

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 Supervisory Board declare the following:

The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 16 December 2019 (the Code) that was published by the German Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on 20 March 2020 were complied with in the period from the last Declaration of Conformity dated 13 November 2020 and will continue to be complied with, with the exception of the recommendations and reasons hereinafter and the periods stated.

a) Recommendation B.3 (Duration of first-time appointments to the Board of Management)

As hitherto, the duration of first-time appointments to the Board of Management will be determined by the Supervisory Board in such a way as is appropriate to the particular case and focused on the good of the company.

b) Recommendation C.5 (Mandate ceiling regarding Board of Management mandate)

The Chair of the Supervisory Board is also Chair of the Supervisory Boards of two listed companies of the VOLKSWAGEN Group, namely VOLKSWAGEN AG and TRATON SE, as well as being on the Supervisory Board of Bertelsmann SE & Co. KGaA. He is also Chair of the Board of Management of Porsche Automobil Holding SE. Porsche Automobil Holding SE is not part of the same group as VOLKSWAGEN AG and TRATON SE within the meaning of German stock corporation law. We are, however, confident that the Chair of the Supervisory Board of VOLKSWAGEN AG has sufficient time at his disposal to fulfil the duties related to his mandates.

c) Recommendation C.10 sentence 2 (Independence of the Chair of the Audit Committee)

It is unclear from the wording of this recommendation whether the Chair of the Audit Committee is independent from the controlling shareholder within the meaning of this recommendation. Such independence could be considered lacking in view of the fact that the Chair of the Audit Committee, in addition to other members of the Porsche and Piëch families, who are also related to each other, has an indirect interest in Porsche Automobil Holding SE. While it is our opinion that these relationships do not constitute a conflict of interest nor do they interfere with his duties as the Chair of the Audit Committee, purely as a precautionary measure, the Board of Management and the Supervisory Board have hitherto declared a deviation. The intention is to re-examine this course of action in the near future, especially in light of the question whether, given the current situation following the revision of the Code in 2020, Porsche Automobil Holding SE is the controlling shareholder of VOLKSWAGEN AG.

d) Recommendation C.13 (Disclosure regarding election proposals)

With regard to this recommendation, according to which certain circumstances shall be disclosed when the Supervisory Board makes election proposals to the General Meeting, the guidelines in the Code are vague and the definitions unclear. Purely as a precaution-

ary measure, we 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.

e) Recommendation D.4 (Independence of the Chair of the Audit Committee)

Regarding justification, we refer to the statements made above regarding Recommendation C.10 sentence 2. If the Chair of the Audit Committee is not independent from the controlling shareholder, according to the definition of Recommendation C.6, sentence 2, he/she is also not independent within the meaning of Recommendation D.4.

The following recommendations of the Code, which have been deviated from in the past, are and will continue to be complied with in future as of the submission of this Declaration of Conformity:

a) Recommendation C.10 sentence 1 (Independence of the Chair of the Supervisory Board and Chairs of Committees)

According to Recommendation C.10 sentence 1, which was introduced in March 2020, the Chair of the Supervisory Board and the Chair of the committee that addresses Management Board remuneration shall be deemed by the shareholder representatives to be independent from the company and the Management Board. According to Recommendation C.7 (2), there is indication of a lack of independence from the company and Management Board if a member of the Supervisory Board was a member of the Management Board in the two years prior to their appointment to the Supervisory Board. The Chair of the Supervisory Board, who is also the Chair of the committee that addresses Board of Management remuneration, transferred directly from the Board of Management to the Supervisory Board in October 2015. However, this transfer occurred more than six years ago. Following his initial appointment by the court, the Chair of the Supervisory Board was elected by the Annual General Meeting as a member of the Supervisory Board for the second time in July 2021 and was re-elected by the Supervisory Board as Chair. Since his transfer from the Board of Management to the Supervisory Board in October 2015, the composition of the Board of Management has also fundamentally changed. In light of this, the shareholder representatives passed a resolution that, in future, they shall regard the Chair of the Supervisory Board as independent from the company and the Board of Management within the meaning of Recommendation C.10 sentence 1.

b) The Supervisory Board had introduced a new remuneration system in 2017, which took into account all recommendations of the Code in the applicable version at that time. These recommendations have changed significantly in the reformed Code. The remuneration system from 2017 did not comply with the amended recommendations in some aspects. As such, the Supervisory Board passed a resolution on 14 December 2020 on an enhanced remuneration system which complies with all of the new recommendations in the current Code. The enhanced remuneration system came into effect on 1 January 2021 and was approved by the Annual General Meeting on 22 July 2021. The following Code recommendations, from which deviations had been declared under the former remuneration system for Board of Management members, are complied with under the enhanced remuneration system:

(1) Recommendations G.1 and G.2 (Remuneration system and target total remuneration)

The remuneration ceilings within the previous remuneration system were established without taking into account pension scheme expenses and fringe benefits and therefore do not represent maximum remuneration within the meaning of Recommendation G.1. The justification from the Commission on Recommendation G.1 establishes that the total remuneration is the sum of all remuneration components for the year in question, including the service cost within the meaning of IAS 19. This also applies to the maximum remuneration. Using the former remuneration system, it was not possible to deduce the relative proportion of the individual remuneration components of target total remuneration, within the meaning of the recommendation. Furthermore, contrary to Recommendation G.2, the Supervisory Board had not passed a resolution on specific target total remuneration for the individual members of the Board of Management within the meaning of Recommendation G.1.

(2) Recommendation G.10 sentence 2 (Four-year commitment period)

According to this recommendation, granted long-term variable remuneration components shall be accessible to members of the Board of Management only after a period of four years. The previous remuneration system provided for a Performance Share Plan with a three-year term and cash settlement at the end of this term, meaning that this remuneration component is available to the members of the Board of Management after three years.

(3) Recommendation G.11 sentence 2 (Clawback provision)

Contrary to sentence 2 of this recommendation, the former remuneration system made no provision for the company to retain or reclaim variable remuneration from the members of the Board of Management.

Wolfsburg, 09 December 2021

For the Supervisory Board

For the Board of Management

Pötsch

Diess