

Remuneration Report

The Remuneration Report details the individualized remuneration of the Board of Management and the Supervisory Board of Volkswagen AG, broken down into components, as well as individualized pension provision disclosures for the members of the Board of Management. In addition, we explain in this chapter the main elements of the variable remuneration system for the Board of Management.

PRINCIPLES OF AND CHANGES TO BOARD OF MANAGEMENT REMUNERATION

The full Supervisory Board resolves on the remuneration system and the total remuneration for each individual member of Volkswagen AG's Board of Management on the basis of the Executive Committee's recommendations. The remuneration of current members of the Board of Management complies with the requirements of the Aktiengesetz (AktG – German Stock Corporation Act) and the recommendations of the German Corporate Governance Code. In particular, the remuneration structure is focused on ensuring sustainable business growth in accordance with the Gesetz zur Angemessenheit der Vorstandsvergütung (VorstAG – German Act on the Appropriateness of Executive Board Remuneration) and section 87(1) of the AktG.

The remuneration system of the members of the Board of Management was approved by the 50th Annual General Meeting on April 22, 2010 by 99.44% of the votes cast. At the same time, the Volkswagen Group's positive business performance made it necessary in 2013 to modify and realign Board of Management remuneration and the comparative parameters on which it is based. The remuneration of the Board of Management was modified with the assistance of a remuneration consultant, whose independence has been assured by the Supervisory Board and by the Company.

The level of the Board of Management remuneration should be appropriate and attractive in the context of the Company's national and international peer group. Criteria include the tasks of the individual Board of Management member, their personal performance, the economic situation, the performance of and outlook for the Company, as well as how customary the remuneration is when measured against its peer group and the remuneration structure that applies to other areas of Volkswagen. In this context, comparative studies on remuneration are conducted on a regular basis.

COMPONENTS OF BOARD OF MANAGEMENT REMUNERATION

The remuneration of the Board of Management comprises non-performance-related and performance-related components. The non-performance-related components of the package ensure firstly a basic level of remuneration enabling the individual members of

the Board of Management to perform their duties in the interests of the Company and to fulfill their obligation to act with proper business prudence without needing to focus on merely short-term performance targets. On the other hand, performance-related components, dependent among other criteria on the financial performance of the Company, serve to ensure the long-term impact of behavioral incentives.

Upper limits are in place for both the overall remuneration and the performance-related remuneration components.

Non-performance-related remuneration

The non-performance-related remuneration comprises fixed remuneration and fringe benefits. In addition to the basic level of remuneration, the fixed remuneration also includes differing levels of remuneration for appointments assumed at Group companies. The fringe benefits result from the grant of noncash benefits and include in particular the use of operating assets such as company cars and the payment of insurance premiums. Taxes due on these noncash benefits are mainly borne by Volkswagen AG. As compensation for the loss of benefits due to the change of employer Mr. Diess received €5.0 million and Mr. Renschler received €11.5 million.

The basic level of remuneration is reviewed regularly and adjusted if necessary.

Performance-related remuneration

The performance-related/variable remuneration comprises a business performance bonus, which relates to business performance in the reporting period and in the preceding year, and, since 2010, a Long-Term Incentive (LTI) plan, which is based on the reporting period and the previous three fiscal years. Both components of performance-related/variable remuneration are therefore calculated on a multiyear basis and reflect both positive and negative developments. Members of the Board of Management can also be awarded bonuses that reflect their individual performance.

The amounts shown (including remuneration withheld) in the Board of Management table for 2015 in accordance with the German Commercial Code correspond to the amounts determined by the Supervisory Board for fiscal year 2015.

The amounts shown in the Board of Management (benefits received) tables in accordance with the German Corporate Governance Code correspond to the amounts paid out for the fiscal year in question.

The amounts shown in the Board of Management (benefits granted) tables in accordance with the German Corporate Governance Code are based on a mean probability scenario at the beginning of fiscal year 2015.

The Supervisory Board may cap the performance-related/variable remuneration components in the event of extraordinary developments.

Bonus

The bonus rewards the positive business development of the Volkswagen Group.

The business performance bonus is calculated on the basis of the average operating result, including the proportionate operating result in China, over a period of two years. A calculation floor below which no bonus will be paid is in place. This floor was set at €5.0 billion. In addition, a cap for extraordinary developments is explicitly provided for by limiting the maximum theoretical bonus which, subject to the individual performance-related bonus, is €6.75 million for the Chairman of the Board of Management and €2.5 million for the other members of the Board of Management. The system and the cap are regularly reviewed by the Supervisory Board to establish whether any adjustments are necessary.

Accordingly, the method resolved by the Supervisory Board in 2013 for calculating the business performance bonus for members of the Board of Management was changed for fiscal year 2015 and led to the operating result, including the proportionate operating result in China, for fiscal year 2015 that was used to calculate the business performance bonus for fiscal year 2015 being reduced to €0.

