

DAIMLER TRUCK

Daimler Truck Holding AG

Report of the Board of Management regarding Agenda Items 7 and 8

Annual General Meeting
on May 15, 2024



Covenience translation.
The German text is legally binding.

Report of the Board of Management regarding Agenda Items 7 and 8

With regard to items 7 and 8 on the Agenda, the Board of Management submits the following summary report in accordance with § 71 (1) no. 8 sentence 5 in conjunction with § 186 (4) sentence 2 German Stock Corporation Act on the exclusion of subscription rights and tender rights for the acquisition and disposal of treasury shares:

1. Overview

The Annual General Meeting last authorized the Board of Management to acquire and use treasury shares and to exclude subscription and tender rights on November 5, 2021. This authorization expires on October 31, 2026. It forms the basis for the share buyback program resolved by the Board of Management with the consent of the Supervisory Board on July 10, 2023, and has partly been used up by this current program.

It is therefore intended that the existing authorization be cancelled and replaced by a new authorization, which is to be effective until May 14, 2029. This is intended to enable the Company to acquire treasury shares in a volume of up to 10 % of the share capital and to use these shares, in addition to a sale via the stock exchange or an offer to all shareholders in proportion to their shareholdings, for all other legally permissible purposes, in particular to finance mergers and acquisitions, to sell them to third parties for cash, to fulfil or secure acquisition rights or acquisition obligations from convertible bonds/option bonds or to pass them on to employees or members of corporate bodies, or to redeem the shares. The authorization under Agenda Item 7 is intended to give the Company the greatest possible flexibility and, by means of the supplementary authorization under Agenda Item 8, also to allow the Company – as was the case before – to acquire treasury shares by means of derivatives.

However, due to the treasury shares held by the Company (at the time the notice convening the Annual General Meeting is submitted to the Federal Gazette the treasury shares held by the Company amount to approx. 2.35 % of the share capital), full utilization of the authorization would require the treasury shares currently held to be redeemed (or otherwise used).

2. Acquisition of treasury shares and exclusion of the right to tender

In addition to acquisition via the stock exchange, it is intended that it will also be possible for treasury shares to be acquired by means of a public purchase offer or a public invitation to submit offers, by the Company itself or by companies affiliated with it within the meaning of §§ 15 et seqq. German Stock Corporation Act or by third parties acting for its or their account.

If the number of Daimler Truck Holding Shares tendered or offered to the Company for purchase exceeds the total volume intended for purchase, the purchase may be

made –instead of in proportion to the number of shares held – in proportion to the number of Daimler Truck Holding Shares tendered or offered per shareholder; in addition, preferential treatment or acceptance of small numbers of up to 100 Daimler Truck Holding Shares tendered or offered per shareholder and rounding in accordance with commercial principles may be provided for. Any further right of shareholders to tender shares is excluded in this respect. These provisions serve to simplify the allocation procedure. The Board of Management considers the exclusion of any further tender rights of the shareholders to be objectively justified and reasonable vis-à-vis the shareholders.

3. Use of treasury shares with an exclusion of subscription rights

The possibility is to be created for the treasury shares acquired on the basis of the authorization by the General Meeting of May 15, 2024, or on the basis of an earlier authorization by the General Meeting, to be used in defined cases with an exclusion of shareholders' subscription rights:

- » According to the authorization proposed under Agenda Item 7 lit. d) aa), the Board of Management is to have the option, subject to the consent of the Supervisory Board, to offer and transfer treasury shares as consideration in kind and thus to use them as consideration, in particular in connection with mergers or the (also indirect) acquisition of companies, establishments, parts of companies, participating interests in companies or other assets or claims to the acquisition of assets, including receivables from the Company or its affiliated companies within the meaning of §§ 15 et seqq. German Stock Corporation Act. The international competition and the globalization of the economy require this form of consideration. The proposed authorization is therefore intended to give the Company the necessary flexibility to be able to take advantage of acquisition opportunities that arise quickly, flexibly and in a manner that preserves liquidity. The proposed exclusion of shareholders' subscription rights takes this into account. When determining the valuation ratio, the Company will ensure that the interests of the shareholders are adequately protected, taking into account the stock exchange price, but without any mathematical link to it. Currently, there are no specific plans to utilize this authorization.
- » Furthermore, according to the authorization proposed under Agenda Item 7 lit. d) bb), the Board of Management is to be enabled, subject to the consent of the Supervisory Board, to sell treasury shares to third parties in a manner other than on the stock exchange or by way of an offer to all shareholders against payment in cash, e.g. to institutional investors or to tap new groups of investors. The prerequisite for such a sale is that the price achieved is not significantly lower than the stock market price of shares in the Company with the same features at the time of the sale (not including ancillary acquisition costs). The possibility of selling repurchased treasury shares for cash subject

