

Position of the management on the counter-motions for the 2006 Annual Meeting

The Board of Management and the Supervisory Board maintain their motions as laid down in the Agenda and state their position on the counter-motions as follows:

Management compensation in the form of stock options

Within the framework of the management compensation system, we aim to compensate our senior executives commensurately for their areas of activity and responsibilities in line with comparable international companies. At the same time, DaimlerChrysler's success and the individual executives' performance are to be reflected through a high degree of variability. Therefore, the management's compensation also includes a stock-based component with a long-term incentive effect.

As a part of the further development of stock-based compensation, we replaced the Stock Option Plan with an element of compensation that is related not only to the share price, but also to the development of other key figures. The "Performance Phantom Share Plan" is based on the principles of performance, competitiveness and share ownership, and thus takes into consideration all of the relevant criteria recommended in national and international corporate governance codes.

A detailed description of this model can be found on pages 110 ff. of the current Annual Report.

With regard to the publication of the exercise of options or the purchase and sale of shares in the company pursuant to Section 15a of the German Securities Trading Act, it is necessary to consider that fact that these transactions have to take place in conformance with insider regulations, which are rightly very strict. For this reason, it is understandable that more trading sometimes take place at times when the market is fully informed, for example, after the publication of annual and quarterly results.

Workforce and employment

The staff-reduction program that we are now implementing is designed to optimize our entire organization in terms of speed, flexibility, efficiency and clear responsibilities: we aim for operational excellence in everything we do. In order to achieve a sustained improvement in our competitiveness, we must become more effective and streamlined throughout the Group. There is no alternative to this course of action if we do not want to jeopardize DaimlerChrysler's competitiveness – which could entail the loss of many more jobs.

As an automotive Group with global operations, we attach great importance to the diversity of our workforce. Maintaining this diversity and using it for DaimlerChrysler's benefit is the goal of our activities in the area of diversity management. For us, the issue of diversity also includes the advancement of women in management functions.

For these reasons, in the year 2005, we extended the existing Group Labor Council agreement on the "Advancement of Women at DaimlerChrysler AG" by another five years and defined target corridors for the proportion of women at all levels of the hierarchy and in the entire workforce.

Quality of Mercedes-Benz passenger cars

We are aware of the fact that our customers rightly expect the highest quality standards of vehicles with the Mercedes-Benz brand. We therefore act according to the principle of “quality is a prerequisite” and place top priority on pushing forward with our quality offensive.

Our comprehensive quality management begins with development engineering and includes the testing and production phases through to sales and services activities. We also ensure the maintenance of our high quality standards throughout the entire supply chain. The fact that we have focused our quality offensive on the right areas is shown by the results of internal and external quality studies. For example, we have already made significant improvements in the Initial Quality Study (IQS) of the renowned market-research institute, J.D. Power, which measures the quality of new vehicles after three months of ownership. We aim to continue improving our quality and to become the Number 1 in the automobile industry.

New drive technologies and alternative fuels

DaimlerChrysler carries out research and development on many promising alternative drive technologies with the aim of reducing fuel consumption and exhaust emissions. Hybrid and fuel-cell technologies are integral components of our drive strategy.

We are also working intensively on possible applications of various alternative and synthetic fuels, such as biomass-to-liquid – so-called BTL fuels, and biodiesel. The use of natural gas as an alternative fuel is another element of our strategy.

Conventional combustion engines still have great potential for improvement. With our BLUETEC diesel technology, we have set a new worldwide standard to fulfill the strictest emission limits and to be able to offer the cleanest diesel engine in each vehicle category.

Defense technology

Questions on defense technology and landmines have been answered completely and in detail in previous annual meetings. We can only repeat that DaimlerChrysler has never produced landmines or anti-personnel munitions and never will. In our view, the Annual Meeting of DaimlerChrysler AG is not the right place to hold detailed discussions on specific products from EADS.

Board of Management and Supervisory Board

As stated in the agenda, the Supervisory Board of DaimlerChrysler AG proposes to the Annual Meeting that Dr. Manfred Bischoff (63) should be elected as a member of the Supervisory Board to succeed Mr. Lanigan for a period of five years. Dr. Bischoff was a member of the Board of Management of DaimlerChrysler AG until the end of 2003 and at present, among other positions, is Chairman of the Board of Directors of EADS.

Dr. Bischoff not only fulfills all the requirements of applicable law and our Memorandum and Articles of Incorporation. With his knowledge of the Group and the automotive industry, his international experience on the boards of other industrial companies and his former activities in the field of finance and controlling, he is also extremely well qualified for this position.

As far as we are informed, the Bundesanstalt für Finanzdienstleistungsaufsicht (German Financial Services Supervisory Authority) has not yet reached a final decision in the matter of Professor Schrempf's resignation from the Board of Management. We believe that we fulfilled the requirements of the law in this matter, because it was not clear until the decision of the

Supervisory Board on July 28, 2005 that Professor Schrempf would resign from his position at the end of 2005 – amicably and in the context of a fully regulated succession.

Amendment to the Memorandum and Articles of Incorporation for the implementation of the UMAG

We intend to make our annual meetings as efficient and well-structured as possible in order to allow our shareholders to have proper and suitable discussions with the management. The German Law on Corporate Integrity and Modernization of Rescission Right of Challenge (in short: UMAG) now allows for the possibility that the chairman of the shareholders' meeting can be authorized by the memorandum and articles of incorporation to set a reasonable time limit on the shareholders' right to ask questions and speak at the meetings. This is intended to ensure that shareholders' meetings can be chaired in an orderly way. We therefore propose to the Annual Meeting that this new regulation be made use of and that the Memorandum and Articles of Incorporation be supplemented to reflect the new statutory possibility.

The Board of Management and the Supervisory Board intend to make more detailed statements on the individual counter-motions at the Annual Meeting on April 12, 2006.

Stuttgart-Möhringen, March 2006

DaimlerChrysler AG