In addition, the Supervisory Board may increase the theoretical business performance bonus, which is calculated on the basis of the average operating result, by up to 50% by applying individual adjustment factors that are not linked to the theoretical cap so as to reward members of the Board of Management for extraordinary individual performance (individual performance bonus). This may take into account extraordinary performance in the area of integration, or the successful implementation of special projects, for example.

Long-Term Incentive (LTI)

The amount of the LTI depends on the achievement of the targets laid down in the Strategy 2018. The target areas are:

- > Leader in customer satisfaction, measured using the Customer Satisfaction Index,
- > Leading employer, measured using the Employee Index,
- > Unit sales growth, measured using the Growth Index, and
- > Increase in the return on sales, measured using the Return Index.

The Customer Satisfaction Index is calculated using indicators that quantify the overall satisfaction of our customers with the delivering

dealers, new vehicles and the service operations based on the previous workshop visit.

The Employee Index is determined using the “employment” and “productivity” indicators as well as the participation rate and results of employee surveys.

The Growth Index is calculated using the “deliveries to customers” and “market share” indicators.

The Return Index is derived from the return on sales and the dividend per ordinary share.

The indices on customer satisfaction, employees and unit sales are aggregated and the result is multiplied by the Return Index. This method ensures that the LTI is only paid out if the Group is also financially successful. If the 1.5% threshold for the return on sales is not exceeded, the Return Index is zero. This would mean that the overall index for the fiscal year concerned is also zero.

The maximum LTI amount is capped at €4.5 million for the Chairman of the Board of Management and €2.0 million for the other members of the Board of Management and is based on the four-year average of the overall indices, i.e. the reporting period and the three preceding years.

An agreement was reached with Mr. Winterkorn to defer payment of 30% of his variable remuneration for fiscal year 2015 to December 31, 2016.

In a statement dated April 22, 2016, Mr. Pötsch waived a portion of his variable remuneration for fiscal year 2015 in the amount of €2.3 million.

OTHER AGREEMENTS

Members of the Board of Management with contracts entered into on or after January 1, 2010 are entitled to payment of their normal remuneration for six to twelve months in the event of illness. Contracts entered into before that date grant remuneration for six months. In the event of disability, they are entitled to the retirement pension.

Surviving dependents receive a widow’s pension of 66 2/3% and orphans’ benefits of 20% of the former member of the Board of Management’s pension. Contracts with members of the Board of Management whose first term of office begins after April 1, 2015, provide for an entitlement – in line with the principles of the works agreement that also applies to employees of Volkswagen AG covered by collective agreements – to a widow’s pension of 60%, an orphan’s benefit of 10% for half-orphans and an orphan’s benefit of 20% for full orphans, based in each case on the former member of the Board of Management’s pension.

Withholding of variable remuneration for 2015

At its meeting on April 22, 2016, Volkswagen AG’s Supervisory Board accepted the offer made by the members of the Board of Management to withhold 30% of the variable remuneration described above for fiscal year 2015 for the Board of Management members active on the date of the resolution and to make its disposal subject to future share price performance.

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This will be effected by first converting the amount withheld based on the average share price for the 30 trading days preceding April 22, 2016 (initial reference price) into virtual preferred shares of Volkswagen AG with a three-year holding period and, at the same time, defining a target reference price corresponding to 125% of the initial reference price. During the holding period, the virtual preferred shares will be entitled to a dividend equivalent in the amount of the dividends paid on real preferred shares.

Following the expiry of the holding period, the average share price for the 30 trading days preceding the last day of the holding period, i.e. April 22, 2019, will be determined (closing reference price). The difference between the target reference price and the initial reference price will be deducted from the closing reference

price and the dividends distributed on one real Volkswagen preferred share during the holding period (dividend equivalent) will be added to the closing reference price. This ensures that – excluding any dividend equivalents accrued – the amount withheld is only paid out in full if the initial reference price of the preferred share has increased by at least 25%. Otherwise, the amount is reduced accordingly down to €0. The amount thus calculated will be disbursed to the members of the Board of Management. The amount disbursed must not be more than twice the amount originally withheld. Where members of the Board of Management retire from office before the expiry of the holding period, the disbursement amount will be calculated and paid out proportionately based on the date of termination of employment.

