

Report of the Supervisory Board

(IN ACCORDANCE WITH SECTION 171(2) OF THE AKTG)

Ladies and Gentlemen,

In fiscal year 2013, the Supervisory Board of Volkswagen AG addressed the Company's position and development regularly and in detail. In compliance with the suggestions and recommendations of the German Corporate Governance Code and the legal requirements, we supported the Board of Management in its running of the business and advised it on issues relating to the management of the Company. The Supervisory Board was directly involved in all decisions of fundamental importance to the Group. In addition, we discussed current strategic considerations with the Board of Management at regular intervals.

The Supervisory Board was informed by the Board of Management regularly, promptly and comprehensively in writing or orally on the development of the business and the Company's planning and position, including the risk situation and risk management. In addition, the Board of Management reported to us on an ongoing basis on compliance-related topics and other topical issues. In all cases we received the documents relevant to our decisions in good time for our meetings. We also received a detailed monthly report from the Board of Management on the current business position and the forecast for the current year. Any variances in performance as against the plans and targets previously drawn up were explained by the Board of Management in detail, either orally or in writing. We analyzed the reasons for the variances together with the Board of Management so as to enable countermeasures to be derived.

The Chairman of the Supervisory Board consulted with the Chairman of the Board of Management at regular intervals between meetings about, among other things, the Volkswagen Group's strategy and planning, the development of the business, the Group's risk situation and risk management, and compliance issues.

The Supervisory Board held a total of five meetings in fiscal year 2013. The average attendance ratio was 93%; no member of the Supervisory Board took part in fewer than half of the meetings. In addition, resolutions on urgent matters were adopted in writing or using electronic communications media.

COMMITTEE ACTIVITIES

The Supervisory Board has established a total of four committees in order to perform the duties entrusted to it: the Executive Committee, the Nomination Committee, the Mediation Committee in accordance with section 27(3) of the Mitbestimmungsgesetz (MitbestG – German Codetermination Act) and the Audit Committee. The Executive Committee consists of three shareholder representatives and three employee representatives. The members of the Nomination Committee are the shareholder representatives on the Executive Committee; the remaining two committees are each composed of two shareholder representatives and two employee representatives. The members of the committees as of December 31, 2013 are given on page 68 of this annual report.

The Executive Committee met four times during the reporting period. These meetings primarily served to prepare in detail the resolutions by the Supervisory Board and to deal with contractual issues concerning the Board of Management other than remuneration.

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The Nomination Committee is responsible for proposing suitable candidates for the Supervisory Board to recommend for election to the Annual General Meeting. The Committee met once during 2013.

The Mediation Committee did not have to be convened in the past fiscal year.

The Audit Committee met five times during the reporting period. It focused primarily on the consolidated financial statements, risk management (including the internal control system), and the work performed by the Company's compliance organization. In addition, the Audit Committee addressed the Group's quarterly reports and the half-yearly financial report as well as current financial reporting issues and their examination by the auditors. The Audit committee also put the audit of the financial statements out to tender in the reporting period.

Furthermore, the shareholder and employee representatives met for separate preliminary discussions before each of the Supervisory Board meetings.

TOPICS DISCUSSED BY THE SUPERVISORY BOARD

At the Supervisory Board meeting on February 22, 2013 we approved, after a detailed examination, the consolidated financial statements prepared by the Board of Management and the annual financial statements of Volkswagen AG for 2012, as well as the combined management report. We also examined the dependent company report submitted by the Board of Management and came to the conclusion that there were no objections to be raised to the concluding declaration by the Board of Management in the report. Other items on the agenda included the revision of the rules governing the variable remuneration for the Board of Management, the approval of the decision on the location of a new production facility for the Shanghai-Volkswagen Automotive Company joint venture in South China and strategic financing measures at the Volkswagen Group. We also issued a supplementary declaration to the declaration of conformity with the German Corporate Governance Code dated November 23, 2012 at this meeting.

At the meetings on April 24 and 25, 2013 we prepared for, and performed a follow-up evaluation of, the 53rd Annual General Meeting of Volkswagen AG on April 25, 2013 and the conclusion of a control and profit and loss transfer agreement with MAN SE. We also resolved on the composition of the Executive Committee of the Supervisory Board.

Among other things, we approved the issue of a mandatory convertible note in resolutions that were adopted by circulating written documents in June 2013.

At the Supervisory Board meeting on September 20, 2013, we primarily discussed strategic issues and received a comprehensive status report on the control and profit and loss transfer agreement with MAN SE.

The Supervisory Board meeting on November 22, 2013 addressed in detail, and subsequently approved, the Volkswagen Group's investment and financial planning for the period from 2014 to 2018. Other topics dealt with at the meeting included in particular the annual declaration of conformity with the German Corporate Governance Code and increasing the standard age limit for proposals for elections to the Supervisory Board.

