/r*) is adjusted to better align with market norms and Daimler Truck's position within the DAX40. Although the company ranks 16th by size, the previous €10 million cap sat below the DAX median. Also, the spread between the CEO cap and caps for other Board members (~€6 million) was more compressed than common market practice. Increasing the CEO cap to €12 million restores adequate differentiation. In addition, the change takes into account that, because the commercial vehicles industry is highly cyclical and the remuneration has large variable components with no lower limit, remuneration can fall sharply in weak years. A higher maximum remuneration allows strong-year performance to offset those downturns more fairly. The adjustment of the maximum remuneration only has an effect in exceptional years with significantly above expectation results.

The revised remuneration system for the members of the Board of Management ("**Remuneration System 2027+**") will be submitted to the Annual General Meeting of Daimler Truck Holding AG on May 6, 2026, for approval in accordance with Section 120a (1) of the German Stock Corporation Act (AktG). Subject to approval by the Annual General Meeting, the Remuneration System 2027+ will apply from January 1, 2027, to all current members of the Board of Management as well as to all new and reappointments.

### **3 The remuneration system's contribution to promoting corporate strategy and long-term development of the Company, and principles of the remuneration system**

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The commercial vehicle industry continues to undergo significant change, characterized by high dynamics and influenced by ongoing geopolitical uncertainties. Daimler Truck is actively shaping this transformation and pursues the ambition of becoming the best truck and bus company – for our customers, our employees, and our shareholders.

To this end, Daimler Truck has redefined its strategic orientation with the updated corporate strategy as presented at the Capital Market Day 2025, and the associated guiding principles “Simpler. Faster. Stronger.” These principles and the strategic pillars derived from them are also emphasized in the remuneration system. The remuneration system is designed to be clear and comprehensive, emphasizing the essentials while promoting a performance-driven corporate culture.

The remuneration system, in its entirety, serves as a key management tool, strongly supporting the achievement of strategic goals and providing effective performance incentives for members of the Board of Management. In view of the long-term and sustainable business development, it strengthens competitiveness, efficiency, and sustainable growth, supports prudent capital allocation, achievement of strategic objectives, and a clear focus on employee and shareholder interests to increase shareholder value.

The remuneration system consists of fixed, non-performance-related and variable, performance-related components based on suitable and ambitious performance criteria. For the variable remuneration instruments, impactful and challenging performance criteria and targets are set in advance by the Supervisory Board. Subsequent changes to these criteria and targets are not permitted (without prejudice to the Supervisory Board's ability to take extraordinary events and developments into account in an appropriate manner, see section 6.5). Exceptional performance is rewarded accordingly, while failure to meet targets reduces the variable performance-related remuneration down to zero. The proportion of long-term variable remuneration always exceeds that of short-term variable remuneration at 100% target achievement, thereby ensuring a long-term orientation of remuneration.

When determining the total remuneration of individual Board members, the Supervisory Board – in line with legal requirements – considers the company's situation, market best practices (taking into account the size and complexity of the company), as well as the respective areas of responsibility and individual performance. This is reflected in a balanced combination of fixed, non-performance-related and variable, performance-related components, the use of impactful and ambitious performance criteria and targets, and the consideration of relevant competitors for relative performance measurement. A clear link between the remuneration of Board members and their performance (“pay for performance”) is of great importance to the Supervisory Board of Daimler Truck Holding AG.

In addition to ensuring the appropriateness of remuneration, the focus is on achieving the highest possible consistency between the remuneration system for the Board of Management and for senior executives. This ensures that all decision-makers pursue aligned performance criteria and targets, thereby reinforcing internal alignment of interests. Accordingly, the Annual Bonus as a short-term variable remuneration component for the Board and senior executives is determined according to uniform performance criteria and a consistent methodology. The same applies to the performance criteria implemented in the long-term variable remuneration component in the form of the Stock Based Compensation (SBC).

In adopting the remuneration system, the Supervisory Board of Daimler Truck Holding AG has adhered to the following legal framework and guidelines:

The system for remunerating Board of Management members complies with the requirements of Section 87a of the German Stock Corporation Act (Aktengesetz, AktG) and the German Corporate Governance Code (DCGK) in its version dated April 28, 2022 (published on June 27, 2022, in the Federal Gazette), unless deviations are expressly declared. The Supervisory Board's objective is to offer Board of Management members a competitive remuneration package in line with market practice within this regulatory framework.

#### **4 Process for determining, reviewing, and implementing the remuneration system**

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Pursuant to Section 87a (1) of the German Stock Corporation Act (AktG), the Supervisory Board resolves on a clear and understandable remuneration system for the Board of Management members. In this process, the Supervisory Board is supported by the Presidential and Remuneration Committee. The Presidential and Remuneration Committee prepares recommendations for the Board of Management remuneration system, taking into account the principles outlined in Section 3 above and the recommendations of the German Corporate Governance Code (DCGK) in its applicable version, which are thoroughly discussed and resolved upon by the Supervisory Board. If necessary, the Presidential and Remuneration Committee and the Supervisory Board can avail themselves of the advice from external remuneration experts. In 2025, EY Tax GmbH Steuerberatungsgesellschaft and Mercer | hkp///group were involved for this purpose. In this context, independence of advisors from the Board of Management and the Company is ensured and the provision of a declaration of independence is required.

Conflicts of interest among Supervisory Board members are also dealt with in compliance with the DCGK and the rules of procedure of the Supervisory Board and its committees when determining, reviewing, and implementing the remuneration system. Conflicts of interest must be disclosed to the Supervisory Board and reported to the Annual General Meeting along with their resolution. In the event of a conflict of interest, the concerned Supervisory Board or committee member does not participate in the discussion or vote on the matter in the Supervisory Board or the Presidential and Remuneration Committee.

The remuneration system agreed upon by the Supervisory Board is submitted to the Annual General Meeting for approval. Based on the preparation and recommendations of the Presidential and Remuneration Committee, the Supervisory Board regularly reviews the Board of Management remuneration system.

If necessary, the Supervisory Board decides on amendments. In the event of significant changes, but in any case every four years, the remuneration system is resubmitted to the Annual General Meeting for approval.