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN 2015 (INCLUDING REMUNERATION WITHHELD) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE*

€	Non-performance-related remuneration	Performance-related remuneration	Total remuneration	Of which amount withheld (fair value)	Number of shares	Amount withheld (notional)
Matthias Müller (since March 1, 2015)	1,110,274	3,647,650	4,757,924	880,522	10,583	1,185,912
Herbert Diess (since July 1, 2015) ¹	5,686,604	1,487,861	7,174,465	359,181	4,317	483,720
Francisco Javier Garcia Sanz	1,288,593	2,975,639	4,264,232	718,279	8,633	967,440
Jochem Heizmann	1,193,340	2,975,639	4,168,979	718,279	8,633	967,440
Christian Klingler (until September 25, 2015)	984,968	3,881,661	4,866,629	–	–	–
Horst Neumann (until November 30, 2015)	1,202,288	2,956,067	4,158,355	–	–	–
Leif Östling (until February 28, 2015)	220,597	537,467	758,063	–	–	–
Hans Dieter Pötsch (until October 7, 2015) ²	940,089	4,237,331	5,177,420	–	–	–
Andreas Renschler (since February 1, 2015) ¹	12,845,658	2,727,703	15,573,361	658,457	7,914	886,820
Rupert Stadler	1,116,667	2,975,639	4,092,306	718,279	8,633	967,440
Martin Winterkorn (until September 25, 2015)	1,445,341	5,867,689	7,313,030	–	–	–
Frank Witter (since October 7, 2015)	253,679	686,018	939,697	165,571	1,990	223,049
Total	28,288,098	34,956,362	63,244,460	4,218,566	50,703	5,681,821

1 To compensate for lost entitlements resulting from the change in employer, Mr. Diess received €5.0 million and Mr. Renschler €11.5 million.

2 Mr. Pötsch's performance-related remuneration prior to irrevocable waiver of an amount of €2.3 million

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REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE*

The figures shown here as benefits received under variable remuneration correspond to the amounts paid out for the fiscal year in question.

€	MATTHIAS MÜLLER	
	Chairman of the Board of Management	
	Joined: March 1, 2015	
	2015	2014
Fixed remuneration	1,020,800	–
Fringe benefits	89,474	–
Total	1,110,274	–
One-year variable remuneration	629,440	–
Multiyear variable remuneration	2,137,688	–
Business performance bonus (two-year period)	387,688	–
LTI (four-year period)	1,750,000	–
Total	3,877,402	–
Pension expense	295,754	–
Total remuneration	4,173,156	–

€	HERBERT DIESS	
	Chairman of the Brand Board of Management of Volkswagen Passenger Cars	
	Joined: July 1, 2015	
	2015	2014
Fixed remuneration**	5,630,000	–
Fringe benefits	56,604	–
Total	5,686,604	–
One-year variable remuneration	246,400	–
Multiyear variable remuneration	882,280	–
Business performance bonus (two-year period)	132,280	–
LTI (four-year period)	750,000	–
Total	6,815,284	–
Pension expense	311,850	–
Total remuneration	7,127,134	–

** Includes compensation of lost entitlements resulting from the change in employer of €5.0 million.

€	FRANCISCO JAVIER GARCIA SANZ	
	Procurement	
	2015	2014
Fixed remuneration	1,102,017	1,078,017
Fringe benefits	186,576	201,469
Total	1,288,593	1,279,486
One-year variable remuneration	492,800	1,169,000
Multiyear variable remuneration	1,764,560	4,338,000
Business performance bonus (two-year period)	264,560	2,338,000
LTI (four-year period)	1,500,000	2,000,000
Total	3,545,953	6,786,486
Pension expense	816,242	582,686
Total remuneration	4,362,195	7,369,172

* All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

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€	JOCHEM HEIZMANN	
	China	
	2015	2014
Fixed remuneration	1,102,017	1,078,017
Fringe benefits	91,323	70,750
Total	1,193,340	1,148,767
One-year variable remuneration	492,800	701,400
Multiyear variable remuneration	1,764,560	4,338,000
Business performance bonus (two-year period)	264,560	2,338,000
LTI (four-year period)	1,500,000	2,000,000
Total	3,450,700	6,188,167
Pension expense	0	1,043,832
Total remuneration	3,450,700	7,231,999

€	CHRISTIAN KLINGLER	
	Sales and Marketing	
	Left: September 25, 2015	
	2015	2014
Fixed remuneration	777,333	1,078,017
Fringe benefits	207,635	206,318
Total	984,968	1,284,335
One-year variable remuneration	688,411	935,200
Multiyear variable remuneration	3,193,250	4,338,000
Business performance bonus (two-year period)	1,721,028	2,338,000
LTI (four-year period)	1,472,222	2,000,000
Total	4,866,629	6,557,535
Pension expense	890,430	749,097
Total remuneration	5,757,060	7,306,632

€	HORST NEUMANN	
	Human Resources and Organization	
	Left: November 30, 2015	
	2015	2014
Fixed remuneration	1,010,182	1,078,017
Fringe benefits	192,106	131,027
Total	1,202,288	1,209,044
One-year variable remuneration	451,733	935,200
Multiyear variable remuneration	2,504,333	4,338,000
Business performance bonus (two-year period)	1,129,333	2,338,000
LTI (four-year period)	1,375,000	2,000,000
Total	4,158,354	6,482,244
Pension expense	0	0
Total remuneration	4,158,354	6,482,244

