

Declaration of the Board of Management and the Supervisory Board of  
VOLKSWAGEN AG  
on the recommendations of the  
Government Commission of the German Corporate Governance Code  
pursuant to section 161 of the German Stock Corporation Act (AktG)

The Board of Management and the Supervisory Board declare the following:

The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 7 February 2017 (the Code) that was published by the German Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on 24 April 2017 was complied with in the period from the last Declaration of Conformity dated 17 November 2017 and will continue to be complied with, with the exception of the numbers and their stated reasons listed below.

a) 4.2.3(4) (severance payment cap)

A severance payment cap will be included in new contracts concluded with members of the Board of Management, but not in contracts concluded with Board of Management members entering their third term of office or beyond, provided a cap did not form part of the initial contract. Grandfather rights have been applied accordingly.

b) 5.3.2(3) sentence 2 (independence of the chair of the Audit Committee)

It is unclear from the wording of this recommendation whether the Chairman of the Audit Committee is "independent" within the meaning of number 5.3.2(3) sentence 2 of the Code. Such independence could be considered lacking in view of his seat on the Supervisory Board of Porsche Automobil Holding SE, kinship with other members of the Supervisory Board of the company and of Porsche Automobil Holding SE, his indirect minority interest in Porsche Automobil Holding SE, and business relations with other members of the Porsche and Piëch families who also have an indirect interest in Porsche Automobil Holding SE. However, in the opinion of the Supervisory Board and the Board of Management, these relationships do not constitute a conflict of interest nor do they interfere with his duties as the Chairman of the Audit Committee. This deviation is therefore being declared purely as a precautionary measure.

c) 5.4.1(6-8) (disclosure regarding election recommendations)

With regard to the recommendation in number 5.4.1(6-8) of the Code stating that certain circumstances be disclosed by the Supervisory Board when making election recommendations to the Annual General Meeting, the stipulations of the Code are vague and the definitions unclear. Purely as a precautionary measure, the Board of Management and the Supervisory Board therefore declare a deviation from the Code in this respect. Notwithstanding this, the Supervisory Board will make every effort to satisfy the requirements of the recommendation.

Wolfsburg, 16 November 2018

For the Supervisory Board

For the Board of Management

Pötsch

Diess