## **5 Determination of the specific target remuneration (structure und amount)**

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The Supervisory Board determines the amount of the total target remuneration of the individual Board of Management members for the upcoming financial year based on the remuneration system. This amount is proportionate to the responsibilities and performance of the Board of Management members as well as the Company's situation. In addition, the Supervisory Board ensures that the total target remuneration is appropriate in view of common market practice. For this purpose, it draws on both a horizontal and a vertical comparison.

### **5.1 Horizontal and vertical comparison**

The horizontal (external) comparison of the total target remuneration is based on DAX-listed companies as well as a group of international competitors consisting of commercial vehicle manufacturers, taking into account the market position of Daimler Truck (especially with regard to sector, size, and country). In particular, it includes a review of the relative weighting of the remuneration components and the amount of the total target remuneration.

For the vertical (internal) comparison of the total target remuneration, the Supervisory Board uses the two senior management levels below the Board of Management and the workforce of Daimler Truck AG in Germany.

In the event of significant shifts in the relationship between the remuneration of the Board of Management and the horizontal and vertical comparison groups, the Supervisory Board examines the causes and, if there are no objective reasons for such shifts, adjusts the remuneration of the Board of Management where necessary and discloses this in the remuneration report.

### **5.2 Differentiation according to the different requirements for the individual Board of Management divisions**

When determining the amount of the total target remuneration, the remuneration system gives the Supervisory Board the flexibility to consider the function and area of responsibility of each individual Board of Management member.

The system allows for function-specific differentiations – for example, for the Chief Executive Officer and the Chief Financial Officer.

### 5.3 Components of the total target remuneration

The remuneration system consists of fixed, non-performance-related, and variable, performance-related components, the sum of which constitutes the total remuneration of a member of the Board of Management.

The fixed, non-performance-related remuneration comprises the base salary, fringe benefits – which may vary annually depending on individual circumstances and specific events – as well as the retirement benefit commitments of each Board of Management member.

The annual contribution for the pension commitment is calculated as a percentage of the sum of the base salary and the annual bonus paid in the year in which the contribution is made.

The variable, performance-related remuneration is divided into short-term variable remuneration (Annual Bonus) and long-term variable remuneration (Stock Based Compensation, SBC). For each financial year, the Supervisory Board generally links the variable remuneration components to performance criteria and targets derived from the corporate strategy, the achievement of which determines the actual payout amounts.

The table below illustrates the remuneration system 2027+:

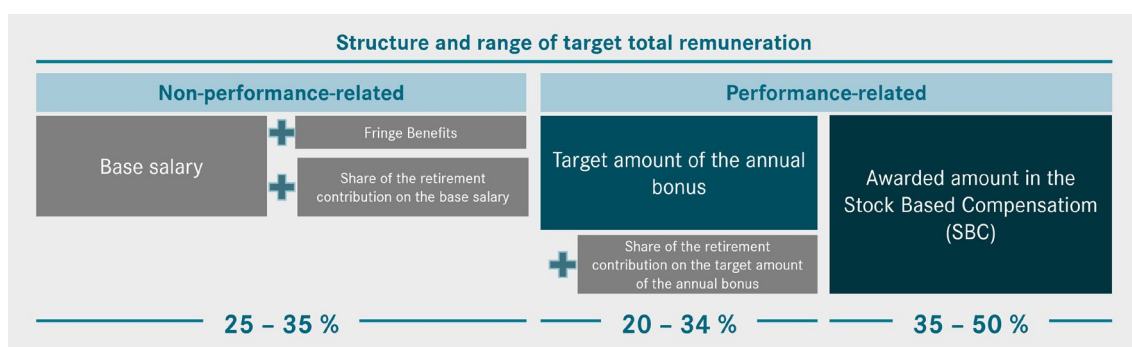
Remuneration system of the Board of Management (from 2027 financial year)			
Remuneration component	Description		
Fixed remuneration	Base salary	Fixed contractually agreed remuneration paid in twelve monthly instalments (Exception USA: bi-weekly payout)	
	Fringe Benefits	Mainly expenses for security services and the provision of company cars	
	Retirement benefit commitment	Annual contribution amounting to 15% of the sum of the base salary and the annual bonus paid in the year in which contribution is made	
Variable remuneration	Annual bonus	Type	Short-term variable remuneration model
		Performance criteria	<b>75-90%</b> <b>Financial performance criteria</b> (target achievement: 0% - 200%) - Adj. ROS IB and Adj. ROS Segment target-/actual-comparison - Free cash flow of the industrial business (FCF IB) target-/actual-comparison <b>10-25%</b> <b>Strategic performance criteria</b> (financial/non-financial; including at least one ESG-criterion with at least 10% weighting; target achievement 0-200%) <b>0.8-1.2</b> <b>Individual performance factor</b> applied to overall target achievement, if determined
		Cap	200% of the target amount
		Performance period	4 years
	Stock Based Compensation (SBC)	Type	Long-term variable remuneration model (share price based)
Further elements	Malus / Clawback	Performance criteria	<b>75-100%</b> <b>Financial performance criterion</b> (target achievement: 0% - 200%) Relative share price development including dividends (Total Shareholder Return, TSR) <b>0-25%</b> <b>Strategic performance criteria</b> (financial/non-financial; target achievement 0-200%)
		Cap	300% of the awarded amount
	Benefits in the event of early termination	Stock ownership guidelines	- Depending on the function on the Board of Management, the number of shares to be held is between 20,000 and 75,000 - These shares must be held until the end of the Board of Management membership
		Benefits in the event of early termination	A severance payment (if any) is limited to double the annual remuneration and may not exceed the total remuneration for the remaining term of the service

### 5.4 Structure of the total target remuneration

The total target remuneration consists of all components of both the non-performance-related and performance-related remuneration. Non-performance-related remuneration includes the base salary, fringe benefits, and the portion of pension attributable to the

base salary. Performance-related components include the target amount for the Annual Bonus (i.e., the amount payable at 100% target achievement) and the amount awarded for the SBC. Within the framework of the total target remuneration, the portion of pensions attributable to the Annual Bonus is allocated to the short-term variable remuneration.