to an exclusion of the shareholders' subscription rights serves the Company's interest in achieving the best possible price when selling the treasury shares. The exclusion of the subscription right facilitates a placement close to the stock exchange price, so that the usual discount for subscription right issues does not apply. The immediate inflow of funds avoids the uncertainty of future stock market developments. The computational part in the share capital attributable to shares sold in this way may not exceed a total of 10 % of the Company's share capital at the time of the adoption of the resolution by the General Meeting or – if this value is lower – at the time the authorization to sell treasury shares with an exclusion of subscription rights is exercised.

By basing the selling price on the stock exchange price, the interest in protecting against dilution is taken into account and the economic and voting right interests of the shareholders are adequately safeguarded. When determining the selling price, the management will endeavor to keep any discount from the stock exchange price as low as possible, taking into account market conditions. In principle, the shareholders have the option of maintaining their shareholding quota by purchasing additional shares on the stock exchange, while the Company is given further room for maneuver in the interests of all shareholders in order to take advantage of favorable stock market situations at short notice.

The inclusion clause provided for ensures that the number of treasury shares sold subject to a simplified exclusion of subscription rights in application, *mutatis mutandis*, of § 186 (3) sentence 4 German Stock Corporation Act, together with other shares issued in direct or analogous application of this provision subject to the exclusion of shareholders' subscription rights during the term of the acquisition authorization until the authorization to exclude subscription rights for the use of acquired treasury shares is exercised, does not exceed the limit of 10 % of the share capital. In addition, such shares are also to be included which were issued or are yet to be issued to satisfy conversion/option rights or conversion/option obligations under convertible/option bonds, provided that the bonds concerned were issued during the term of the acquisition authorization in application, *mutatis mutandis*, of § 186 (3) sentence 4 German Stock Corporation Act. Currently, there are no specific plans to utilize this authorization.

- » Furthermore, according to the authorization proposed under Agenda Item 7 lit. d) cc), the Company is to be enabled to use acquired treasury shares to fulfill or secure acquisition rights or acquisition obligations in respect of shares in the Company, in particular arising from or in connection with convertible and/or option bonds issued by the Company or an undertaking affiliated with the Company within the meaning of §§ 15 et seqq. German Stock Corporation Act ("Bonds"). This ensures an even more flexible handling and allows the typical dilution effect associated with a capital increase to be avoided by

avoiding the issue of additional shares. The Board of Management will give due consideration to the interests of the shareholders when deciding whether to issue new shares or treasury shares when satisfying such acquisition rights or acquisition obligations. The same applies to the question of the – possibly also exclusive – option of satisfying Bonds with treasury shares. In all such cases, the shareholders' subscription rights to the treasury shares must be excluded. This also applies to the granting of a form of protection against dilution that is customary in the market, insofar as the holders or creditors of conversion/option rights in respect of shares in the Company or corresponding conversion/option obligations in the case of subscription right issues by the Company are granted shares to the extent to which they would be entitled after having already exercised these rights or fulfilled these obligations.

- » Besides, according to the authorization proposed under Agenda Item 7 lit. d) dd), the possibility is also to be created to issue treasury shares directly or indirectly to employees of the Company or of undertakings affiliated with it within the meaning of §§ 15 et seqq. German Stock Corporation Act, to members of corporate bodies of undertakings affiliated with the Company or to third parties who transfer the economic ownership and/or the economic proceeds from the shares to these persons. The issue of shares to this group of persons strengthens the identification of the beneficiaries with the Company and the ownership culture within the Company. This is in the interest of the Company. The same applies to the exclusion of subscription rights required for this use. In order to facilitate the handling of the issue of shares for this purpose, the Company is also to be enabled to procure the shares required for this purpose by way of acquiring treasury shares by means of securities loans/securities borrowings and, if necessary, to use treasury shares to satisfy the lenders'/borrowers' claims for repayment.