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€	LEIF ÖSTLING	
	Commercial Vehicles	
	Left: February 28, 2015	
	2015	2014
Fixed remuneration	183,670	1,078,017
Fringe benefits	36,927	194,039
Total	220,597	1,272,056
One-year variable remuneration	82,133	935,200
Multiyear variable remuneration	455,333	4,338,000
Business performance bonus (two-year period)	205,333	2,338,000
LTI (four-year period)	250,000	2,000,000
Total	758,063	6,545,256
Pension expense	207,013	1,140,852
Total remuneration	965,076	7,686,108

€	HANS DIETER PÖTSCH	
	Finance and Controlling	
	Left: October 7, 2015	
	2015	2014
Fixed remuneration	812,533	1,078,017
Fringe benefits	127,556	214,851
Total	940,089	1,292,868
One-year variable remuneration	415,068	1,169,000
Multiyear variable remuneration	1,540,262	4,338,000
Business performance bonus (two-year period)	830,137	2,338,000
LTI (four-year period)	710,125	2,000,000
Total	2,895,420	6,799,868
Pension expense	0	0
Total remuneration	2,895,420	6,799,868

€	ANDREAS RENSCHLER	
	Commercial Vehicles	
	Joined: February 1, 2015	
	2015	2014
Fixed remuneration**	12,446,000	–
Fringe benefits	399,658	–
Total	12,845,658	–
One-year variable remuneration	451,733	–
Multiyear variable remuneration	1,617,513	–
Business performance bonus (two-year period)	242,513	–
LTI (four-year period)	1,375,000	–
Total	14,914,904	–
Pension expense	0	–
Total remuneration	14,914,904	–

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** Includes compensation of lost entitlements resulting from the change in employer of €11.5 million.

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The figures shown here as benefits received under variable remuneration correspond to the amounts paid out for the fiscal year in question.

€	RUPERT STADLER	
	Chairman of the Board of Management of AUDI AG	
	2015	2014
Fixed remuneration	1,056,000	1,078,017
Fringe benefits	60,667	75,085
Total	1,116,667	1,153,102
One-year variable remuneration	492,800	935,200
Multiyear variable remuneration	1,764,560	4,338,000
Business performance bonus (two-year period)	264,560	2,338,000
LTI (four-year period)	1,500,000	2,000,000
Total	3,374,027	6,426,302
Pension expense	723,954	473,045
Total remuneration	4,097,981	6,899,347

€	MARTIN WINTERKORN	
	Chairman of the Board of Management, Research and Development	
	Left: September 25, 2015	
	2015	2014
Fixed remuneration	1,216,810	1,617,025
Fringe benefits	228,531	300,453
Total	1,445,341	1,917,478
One-year variable remuneration	966,661	3,148,000
Multiyear variable remuneration	4,901,028	10,796,000
Business performance bonus (two-year period)	2,416,653	6,296,000
LTI (four-year period)	2,484,375	4,500,000
Total	7,313,030	15,861,478
Pension expense	0	0
Total remuneration	7,313,030	15,861,478

€	FRANK WITTER	
	Finance and Controlling	
	Joined: October 7, 2015	
	2015	2014
Fixed remuneration	243,467	–
Fringe benefits	10,212	–
Total	253,679	–
One-year variable remuneration	113,618	–
Multiyear variable remuneration	406,829	–
Business performance bonus (two-year period)	60,996	–
LTI (four-year period)	345,833	–
Total	774,126	–
Pension expense	130,680	–
Total remuneration	904,806	–

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The figures shown here as benefits granted under variable remuneration are based on a mean probability scenario.

MATTHIAS MÜLLER				
Chairman of the Board of Management				
Joined: March 1, 2015				
€	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration	–	1,020,800	1,020,800	1,020,800
Fringe benefits	–	89,474	89,474	89,474
Total	–	1,110,274	1,110,274	1,110,274
One-year variable remuneration	–	1,276,615	0	1,608,333
Multiyear variable remuneration	–	5,337,133	0	5,550,000
Business performance bonus (two-year period)	–	3,003,800	0	3,216,667
LTI (four-year period)	–	2,333,333	0	2,333,333
Total	–	7,724,022	1,110,274	8,268,607
Pension expense	–	295,754	295,754	295,754
Total remuneration	–	8,019,776	1,406,028	8,564,361