Non-performance-related remuneration accounts for approximately 25–35% of the total target remuneration. Of the performance-related remuneration components, the Annual Bonus (including the performance-based pension contribution) contributes around 20–34%, and the SBC contributes around 35–50% to the total target remuneration.



The proportions of the individual remuneration components may vary within the ranges described above and in exceptional cases deviate from them. This may particularly apply in cases of contractually agreed fringe benefits for Board of Management members located outside Germany, as well as benefits for any new appointments.

When determining the total target remuneration, the Supervisory Board ensures at all times that the performance-related remuneration exceeds the proportion of non-performance-related remuneration. Furthermore, the awarded amount of the long-term variable remuneration is always higher than the target amount of the short-term variable remuneration. In this way, the predominantly multi-year structure of the variable remuneration, combined with its link to additional, challenging, and forward-looking comparative parameters, considers the recommendations of the German Corporate Governance Code (DCGK). This maintains the focus on Daimler Truck's long-term and sustainable development without neglecting annual operational targets.

## 5.5 Caps and maximum remuneration

In order to achieve a balanced risk-reward profile and to ensure an appropriate incentive effect of the remuneration system, the variable remuneration components are structured in such a way that the payout amount can be reduced to zero.

Pursuant to Section 87a (1) sentence 2, No. 1 of the German Stock Corporation Act (AktG), the Supervisory Board has defined a maximum remuneration for the Board of Management members, including fringe benefits and retirement benefit contributions, which has been analyzed for appropriateness. In addition, there are specific maximum amounts (caps) regarding variable remuneration components.

The assessment of appropriateness is carried out in connection with the horizontal and vertical comparison and includes, in addition to base salary, Annual Bonus and SBC, also fringe benefits (non-cash benefits, primarily expenses for security services borne by the Company and the provision of company cars) as well as pension costs, each in their respective generally determined maximum amount.

The maximum remuneration achievable for one financial year amounts to EUR 12,000,000 for the Chief Executive Officer and EUR 6,000,000 for the ordinary members of the Board of Management. These amounts represent absolute upper limits that can only be reached if all ambitious performance criteria for the variable remuneration are fully achieved and/or there is a substantial increase in the Company's share price. Accordingly, the maximum remuneration can only be attained under these exceptional circumstances. Any reduction of amounts exceeding the cap will be applied when paying out the long-term variable remuneration tranche allocated in the relevant financial year, which becomes due for payment four years later.

## **6 The remuneration components in detail**

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### **6.1 Fixed remuneration components**

#### **6.1.1 Base salary**

The base salary is a fixed remuneration relating to the entire year, which is generally paid in twelve equal installments. The base salary reflects the tasks and responsibilities of the respective role.

#### **6.1.2 Fringe benefits**

These benefits mainly consist of expenses for security services and the provision of company cars, which may also be used privately, and the resulting non-cash benefit. In connection with Board of Management members whose workplace is located abroad, special location-related benefits may also apply. Furthermore, in exceptional cases, special payments may be made upon new appointments to the Board of Management to compensate for the loss of remuneration from a previous employment.

In addition, the Board of Management members are included in a financial/damage/liability insurance policy (Directors & Officers / D&O) taken out in the interest of the Company, with a corresponding deductible in accordance with Section 93 (2) of the German Stock Corporation Act (AktG). The insurance premiums are paid by the Company.

#### **6.1.3 Pension commitments**

The Board of Management members of Daimler Truck Holding AG – with the exception of the member responsible for Daimler Truck North America – are covered by the Daimler Pensions Plan (DPP). This pension system provides for annual contributions by the

Company and is oriented toward the capital market. The Company only grants a commitment guarantee for the total of paid-in contributions, which are invested in the capital market according to a provision-oriented investment concept.

The amount of the annual contributions is based on a fixed percentage of the base salary and the annual bonus paid in the year in which the contribution is made. This percentage is currently 15%. An entitlement to contributions to the occupational pension scheme exists until the age of 62. For employment relationships extending beyond the completion of the 62<sup>nd</sup> year of life, no further contributions to the occupational pension scheme are granted.

The following table provides an overview of the structure of the Daimler Pensions Plan:

Daimler Truck Pensions Plan	
Type of commitment	▪ Defined contribution plan
Agellimit	▪ 62 years
Amount of the contribution	▪ Annual contribution amounting to 15% of the sum of the base salary and the annual bonus paid in the year in which contribution is made
Interest	▪ Guarantee of the contributions paid & investment in the capital market
Payout options	<ul style="list-style-type: none"> <li>▪ One-time amount</li> <li>▪ 12 annual installments, with each installment increasing from the occurrence of the insured event until payment (at least 1% p.a. plus any profit shares in accordance with the insurance tariff defined in the pension commitment)</li> <li>▪ Pension with an annual increase (at least 1% p.a. plus any profit shares in accordance with the insurance tariff defined in the pension commitment)</li> </ul>
Payments in the event of death and disability	<p>Death before retiring for reason of age:</p> <ul style="list-style-type: none"> <li>• Spouse/registered civil partner/named life partner/dependent children in accordance with Section 32 of the German Income Tax Act (EStG): credit amount reached plus an imputed amount for the remaining period until the age of 62 has been reached</li> </ul> <p>Death after retiring for reason of age</p> <ul style="list-style-type: none"> <li>• Annual installment option: The heirs are entitled to payments</li> <li>• Pension option: Spouse/registered civil partner/named life partner receive 60% of the actual pension</li> </ul> <p>Disability:</p> <ul style="list-style-type: none"> <li>▪ Disability pension until the age of 62 has been reached</li> <li>▪ Provision of contributions until the age of 62 has been reached</li> </ul>

## 6.2 Variable remuneration components

The variable remuneration aims to create effective incentives for the Board of Management to act in the interest of the Company's strategy, shareholders, customers, employees, and other stakeholders.

It is divided into short-term variable remuneration (Annual Bonus) and long-term variable remuneration (Stock Based Compensation, SBC).

The variable remuneration components are defined for each financial year by the Supervisory Board based on performance criteria and targets derived from the corporate strategy. These criteria are ambitious, clearly measurable, and unambiguous. The degree of target achievement determines the actual payout amount.

