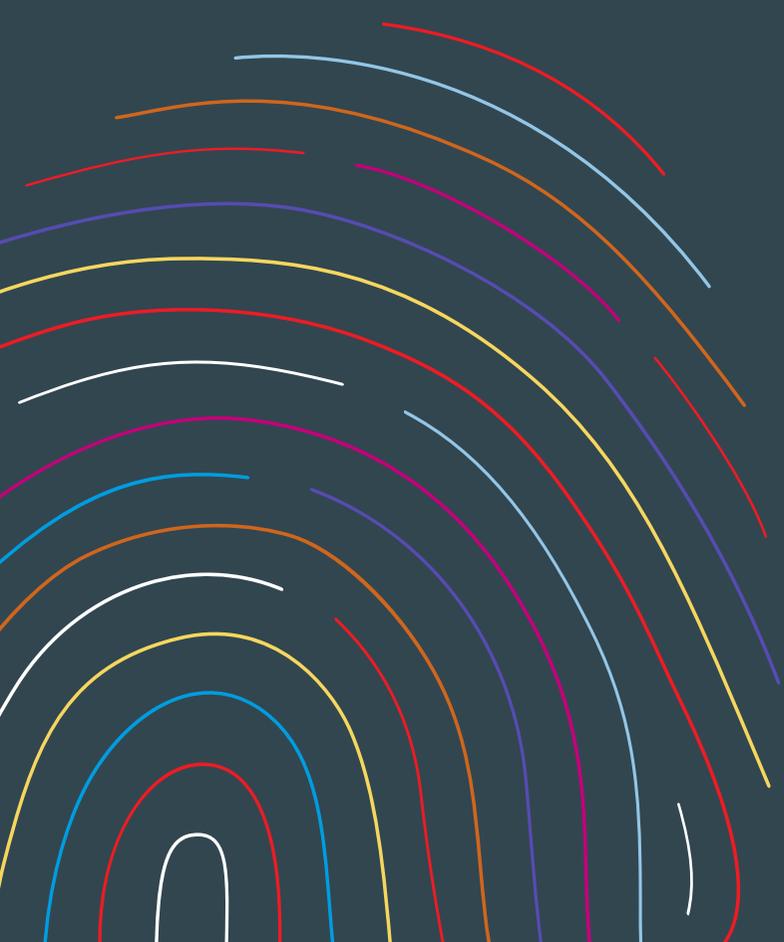


UK GENDER PAY REPORT 2017

Mercedes-Benz



At Mercedes-Benz Cars UK Ltd we are committed to our colleagues and the essential contribution they make to creating a diverse and inclusive culture within our business. We proactively promote and encourage a culture and environment where our colleagues can share their different perspectives to help us discover new ideas and creative solutions to exceed our customers' expectations. This approach reflects the diversity of our customers, suppliers and global investors, and sits at the heart of what we do.



PAY DIFFERENCE BETWEEN WOMEN AND MEN



Gender Pay Gap figures show a snapshot of average hourly pay levels, by gender, for all colleagues during a standard time period, irrespective of position held and/or grade. The graphic above shows the average differences between the earnings of males in comparison to females,

expressed as a percentage.

This figure is distinct from Equal Pay, which considers the pay for men and women undertaking the same work, or comparable roles. We are confident that we pay equitably for all colleagues who carry out the same or comparable

roles within our business.

As a business, we have a number of mechanisms in place to drive consistency in our approach to pay for all colleagues, to ensure that it is fair.