HERBERT DIESS				
Chairman of the Brand Board of Management of Volkswagen Passenger Cars				
Joined: July 1, 2015				
€	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration**	–	5,630,000	5,630,000	5,630,000
Fringe benefits	–	56,604	56,604	56,604
Total	–	5,686,604	5,686,604	5,686,604
One-year variable remuneration	–	496,825	0	625,000
Multiyear variable remuneration	–	2,169,000	0	2,250,000
Business performance bonus (two-year period)	–	1,169,000	0	1,250,000
LTI (four-year period)	–	1,000,000	0	1,000,000
Total	–	8,352,429	5,686,604	8,561,604
Pension expense	–	311,850	311,850	311,850
Total remuneration	–	8,664,279	5,998,454	8,873,454

** Includes compensation of lost entitlements resulting from the change in employer of €5.0 million.

FRANCISCO JAVIER GARCIA SANZ				
Procurement				
€	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration	1,078,017	1,102,017	1,102,017	1,102,017
Fringe benefits	201,469	186,576	186,576	186,576
Total	1,279,486	1,288,593	1,288,593	1,288,593
One-year variable remuneration	1,116,500	1,169,000	0	1,250,000
Multiyear variable remuneration	4,053,000	4,338,000	0	4,500,000
Business performance bonus (two-year period)	2,233,000	2,338,000	0	2,500,000
LTI (four-year period)	1,820,000	2,000,000	0	2,000,000
Total	6,448,986	6,795,593	1,288,593	7,038,593
Pension expense	582,686	816,242	816,242	816,242
Total remuneration	7,031,672	7,611,835	2,104,835	7,854,835

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€	JOCHEM HEIZMANN			
	China			
	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration	1,078,017	1,102,017	1,102,017	1,102,017
Fringe benefits	70,750	91,323	91,323	91,323
Total	1,148,767	1,193,340	1,193,340	1,193,340
One-year variable remuneration	669,900	701,400	0	1,250,000
Multiyear variable remuneration	4,053,000	4,338,000	0	4,500,000
Business performance bonus (two-year period)	2,233,000	2,338,000	0	2,500,000
LTI (four-year period)	1,820,000	2,000,000	0	2,000,000
Total	5,871,667	6,232,740	1,193,340	6,943,340
Pension expense	1,043,832	0	0	0
Total remuneration	6,915,499	6,232,740	1,193,340	6,943,340

€	CHRISTIAN KLINGLER			
	Sales and Marketing			
	Left: September 25, 2015			
2014	2015	2015 (Minimum)	2015 (Maximum)	
Fixed remuneration	1,078,017	777,333	777,333	777,333
Fringe benefits	206,318	207,635	207,635	207,635
Total	1,284,335	984,968	984,968	984,968
One-year variable remuneration	893,200	688,411	0	920,139
Multiyear variable remuneration	4,053,000	3,193,250	0	3,312,500
Business performance bonus (two-year period)	2,233,000	1,721,028	0	1,840,278
LTI (four-year period)	1,820,000	1,472,222	0	1,472,222
Total	6,230,535	4,866,629	984,968	5,217,607
Pension expense	749,097	890,430	890,430	890,430
Total remuneration	6,979,632	5,757,060	1,875,399	6,108,037

€	HORST NEUMANN			
	Human Resources and Organization			
	Left: November 30, 2015			
2014	2015	2015 (Minimum)	2015 (Maximum)	
Fixed remuneration	1,078,017	1,010,182	1,010,182	1,010,182
Fringe benefits	131,027	192,106	192,106	192,106
Total	1,209,044	1,202,288	1,202,288	1,202,288
One-year variable remuneration	893,200	857,267	0	1,145,833
Multiyear variable remuneration	4,053,000	3,976,500	0	4,125,000
Business performance bonus (two-year period)	2,233,000	2,143,167	0	2,291,667
LTI (four-year period)	1,820,000	1,833,333	0	1,833,333
Total	6,155,244	6,036,055	1,202,288	6,473,122
Pension expense	0	0	0	0
Total remuneration	6,155,244	6,036,055	1,202,288	6,473,122

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The figures shown here as benefits granted under variable remuneration are based on a mean probability scenario.

LEIF ÖSTLING				
Commercial Vehicles				
Left: February 28, 2015				
€	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration	1,078,017	183,670	183,670	183,670
Fringe benefits	194,039	36,927	36,927	36,927
Total	1,272,056	220,597	220,597	220,597
One-year variable remuneration	669,900	155,867	0	208,333
Multiyear variable remuneration	4,053,000	723,000	0	750,000
Business performance bonus (two-year period)	2,233,000	389,667	0	416,667
LTI (four-year period)	1,820,000	333,333	0	333,333
Total	5,994,956	1,099,463	220,597	1,178,930
Pension expense	1,140,852	207,013	207,013	207,013
Total remuneration	7,135,808	1,306,476	427,610	1,385,943