In addition to financial performance criteria, strategic performance criteria can also be embedded in both variable remuneration components with a weighting of 10% to 25% in the Annual Bonus and a weighting of up to 25% in the SBC. Strategic performance criteria

are derived from the business strategy and may be financial or non-financial in nature. In the Annual Bonus, the Supervisory Board will include as a strategic performance criterion at least one non-financial criterion related to environmental, social or governance (ESG) aspects with a weighting of 10% to 25% compared to the financial performance criteria.

Flexibility in the selection and weighting of strategic performance criteria within the defined limits is required to respond appropriately to changes in a highly volatile macroeconomic, regulatory and political environment, thereby ensuring both an incentive for Board of Management members linked to demanding performance criteria and taking into account the interests of various stakeholders.

For the precise quantification of target achievement, only company-relevant, clearly measurable and unambiguous strategic performance criteria are used. When defining the specific strategic performance criteria, the Supervisory Board ensures that these differ between the annual bonus and the SBC.

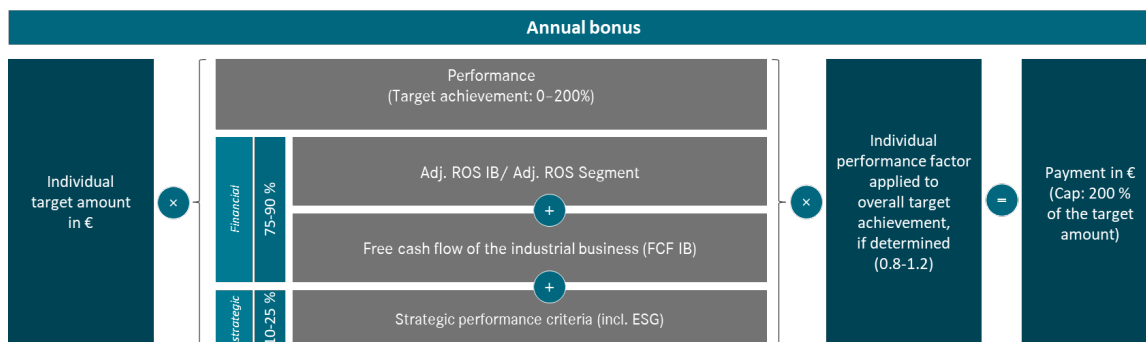
Strategic performance criteria related to the business strategy may include, for example, the achievement of cost reduction targets or the level of service revenue. Strategic performance criteria related to ESG may include, for example, sales of Zero Emission Vehicles (ZEV) or the Lost Time Injury Rate (LTIR) which measures the rate of accidents in the company resulting in lost time.

### **6.2.1 Annual Bonus**

The Annual Bonus is a short-term oriented variable remuneration component and incentivizes the contribution to the operational implementation of the corporate strategy.

For each upcoming financial year, the Supervisory Board derives challenging and ambitious financial performance criteria (see section 6.2.1.1) and additional strategic performance criteria (see section 6.2.1.2) from the strategic corporate objectives and determines the weighting of financial performance criteria versus strategic performance criteria. Financial performance criteria may be weighted between 75% and 90% in total compared to strategic performance criteria. Conversely, strategic performance criteria may be weighted between 10% and 25% in total compared to the financial performance criteria. Within the additional strategic performance criteria, the Supervisory Board will include at least one non-financial criterion related to environmental, social or governance (ESG) aspects with a weighting between 10% and 25% compared to the financial performance criteria. The Supervisory Board can also take into account the individual performance of the board members by applying an individual performance factor (see section 6.2.1.3).

The target amount of the Annual Bonus, which is paid out at 100% target achievement and, if applicable, an individual performance factor of 1, is set individually by the Supervisory Board for each Board of Management role. The total payout from the Annual Bonus is capped at twice (200%) the individual target amount for the respective financial year. A total loss of the Annual Bonus is possible.



### 6.2.1.1 Financial performance criteria for the Annual Bonus

The Supervisory Board applies the following key figures as financial performance criteria for the Annual Bonus:

- Adjusted Return on Sales of Daimler Truck's industrial business (Adjusted ROS IB) as well as
- For Board of Management members with segment responsibility for Mercedes-Benz Trucks and Trucks North America, the Adjusted Return on Sales of the respective segment (Adjusted ROS Segment) as well as
- Free Cash Flow of the industrial business (FCF IB)

The Adjusted Return on Sales of the industrial business and of the segments Mercedes-Benz Trucks and Trucks North America, as well as the Free Cash Flow of the industrial business, represent meaningful performance criteria for Daimler Truck.

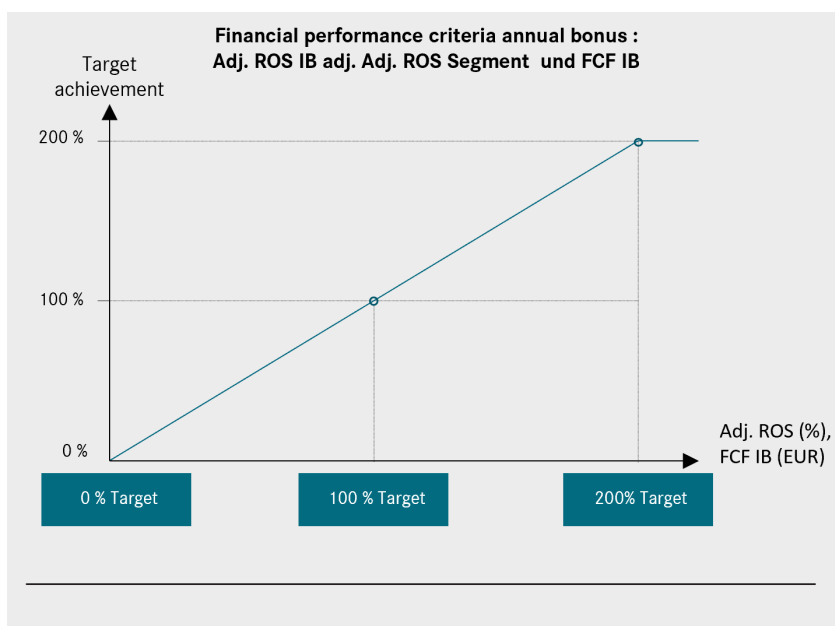
The Adjusted ROS IB target for Daimler Truck and the Adjusted ROS target for the segments Mercedes-Benz Trucks and Trucks North America for the respective financial year are derived from the long-term strategic objectives, taking into account the current market environment and macroeconomic conditions, and are set by the Supervisory Board. Adjusted ROS expresses the ratio of adjusted EBIT to revenue and thus reflects the sales-related profitability of the industrial business or the individual segments. The ROS target serves to focus on strengthening the global core business while considering the specific circumstances of each segment.