The aggregate amount of treasury shares used subject to an exclusion of shareholders' subscription rights during the term of this authorization may not account for more than a computational part of 10 % of the share capital at the time of the adoption of the resolution by the General Meeting or – if this value is lower – at the time the authorization is exercised. If, during the term of the authorization and until it is exercised, other authorizations to issue or dispose of shares in the Company or to issue rights that enable or oblige the holder to subscribe to shares in the Company are exercised and the shareholders' subscription right is excluded in this context, this is to be included in the aforementioned 10 % limit, with the consequence that the total amount of the shares issued or disposed of subject to an exclusion of subscription rights may not exceed 10 % of the share capital. In this way, shareholders are additionally protected against dilution of their existing shareholding.

Finally, according to the authorization proposed under Agenda Item 7 lit. d) ee), the possibility is to be created to redeem treasury shares also without a new resolution by the General Meeting. The redemption is to be made possible with or without a reduction of the share capital as decided by the competent corporate bodies, with the pro rata amount per share of the share capital increasing in the latter case. In this case, the Board of Management is authorized to adjust the number of shares stated in the Articles of Incorporation.

4. Acquisition of treasury shares using derivatives

The authorization proposed under Agenda Item 8 is intended to give the Company the additional option, with the consent of the Supervisory Board, of acquiring treasury shares also by using derivatives. By means of these additional alternative courses of action, the Company expands its general possibilities for structuring the acquisition of treasury shares in an optimal manner. The use of Put Options, Call Options and forward purchases as well as a combination of these instruments (hereinafter collectively referred to as "Derivatives") may – also in combination with otherwise permissible transactions not covered by this authorization – be advantageous for the Company compared to the direct acquisition of the shares.

The authorization proposed under Agenda Item 8 does not lead to an extension of the maximum limit for the acquisition of treasury shares provided for in Agenda Item 7 lit. b) of up to a total of 10 % of the share capital existing at the time of the adoption of the resolution by the General Meeting or – if this value is lower – at the time the authorization is exercised, but merely enables the acquisition of treasury shares using derivative financial instruments within this framework up to an additional maximum limit of 5 % of the share capital existing at the time of the adoption of the resolution by the Annual General Meeting or – if this value is lower – at the time this authorization is exercised.

The Derivative transactions are to be concluded with an independent credit institution or an undertaking operating pursuant to § 53 (1) sentence 1 or § 53b (1) or (7) German Banking Act or a syndicate of such credit institutions or undertakings. The term of the Derivatives has to be chosen in such manner that under the terms and conditions of the Derivatives the acquisition of the shares does occur after May 14, 2029. This will ensure that the Company does not acquire any more treasury shares on the basis of this authorization after the expiry of the authorization, which is valid until May 14, 2029. In addition, the term of the individual Derivatives is limited to 18 months.

When selling Put Options, the Company grants to the acquirer of the Put Options the right to sell Daimler Truck Holding Shares to the Company at a price determined in the Put Option ("Exercise Price"). As a so-called writer (*Stillhalter*), the company is obliged to acquire the number of Daimler Truck Holding Shares stipulated in the Put Option at the Exercise Price. In return, the Company receives an option

premium on the sale of the Put Option which, taking into account the Exercise Price, the term of the option and the volatility of the Daimler Truck Holding Share, essentially corresponds to the value of the right to sell. If the Put Option is exercised, the option premium paid by the acquirer of the Put Option reduces the total consideration paid by the Company for the acquisition of the Daimler Truck Holding Share. Exercising the Put Option is economically sensible for the beneficiary if the market price of the Daimler Truck Holding Share is lower than the Exercise Price, as the beneficiary is then able to sell the shares to the Company at the higher Exercise Price. From the perspective of the Company, the share buyback using Put Options has the advantage that the Exercise Price is already determined on the date the Option is entered into, whereas the liquidity outflow only occurs on the exercise date. In addition, the purchase price of the Daimler Truck Holding Shares for the Company is lower than the share price at the time the Option was concluded due to the option premium received. If the Option is not exercised, because the share price on the exercise date is higher than the Exercise Price, the Company is unable to acquire treasury shares in this manner. However, it still retains the option premium received on the date on which the Option was concluded.