HANS DIETER PÖTSCH				
Finance and Controlling				
Left: October 7, 2015				
€	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration	1,078,017	812,533	812,533	812,533
Fringe benefits	214,851	127,556	127,556	127,556
Total	1,292,868	940,089	940,089	940,089
One-year variable remuneration	1,116,500	899,481	0	961,806
Multiyear variable remuneration	4,053,000	3,337,850	0	3,462,500
Business performance bonus (two-year period)	2,233,000	1,798,961	0	1,923,611
LTI (four-year period)	1,820,000	1,538,889	0	1,538,889
Total	6,462,368	5,177,420	940,089	5,364,395
Pension expense	0	0	0	0
Total remuneration	6,462,368	5,177,420	940,089	5,364,395

ANDREAS RENSCHLER				
Commercial Vehicles				
Joined: February 1, 2015				
€	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration**	–	12,446,000	12,446,000	12,446,000
Fringe benefits	–	399,658	399,658	399,658
Total	–	12,845,658	12,845,658	12,845,658
One-year variable remuneration	–	910,846	0	1,145,833
Multiyear variable remuneration	–	3,976,500	0	4,125,000
Business performance bonus (two-year period)	–	2,143,167	0	2,291,667
LTI (four-year period)	–	1,833,333	0	1,833,333
Total	–	17,733,004	12,845,658	18,116,491
Pension expense	–	0	0	0
Total remuneration	–	17,733,004	12,845,658	18,116,491

* All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

** Includes compensation of lost entitlements resulting from the change in employer of €11.5 million.

GROUP MANAGEMENT REPORT
Remuneration Report

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE*

The figures shown here as benefits granted under variable remuneration are based on a mean probability-scenario.

€	RUPERT STADLER			
	Chairman of the Board of Management of AUDI AG			
	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration	1,078,017	1,056,000	1,056,000	1,056,000
Fringe benefits	75,085	60,667	60,667	60,667
Total	1,153,102	1,116,667	1,116,667	1,116,667
One-year variable remuneration	893,200	935,200	0	1,250,000
Multiyear variable remuneration	4,053,000	4,338,000	0	4,500,000
Business performance bonus (two-year period)	2,233,000	2,338,000	0	2,500,000
LTI (four-year period)	1,820,000	2,000,000	0	2,000,000
Total	6,099,302	6,389,867	1,116,667	6,866,667
Pension expense	473,045	723,954	723,954	723,954
Total remuneration	6,572,347	7,113,821	1,840,621	7,590,621

€	MARTIN WINTERKORN			
	Chairman of the Board of Management, Research and Development			
	Left: September 25, 2015			
	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration	1,617,025	1,216,810	1,216,810	1,216,810
Fringe benefits	300,453	228,531	228,531	228,531
Total	1,917,478	1,445,341	1,445,341	1,445,341
One-year variable remuneration	3,001,000	2,317,278	0	2,484,375
Multiyear variable remuneration	10,097,000	7,947,056	0	8,281,250
Business performance bonus (two-year period)	6,002,000	4,634,556	0	4,968,750
LTI (four-year period)	4,095,000	3,312,500	0	3,312,500
Total	15,015,478	11,709,674	1,445,341	12,210,966
Pension expense	0	0	0	0
Total remuneration	15,015,478	11,709,674	1,445,341	12,210,966

€	FRANK WITTER			
	Finance and Controlling			
	Joined: October, 7 2015			
	2014	2015	2015 (Minimum)	2015 (Maximum)
Fixed remuneration	–	243,467	243,467	243,467
Fringe benefits	–	10,212	10,212	10,212
Total	–	253,679	253,679	253,679
One-year variable remuneration	–	229,092	0	288,194
Multiyear variable remuneration	–	1,000,150	0	1,037,500
Business performance bonus (two-year period)	–	539,039	0	576,389
LTI (four-year period)	–	461,111	0	461,111
Total	–	1,482,920	253,679	1,579,373
Pension expense	–	130,680	130,680	130,680
Total remuneration	–	1,613,600	384,359	1,710,053

* All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

POST-EMPLOYMENT BENEFITS

In the event of regular termination of their service on the Board of Management, the members of the Board of Management are entitled to a pension, including a surviving dependents' pension, as well as the use of company cars for the period in which they receive their pension. The agreed benefits are paid or made available when the Board of Management member reaches the age of 63. As a departure from this principle, Mr. Renschler is able to start drawing his pension when he reaches the age of 62.