FCF IB captures the free cash inflow generated by the industrial operating business after investments. This cash flow is generally available for shareholder distributions or other capital allocation measures and therefore represents a key indicator of the financial strength of Daimler Truck.

The FCF IB target for the respective financial year is derived from the long-term strategic objectives, taking into account the current market environment and macroeconomic conditions, and is set by the Supervisory Board.

For members with segment responsibility for Mercedes-Benz Trucks and Trucks North America, the individual performance criteria Adjusted ROS IB, Adjusted ROS Segment, and FCF IB are each weighted one-third. For other members of the Board of Management, Adjusted ROS IB is weighted two-thirds, while FCF IB accounts for one-third of the weighting.

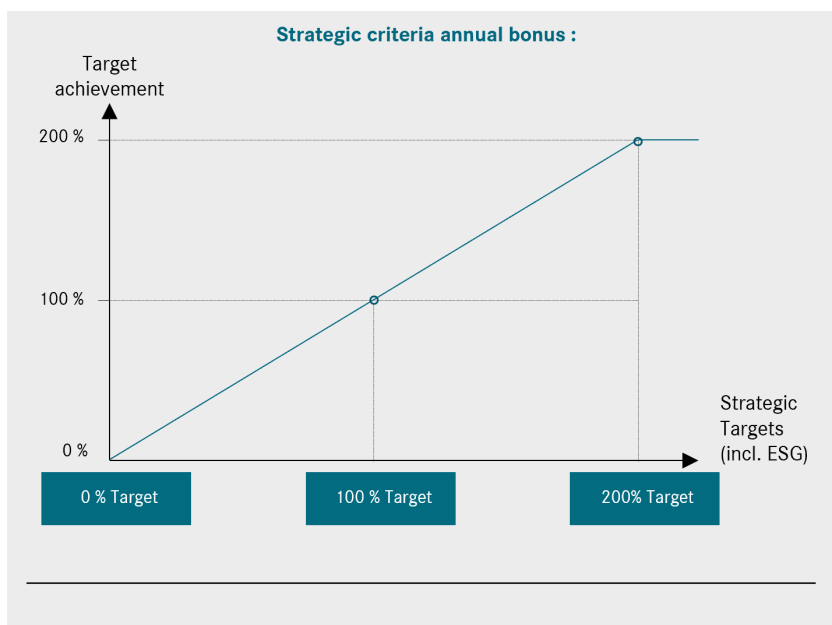
The range of possible target achievement for the financial performance criteria Adjusted ROS IB, Adjusted ROS Segment, and FCF IB is between 0% and 200%. If the actual value achieved is at or below the lower limit of the range, the degree of target achievement is 0%. If the actual value is at or above the upper limit of the range, the maximum degree of target achievement is 200% in all cases.



### 6.2.1.2 Additional strategic performance criteria for the Annual Bonus

The Supervisory Board defines one or more additional strategic performance criteria that complement the financial performance criteria and may be weighted 10% to 25% compared to the financial performance criteria. Within the additional strategic performance criteria, the Supervisory Board will include at least one non-financial criterion related to environmental, social or governance (ESG) aspects with a weighting of 10% to 25% compared to the financial performance criteria. The selection and weighting of the additional strategic performance criteria may differ between the Board of Management members.

For each upcoming financial year, the Supervisory Board determines the additional strategic performance criteria and their weighting in accordance with the principles set out in section 6.2. At the end of the financial year, the Supervisory Board determines the level of target achievement of the additional strategic performance criteria. The range of possible target achievement can vary between 0% and 200%.



The specific additional strategic performance criteria and targets defined by the Supervisory Board for a performance period, as well as their weighting, are disclosed in the remuneration report. It will be ensured that the weighting will already be disclosed at the beginning of the performance period.

### **6.2.1.3 Individual performance factor in the Annual Bonus**

To account for the individual performance of the Board of Management members, the Supervisory Board may decide for each upcoming financial year to apply an additional individual performance factor to the overall target achievement resulting from the financial and strategic performance criteria, when determining the individual payout from the Annual Bonus for the Board of Management members. This performance factor results from the Supervisory Board's evaluation of the achievement of targets that were individually determined for each Board of Management members at the beginning of the financial year. The performance factor ranges from 0.8 to 1.2 (i.e., +/-20%). The individual targets determined for each Board of Management member and the respective target achievement levels are subsequently disclosed in the annual remuneration report

## **6.2.2 Stock Based Compensation (SBC)**

### **6.2.2.1 Basic principles of the SBC**

The SBC is a long-term oriented, share-based variable remuneration instrument, which is generally awarded to the Board of Management members of Daimler Truck Holding AG in annual tranches. Achieving the long-term objectives embedded in the plan supports the Company's sustainable success compared to its competitors, as well as the long-term positive share performance of Daimler Truck Holding AG, and thereby also enduring returns for shareholders.

In the context of the SBC, the Board of Management members are granted Stock Awards. A Stock Award is the claim to one Daimler Truck Holding AG share – conditional on target achievement after the expiration of a four-year performance period.