When acquiring a Call Option, the Company receives the right, against payment of an option premium, to purchase a previously determined number of Daimler Truck Holding Shares at a previously determined price ("Exercise Price") from the seller of the Option, the writer (*Stillhalter*). The Company thus purchases the right to acquire its own shares. Exercising the Call Option is economically sensible for the Company if the market price of the Daimler Truck Holding Shares is higher than the Exercise Price, as it is then able to purchase the shares from the writer at the lower Exercise Price.

In the case of forward purchases, under the agreement with the forward seller the Company acquires the Daimler Truck Holding Shares on a specific date in the future at the purchase price determined when the forward purchase is concluded. It may be appropriate for the Company to enter into forward purchases if it wishes to secure a requirement for its own shares at a forward date at a particular price level.

The terms and conditions of the Derivatives must ensure that the Derivatives are only satisfied with shares acquired in compliance with the principle of equal treatment, with an acquisition via the stock exchange meeting this requirement. This requirement ensures that shareholders are not economically disadvantaged by the use of Derivatives.

5. Exclusion of the right to tender when using Derivatives

Any claim of the shareholders to conclude such Derivative transactions with the Company is excluded in application, *mutatis mutandis*, of § 186 (3) sentence 4 German Stock Corporation Act. Shareholders also have no claim to concluding

Derivative transactions if, in the case of an intended acquisition of treasury shares using Derivatives, a preferential offer is provided for the conclusion of Derivative transactions relating to smaller numbers of shares. Shareholders have a right to tender their Daimler Truck Holding Shares to the Company only to the extent that the Company is obligated to purchase the shares from them under the Derivative transactions. Otherwise, the use of Derivatives in the course of the buyback of treasury shares would not be possible and the benefits for the Company associated therewith could not be achieved.

After careful consideration of the interests of the shareholders and the Company, the management considers the non-granting of the right to tender to be justified. The purchase price per share agreed in the respective Derivative which is payable upon exercise of Put Options or Call Options or in fulfillment of a forward purchase may not exceed by more than 10 % the average auction closing price of a Daimler Truck Holding Share in Xetra trading (or a functionally comparable successor system to the Xetra system) at the Frankfurt Stock Exchange on the last three exchange trading days before the conclusion of the relevant Derivative transaction, or fall short of it by more than 20 % (in each case not including ancillary acquisition costs, but taking into account the option premium received or paid, respectively).

The purchase price paid by the Company for Derivatives may not be significantly higher, and the sale price received by the Company for Derivatives may not be significantly lower, than the theoretical market value of the respective Derivatives determined in accordance with recognized financial mathematical methods, the determination of which must take into account, among other things, the agreed Exercise Price.

The determination of the option premium and the exercise or purchase price as described above, as well as the obligation to be included in the terms and conditions of the Derivatives to satisfy options and forward purchases only with shares acquired in compliance with the principle of equal treatment, prevents shareholders from being economically disadvantaged by such an acquisition of treasury shares. Since the Company receives or pays a fair market price, the shareholders not participating in the Derivative transactions do not suffer a material economic detriment. This is equivalent, in effect, to the position of the shareholders in the case of a buyback of shares through the stock exchange, where not all shareholders are actually able to sell shares to the Company, either. Both the requirements for the structuring of the Derivatives and the requirements for the shares suitable for delivery ensure that in the case of this form of acquisition the principle of equal treatment of the shareholders is also taken into account comprehensively.

6. Report on the utilization of the authorization to acquire treasury shares and to use derivatives

If the authorization to acquire and use treasury shares and to exclude subscription rights is exercised, the Board of Management will inform the next Annual General Meeting accordingly.

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