The retirement pension is calculated as a percentage of the basic level of remuneration. Starting at 50%, the individual percentage increases by two percentage points for each year of service. In specific cases, credit is given for previous employment periods and retirement pensions earned. The Supervisory Board has defined a maximum of 70%. These benefits are not broken down any further into performance-related components and long-term incentive components. Mr. Garcia Sanz, Mr. Heizmann, Mr. Neumann, Mr. Pötsch and Mr. Winterkorn have a retirement pension entitlement of 70%, and Mr. Klingler, Mr. Renschler and Mr. Stadler have a retirement pension entitlement of 62% of their basic level of remuneration as of the end of 2015. In a departure from this rule, a retirement pension entitlement of 62% of the basic level of remuneration was set for Mr. Renschler on his appointment. This increases by two percentage points every year. Mr. Müller had a retirement pension entitlement of 50% of the basic level of remuneration as of the end of 2015; this increases by three percentage points every year.

Mr. Diess and Mr. Witter received a defined contribution plan, which is based in principle on a works agreement that also applies to the employees of Volkswagen AG covered by collective agreements and includes retirement, invalidity and surviving dependents' benefits. A pension contribution in the amount of 50% of the basic level of remuneration is contributed to Volkswagen Pension Trust e.V. at the end of the calendar year for each year they are appointed to the Board of Management. The annual pension contributions result in modules of what is, in principle, a lifelong pension in line with the arrangements that also apply to employees covered by collective agreements. The individual pension modules vest immediately upon contribution to Volkswagen Pension Trust e.V. Instead of a lifelong pension, benefits can optionally be paid out as a lump sum or in installments when the beneficiary reaches retirement age – currently 63 at the earliest. Volkswagen AG has assumed responsibility for pension entitlements due to Mr. Witter from the time

before his service with the Company, although these cannot be claimed before he reaches the age of 60.

Mr. Östling has a pension entitlement based on the deferred compensation arrangements administered by Volkswagen Pension Trust e.V. The benefits include a retirement pension payable when the beneficiary reaches the age of 70 and a surviving dependents' pension. Volkswagen AG provides an annual remuneration-linked company contribution for Mr. Östling, which is converted into a pension module at the end of each year.

On December 31, 2015 the pension obligations for members of the Board of Management in accordance with IAS 19 amounted to €86,601,704 (€138,046,434); €6,409,924 (€8,229,691) was added to the provision in the reporting period in accordance with IAS 19. Other benefits such as surviving dependents' pensions and the use of company cars are also factored into the measurement of pension provisions. The pension obligations measured in accordance with German GAAP amounted to €70,161,416 (€95,992,020); €14,627,403 (€16,616,016) was added to the provision in the reporting period in accordance with German GAAP. Current pensions are index-linked using the same method as for the highest collectively agreed salary, insofar as the application of section 16 of the Gesetz zur Verbesserung der betrieblichen Altersversorgung (BetrAVG – German Company Pension Act) does not lead to a larger increase.

Retired members of the Board of Management and their surviving dependents received €51,306,960 (€22,792,616) or €51,306,960 (€22,111,951) in accordance with German GAAP in the past year. Obligations for pensions for this group of persons measured in accordance with IAS 19 amounted to €242,675,809 (€165,668,945), or €209,868,399 (€129,456,621) measured in accordance with German GAAP.

The following rule applies to Board of Management contracts entered into for the first term of office before August 5, 2009: the retirement pension to be granted after a member of the Board of Management leaves the Company is payable immediately if the member's contract is not renewed by the Company, and in other cases when the member reaches the age of 63. Any remuneration received from other sources until the age of 63 is deductible from the benefit entitlement up to a certain fixed amount.

The following general rule applies to contracts for the first term of office of members of the Board of Management entered into after August 5, 2009: the retirement pension to be granted after a member of the Board of Management leaves the Company is payable when the member reaches the age of 63.

GROUP MANAGEMENT REPORT
Remuneration Report

EARLY TERMINATION BENEFITS

If membership of the Board of Management is terminated for cause through no fault of the Board of Management member, the claims under Board of Management contracts entered into since November 20, 2009 are limited to a maximum of two years' remuneration, in accordance with the recommendation in section 4.2.3(4) of the German Corporate Governance Code (severance payment cap). For Board of Management members who are commencing their third or later term of office, existing rights under contracts entered into before November 20, 2009 are grandfathered.

No severance payment is made if membership of the Board of Management is terminated for a reason for which the Board of Management member is responsible.

The members of the Board of Management are also entitled to a pension and to a surviving dependents' pension as well as the use of company cars for the period in which they receive their pension in the event of early termination of their service on the Board of Management.

Please refer to notes 43 and 45 to the consolidated financial statements for more detailed individual disclosures relating to members of the Board of Management who left the Company in fiscal year 2015.