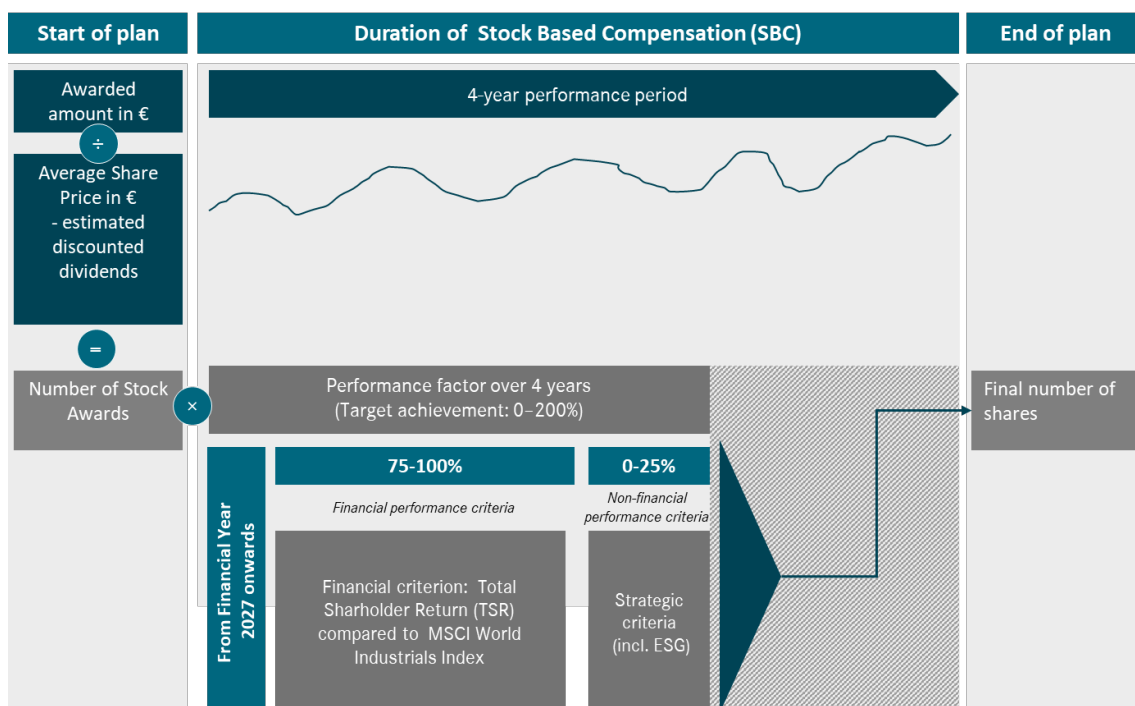
At the beginning of each performance period, the Supervisory Board determines an initial award amount in euros based on a 100% target achievement as part of the determination of the individual annual total target remuneration. Stock Awards for this initial award amount are then allocated to the Board of Management members. The number of Stock Awards is calculated by dividing the initial award amount by the relevant average share price of Daimler Truck Holding AG calculated over a predetermined extended period, less the estimated discounted dividends.

At the start of the plan, the Supervisory Board also defines the applicable financial (see section 6.2.2.2) and, if applicable, additional strategic performance criteria (see section 6.2.2.3) for a period of four years (performance period). The financial performance criteria may be weighted between 75% and 100% compared to the additional strategic performance criteria. Conversely, additional strategic performance criteria may be weighted up to 25% in total compared to the financial performance criteria. The Supervisory Board determines the exact weighting of the performance criteria before the start of each SBC tranche.

Depending on the achievement of the performance criteria, with a possible range of 0% to 200% target achievement, the Stock Awards awarded at the start of the plan are converted into the final number of Daimler Truck Holding AG shares after the end of the performance period. This final number of Daimler Truck Holding AG shares is then transferred to the Board of Management members.

The Board of Management members are not entitled to dividends for the Stock Awards during the performance period.

The value of Daimler Truck Holding AG shares transferred to the Board of Management members after the holding period is limited to a maximum of 300% of the initial award amount. If any limits provided for in the remuneration system (e.g. caps, maximum remuneration) are exceeded, the number of shares to be transferred will be reduced accordingly.



Since the share of the SBC in the total of all variable remuneration components exceeds that of the Annual Bonus, the predominant part of the variable remuneration is awarded on a share-based basis in accordance with the German Corporate Governance Code (GCGC). The SBC thus meets the requirements for a multi-year assessment basis for variable remuneration within the meaning of Section 87 (1) sentence 3 AktG. The award amounts of the long-term variable remuneration significantly exceed the target values of the short-term variable remuneration.

### 6.2.2.2 Financial performance criterion of the SBC

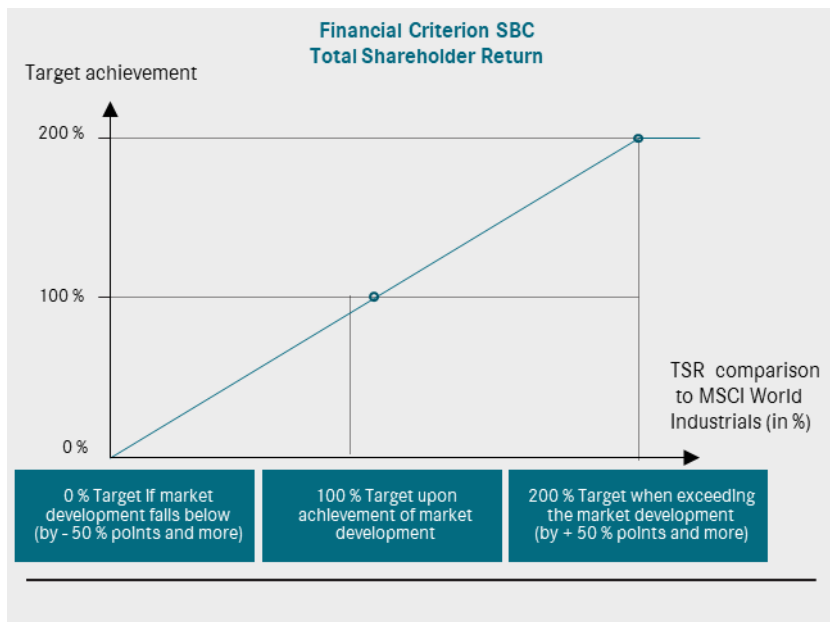
As the financial performance criterion in the SBC, the Supervisory Board applies the relative share price performance including dividends (Total Shareholder Return), as it particularly reflects the interests of the shareholders.