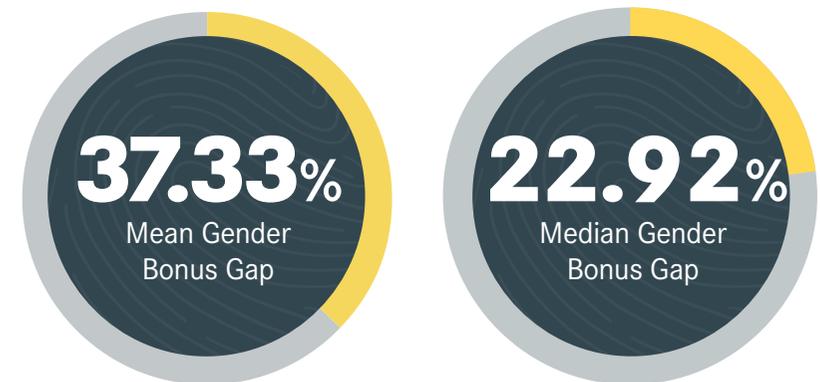
These measures include a role grading system, a normalisation process for performance appraisals and a consistent methodology for job evaluation - all of which are designed to be free of gender bias.

BONUS DIFFERENCE BETWEEN WOMEN AND MEN

Our annual bonus and incentive rewards are based on a structured set of criteria to promote consistency.

Our bonus opportunities are the same for all colleagues and, regardless of gender, all colleagues have equal access to benefits relevant to their role.

The figure on the right shows our Bonus Pay Gap averages. The difference in mean and median bonus pay is calculated using the

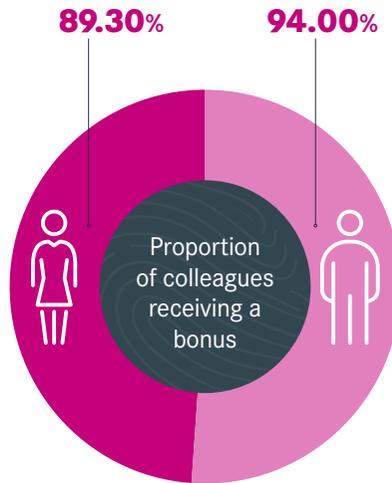


total bonuses paid over the preceding 12-month period and is not adjusted for pro-rated bonuses paid to our part-time colleagues.

Part-time colleagues make up 10% of our overall team (90% of this being our female colleagues).

PROPORTION OF COLLEAGUES RECEIVING A BONUS

As a business, we have a number of bonus and commission opportunities available to our colleagues. These opportunities are available regardless of gender. The figure right shows the percentage of male relevant colleagues and the percentage of female relevant colleagues who received a bonus over the preceding 12 months. Colleagues eligible for a bonus, who were paid outside of this period, aren't captured.



PAY QUANTILES ACROSS MERCEDES-BENZ CARS UK LTD

The pay quartiles show four equal hourly paid quartiles and the percentage gender distribution across each. The chart below represents a snapshot of our pay quartiles. There is a pay disparity in the upper quartile as a result of the period that the data was captured.

Gap Quartile	Female	Male
Upper	31%	69%
Upper Middle	46%	54%
Lower Middle	50%	50%
Lower	71%	29%
Total	49%	51%



OUR CULTURE

At **Mercedes-Benz Cars UK Ltd** we're proud of our culture and continue to promote a working environment where our colleagues can be themselves. We firmly believe in appointing the best people for the best roles and have a number of programmes in place to support our colleagues in their development and to help them to realise their potential.

Our colleagues are empowered to drive change within our business, fostering a culture of continuous improvement and growth. Just one of the ways we achieve this is by empowering our colleagues to run action groups designed around our key culture themes. These groups help to support and promote career rotations, agile working, CSR projects, and a culture of feedback and recognition.

As part of our commitment to these culture themes, we believe in celebrating success. We were delighted when our Network Operations Director topped the Sales category in the Top 100 British Women in the Automotive Industry, in a poll compiled by *Autocar* magazine, and in association with the Society of Motor Manufacturers and Traders (SMMT). We also had three additional Directors who were shortlisted.

Over recent years we have seen encouraging progress in the social and economic history of the automotive industry. As a business, we have also seen significant progress in our gender balance.

At **Mercedes-Benz Cars UK Ltd** we continue to drive diversity within our business and will continue to ensure all colleagues are offered equal opportunities and are fairly rewarded for the contribution they make.

I confirm the gender pay gap results contained in this report are accurate.


Gary Savage
CEO Daimler UK

Mercedes-Benz