PENSIONS OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN 2015 (PRIOR-YEAR FIGURES IN BRACKETS)¹

€	Pension expense	Present values as of December 31 ²
Matthias Müller (since March 1, 2015)	295,754	22,563,065
	–	–
Herbert Diess (since July 1, 2015)	311,850	365,736
	–	–
Francisco Javier Garcia Sanz	816,242	17,622,337
	(582,686)	(18,088,648)
Jochem Heizmann	–	18,000,356
	(1,043,832)	(19,444,333)
Christian Klingler (until September 25, 2015)	890,430	–
	(749,097)	(7,228,262)
Horst Neumann (until November 30, 2015)	–	–
	–	(23,654,054)
Leif Östling (until February 28, 2015)	207,013	–
	(1,140,852)	(2,954,833)
Hans Dieter Pötsch (until October 7, 2015)	–	–
	–	(20,901,411)
Andreas Renschler (since February 1, 2015)	–	5,025,366
	–	–
Rupert Stadler	723,954	16,442,455
	(473,045)	(17,209,710)
Martin Winterkorn (until September 25, 2015)	–	–
	–	(28,565,183)
Frank Witter (since October 7, 2015)	130,680	6,582,389
	–	–
Members of the Board of Management who left in the previous year	(420,061)	–
Total	3,375,923	86,601,704
	(4,409,573)	(138,046,434)

1 All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

2 The amount is reported in the total amount for defined benefit plans reported in the balance sheet (see note 29 to the consolidated financial statements).

SUPERVISORY BOARD REMUNERATION

Under Article 17 of Volkswagen AG's Articles of Association, the remuneration of Volkswagen AG's Supervisory Board is composed of a fixed component (plus attendance fees) and a variable component that depends on the amount of the dividend paid. The duties performed by the respective member on the Supervisory Board are also taken into account. Several members of the Supervisory Board are also members of the supervisory boards of subsidiaries. The remuneration received there is based on the provisions of the

relevant Articles of Association and also comprises a fixed component and a variable component that is linked to the amount of the dividend paid. This remuneration is contained in the following figures. In fiscal year 2015, the members of the Supervisory Board received €696,953 (€12,149,450). Of this figure, €660,976 (€808,500) related to the fixed remuneration components (including attendance fees) and €35,977 (€11,340,950) to the variable remuneration components.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD¹

€	FIXED	VARIABLE	TOTAL	TOTAL
			2015	2014
Hans Dieter Pötsch (since October 7, 2015)	13,400	–	13,400	–
Jörg Hofmann ² (since November 20, 2015)	3,367	–	3,367	–
Hussain Ali Al-Abdulla	11,000	–	11,000	398,500
Akbar Al Baker (since May 5, 2015)	5,925	–	5,925	–
Ahmad Al-Sayed (until May 5, 2015)	4,075	–	4,075	397,500
Jürgen Dorn ² (until June 30, 2015)	20,778	18,103	38,881	482,150
Annika Falkengren	17,000	–	17,000	596,250
Hans-Peter Fischer ²	14,000	–	14,000	399,500
Uwe Fritsch ²	14,000	–	14,000	399,250
Babette Fröhlich ²	17,000	–	17,000	596,250
Berthold Huber ² (until November 19, 2015)	37,133	–	37,133	937,000
Uwe Hück ² (since July 1, 2015)	44,750	–	44,750	–
Johan Järvklo (since November 22, 2015)	1,650	–	1,650	–
Louise Kiesling (since April 30, 2015)	11,017	–	11,017	–
Julia Kuhn-Piëch (April 30, 2015 – October 1, 2015)	14,197	1,663	15,860	–
Olaf Lies ³	14,700	–	14,700	399,500
Hartmut Meine ² (until November 21, 2015)	12,350	–	12,350	399,500
Peter Mosch ²	33,000	–	33,000	704,750
Bernd Osterloh ²	17,000	–	17,000	596,250
Ferdinand K. Piëch (until April 25, 2015)	44,801	16,212	61,013	1,475,300
Hans Michel Piëch	80,500	–	80,500	546,500
Ursula Piëch (until April 25, 2015)	6,292	–	6,292	472,500
Ferdinand Oliver Porsche	65,500	–	65,500	963,500
Wolfgang Porsche	109,200	–	109,200	793,250
Stephan Weil ³	17,000	–	17,000	596,250
Stephan Wolf ²	17,000	–	17,000	596,250
Thomas Zwiebler ²	14,342	–	14,342	399,500
Total	660,976	35,977	696,953	12,149,450

¹ All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

² These employee representatives have stated that they will transfer their Supervisory Board remuneration to the Hans Böckler Foundation in accordance with the guidelines issued by the German Confederation of Trade Unions (DGB).

³ Under section 5(3) of the Niedersächsisches Ministergesetz (Act Governing Ministers of the State of Lower Saxony), these members of the Supervisory Board are obliged to transfer their Supervisory Board remuneration to the State of Lower Saxony as soon as and to the extent that it exceeds €6,200 per annum. Remuneration is defined for this purpose as Supervisory Board remuneration and attendance fees exceeding the amount of €200.