The Total Shareholder Return is measured by the development of Daimler Truck Holding AG's share price including dividends over a four-year period compared to the development of a defined peer group, namely the companies included in the MSCI World Industrials Index. The international sector index MSCI World Industrials Index includes, among others, companies that are direct competitors of Daimler Truck as well as other companies from comparable industries. Thus, the MSCI World Industrials Index represents the relevant market environment for measuring relative Total Shareholder Return.

### Calculation logic

$$\text{Share price development (in \%)}_{\text{DTHAG}} - \text{Share price development (in \%)}_{\text{MSCI World Industrials}} = \text{Outperformance (in percentage points)}$$

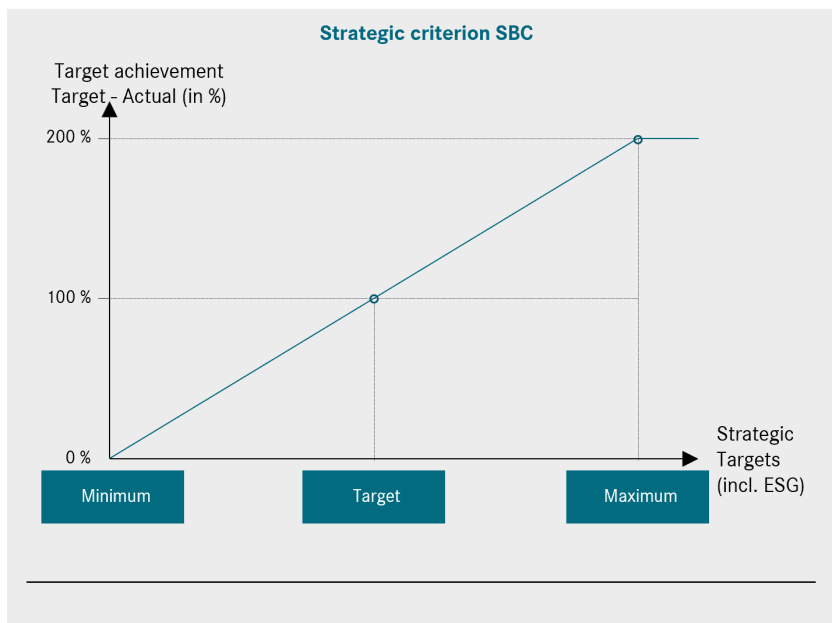
The range of possible target achievement for the Total Shareholder Return is between 0% and 200%. If the development of the Total Shareholder Return of Daimler Truck Holding AG's share corresponds to that of the competitor group, the target achievement is 100%. If the development of the Total Shareholder Return of Daimler Truck Holding AG's share is 50 percentage points or more below (above) the development of the competitor group, the target achievement is 0% (200%). Within the range of +/- 50 percentage points absolute deviation, target achievement develops proportionally to the deviation.



#### 6.2.2.3 Additional strategic performance criteria of the SBC

The Supervisory Board may define additional strategic performance criteria for each SBC tranche, which complement the financial performance criteria and may be weighted up to 25% in relation to them. The selection and weighting of the additional strategic performance criteria may differ between the Board of Management members.

Before the start of each performance period, the Supervisory Board determines the additional strategic performance criteria and their weighting in accordance with the principles set out in section 6.2. At the end of the performance period, the Supervisory Board determines the level of target achievement of the additional strategic performance criteria. The range of possible target achievement can vary between 0% and 200%.



The specific additional strategic performance criteria and targets defined by the Supervisory Board for each SBC tranche, as well as their weighting, are disclosed in the remuneration report. It will be ensured that the weighting will already be disclosed at the beginning of the performance period.

### 6.3 Stock ownership guidelines (SOG)

To further align the interests of the shareholders and the Board of Management, Stock Ownership Guidelines (SOG) apply as part of the Board of Management remuneration. These guidelines create additional incentives for long-term business development that extend beyond the duration of the long-term variable remuneration.

According to these guidelines, Board of Management members are obliged to acquire a specified number of Daimler Truck Holding AG shares and hold these shares until the termination of their service agreement.

The number of shares to be acquired and held (SOG targets) has been determined by the Supervisory Board for each member of the Board of Management as follows:

- Chief Executive Officer: 75,000 Daimler Truck Holding AG shares
- Chief Financial Officer: 25,000 Daimler Truck Holding AG shares
- Ordinary members of the Board of Management: 20,000 Daimler Truck Holding AG shares

To meet the SOG, the real shares of Daimler Truck Holding AG which are transferred to the members of the Board of Management at the end of the respective plan term as remuneration from the SBC are used until the respective SOG target has been reached,

subject to any share sales to cover taxes or cost. However, the acquisition of shares may also be carried out by other means.

#### **6.4 Malus/Clawback**

Under the service agreements and the SBC plan conditions, so-called malus and clawback provisions are implemented.

According to these provisions, a violation in the function as a Board of Management member of the Company against the duties under Section 93 of the German Stock Corporation Act (AktG), and in particular against the principles of conduct set out in the Company's Code of Conduct, may lead to a partial or complete reduction of the Annual Bonus (malus). If a deduction of the reduction amount from variable remuneration not yet paid or from future variable remuneration is not possible, there is an obligation to repay variable remuneration already paid in the amount of the reduction (clawback).

The Supervisory Board decides whether and to what extent a reduction is applied, taking into account the particular circumstances of the individual case and weighing the interests of both parties to the contract.

According to the terms and conditions of the SBC, in the event of a demonstrable breach of the principles of conduct set out in the Company's Code of Conduct or official duties, a partial or complete reduction of the provisional (also adjusted) as well as the final allocated amount is possible until the time of payment of the plan proceeds. The Supervisory Board decides on any reduction.

#### **6.5 Adjustments to the conditions of the Annual Bonus and/or the SBC in case of extraordinary events or developments**

In the event of extraordinary events or developments, the Supervisory Board is entitled to appropriately adjust the performance criteria, targets or target achievements of the Annual Bonus and/or the SBC at its reasonable discretion to the extent necessary to restore or maintain the incentive effect.

Extraordinary events or developments may include, for example, significant structural measures (e.g. acquisitions, mergers and divestments), material changes in the Company's shareholder structure, high inflation, war, pandemic, natural disaster, as well as significant changes in the underlying IFRS accounting standards, related valuation methods, or legal frameworks that have a material impact on ongoing business. Unfavorable market developments are explicitly excluded from this definition. Adjustments shall be made in particular to the extent necessary to appropriately consider strategic transactions and structural measures that create extraordinary shareholder value when determining the target achievement of financial performance criteria and the payout amount.

The aforementioned adjustment option also applies to Virtual Share-based Equity Plan (VSEP) tranches granted under the previous remuneration system 2023+, provided their performance period is still ongoing at the time of adjustment.

Any adjustments to the performance criteria or targets of the annual bonus and/or the VSEP/SBC tranches will be disclosed in the relevant remuneration report. The remuneration report will also disclose the specific extraordinary event or development and the considerations that led to the adjustment.

## **7 Remuneration-related transactions**

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The service agreements of the members of the Board of Management are concluded for the duration of their appointment and are extended for the duration of any reappointment.

In case of an initial appointment, the term of appointment and service contract is generally three years. In the event of reappointment, the term of appointment and service contract is generally five years.

### **7.1 Benefits in the event of premature termination of the service contract without good cause or where good cause within the meaning of Section 626 of the German Civil Code (Bürgerliches Gesetzbuch) exists**

If the appointment to the Board of Management is revoked pursuant to Section 84 (4) of the German Stock Corporation Act (AktG) and there is good cause within the meaning of Section 626 of the German Civil Code (BGB), the service contract is also terminated at the time the revocation of the appointment takes effect. In this case, the affected Board of Management member shall no longer receive any payments from the effective date of the revocation.

In the event of early termination of the Board of Management position without good cause for extraordinary termination within the meaning of Section 626 BGB, payments to the Board of Management member – including fringe benefits – shall not exceed the value of two annual remunerations and shall not be higher than the remuneration for the remaining term of the service contract (severance cap under the German Corporate Governance Code). An entitlement to payment of the Annual Bonus exists only on a pro rata basis until the end of the Board of Management mandate. Entitlement to payment of already allocated performance-related remuneration components with long-term incentive effect is determined in accordance with the conditions of the respective plans and the provisions of the service contracts, for example, in the event of termination by mutual agreement or due to occupational disability, the Board of Management member retains all rights related to previously allocated performance-based long-term incentive components throughout the entire plan term.

If the service relationship ends due to extraordinary termination, in the event of a revocation of the appointment or resignation, or because the Board of Management

member does not agree to an extension of the service contract, the service contract or the respective SBC plan conditions govern whether and to what extent entitlements to long-term variable remuneration (SBC) lapse upon termination of the service relationship.

Both the annual bonus and the long-term variable remuneration are not paid out early in the event of premature termination of the contract, but rather at the times stipulated in the service agreement or in the respective plan conditions.

## **7.2 Additional severance provisions**

No commitments in the event of early termination of the Board of Management membership due to a change of control will be agreed upon. In the event of regular termination of the service agreement, there shall be no further contractual commitments to severance payments.

## **7.3 Sideline activities of Board of Management members**

Members of the Board of Management should only hold Board of Management or Supervisory Board mandates and/or other administrative or honorary functions outside the Company to a limited extent and under certain conditions. Prior approval of the Presidential and Remuneration Committee of the Supervisory Board is required. In addition, a list of all sideline activities of the Board of Management members is submitted to the Supervisory Board once a year for approval. This ensures that neither the time commitment nor the remuneration allocated for such activities lead to a conflict with the duties performed for the Company. Insofar as the sideline activities are legally required Supervisory Boards or comparable control bodies of commercial enterprises, these are disclosed in the annual financial statements of Daimler Truck Holding AG, which are published on the Company's website:

<https://www.daimlertruck.com/en/company/corporate-governance/board-of-management>

In general, there is no entitlement to separate remuneration for mandates in Group companies.

## **7.4 Post-contractual non-compete clause**

The Supervisory Board may agree to a post-contractual non-compete clause with Board of Management members for a period of up to 24 months. For the duration of the post-contractual non-compete clause, the respective Board of Management member shall receive reasonable compensation (non-compete compensation) to be determined when the clause is agreed, which should generally amount to 100 percent of the last monthly base salary. The Supervisory Board shall decide, when concluding the post-contractual non-compete clause with the respective Board of Management member, on provisions regarding the offsetting of any severance payments due to early termination of the Board of Management mandate or any benefits from the company pension scheme against the

non-compete compensation, as well as on provisions regarding waiver of compliance with the post-contractual non-compete clause.

### **7.5 “60+” Arrangement**

The Supervisory Board may agree with Board of Management members who, prior to their Board of Management mandate, had a capital commitment under an employment relationship with a Daimler Truck Group company for the event of termination of employment (so-called “60+ arrangement”) on whether and under what conditions this capital commitment will be continued.

## **8 Regulations on section 84 para. 3 AktG - temporary dismissal and reappointment of a Board of Management member (“Stay on Board”)**

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In the event of a leave of absence (temporary dismissal and reappointment) Board of Management member due to maternity leave, parental leave, care of a relative, or illness, the affected member receives 50% of the base salary as well as the full amount of fringe benefits. Further vesting of variable remuneration components is completely deferred/suspended for the duration of the leave.

## **9 Temporary deviations**

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The Supervisory Board may, in accordance with section 87a (2) sentence 2 of the German Stock Corporation Act (AktG), temporarily deviate from the remuneration system if this is necessary in the interest of the long-term interest of the Company. This includes, for example, adjusting the remuneration system in the event of a significantly changed situation, such as a severe economic crisis or a substantial change in the political or social framework, for example, war.

The exceptional circumstances underlying and requiring a deviation shall be determined by resolution of the Supervisory Board. The components of the remuneration system from which a deviation may be made include the procedure, the regulations on remuneration structure and amount, as well as the individual remuneration components.

The Supervisory Board may also, at its discretion, temporarily reimburse expenses for extraordinary fringe benefits in the event of an identified significant change in requirements. In addition, the Supervisory Board has the right to award special payments to new Board of Management members to compensate for salary losses from previous employment or to cover costs arising from a change of location.

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