CONFLICTS OF INTEREST

Mr. Jürgen Dorn, member of the Supervisory Board of Volkswagen AG, who is also a member of the Supervisory Boards of MAN SE and MAN Truck & Bus AG, did not take part in the resolution on April 24, 2013 on the conclusion of a control and profit and loss transfer agreement with MAN SE. The Chairman of the Supervisory Board of Volkswagen AG, who is also the Chairman of the Supervisory Board of MAN SE, participated in the resolution.

At the above-mentioned meeting, the Supervisory Board also resolved that the Board of Management of Volkswagen AG would vote at the Annual General Meeting of AUDI AG to elect Ms. Ursula Piëch to the Supervisory Board and to elect the remaining shareholder representatives on the Supervisory Board of AUDI AG for an additional term of office. Ms. Ursula Piëch, who is a member of the Supervisory Board of Volkswagen AG, did not participate in this resolution.

At its meeting on November 22, 2013, the Supervisory Board approved the acquisition of the MAN financial services companies by Volkswagen Financial Services AG companies. Mr. Jürgen Dorn abstained from voting. Prof. Dr. Ferdinand K. Piëch took part in the vote.

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At its meetings on April 24 and November 21, 2013, the Executive Committee of the Supervisory Board addressed topics previously dealt with by the Committee for Major Shareholder Business Relationships (Ausschuss für Geschäfte mit Großaktionären – AfGG), which was dissolved on September 21, 2012. In this context, the Executive Committee granted individual approvals to transactions with Porsche Automobil Holding SE and the State of Lower Saxony. The Executive Committee members who are also members of the Supervisory Board of Porsche Automobil Holding SE took part in the votes. Executive Committee member Mr. Stephan Weil is Minister-President of the State of Lower Saxony and also took part in the votes. The Executive Committee members were guided exclusively by the interests of the Company when voting. No material conflicts of interest were discernible in this respect. All approvals were granted unanimously.

No other discernible conflicts of interest were reported or arose in the reporting period.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

The application of the German Corporate Governance Code at the Volkswagen Group was discussed at the Supervisory Board meetings on February 22 and November 22, 2013: in February, we issued a supplementary declaration to our declaration of conformity dated November 23, 2012, while in November we addressed the changes to the Code published by the Government Commission on the German Corporate Governance Code on June 10, 2013 and issued the annual declaration on the Code's recommendations in accordance with section 161 of the AktG together with the Board of Management.

The joint declarations of conformity by the Board of Management and the Supervisory Board are permanently available on the Volkswagen AG website at www.volkswagenag.com/ir. Additional information on the implementation of the recommendations and suggestions of the German Corporate Governance Code can be found in the corporate governance report starting on page 54 and on page 282 of the notes to the consolidated financial statements.

MEMBERS OF THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Wolfgang Ritmeier, Jürgen Stumpf and Bernd Wehlauer resigned from the Supervisory Board of Volkswagen AG at the end of 2012. Effective January 1, 2013, Dr. Hans-Peter Fischer, Chairman of the Board of Management of the Volkswagen Management Association, Jürgen Dorn, Chairman of the Group Works Council and SE Works Council of MAN SE, and Stephan Wolf, Deputy Chairman of the General and Group Works Council of Volkswagen AG, were appointed by the court to the Supervisory Board of Volkswagen AG as their successors.

Effective February 19, 2013, the State of Lower Saxony appointed the Minister-President, Stephan Weil, and the Minister of Economic Affairs, Labor and Transport, Olaf Lies, to the Supervisory Board of Volkswagen AG. They succeeded David McAllister and Jörg Bode, who stepped down from the Supervisory Board as of the same day.

Jassim Al-Kuwari stepped down from the Supervisory Board of Volkswagen AG as of April 25, 2013. He was succeeded by Ahmad Al-Sayed, who was appointed by the court as his replacement on the Supervisory Board effective June 28, 2013.

The scheduled term of office of Dr. Wolfgang Porsche as a member of Volkswagen AG's Supervisory Board expired at the end of the 53rd Annual General Meeting on April 25, 2013. The Annual General Meeting elected Dr. Porsche to the Supervisory Board for a further full term of office.

There were no changes to the Board of Management during the reporting period.

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AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Annual General Meeting on April 25, 2013 elected PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft as auditors for fiscal year 2013. The auditors audited the annual financial statements of Volkswagen AG, the consolidated financial statements of the Volkswagen Group and the combined management report, and issued unqualified audit reports on all of these documents. In addition, they analyzed the risk management and internal control systems, concluding that the Board of Management had taken the measures required by section 91(2) of the AktG to ensure early detection of any risks endangering the continued existence of the Company. The Report by Volkswagen AG on Relationships with Affiliated Companies in Accordance with Section 312 of the AktG for the period from January 1 to December 31, 2013 (dependent company report) submitted by the Board of Management was also audited by the auditors, who issued the following opinion: "In our opinion and in accordance with our statutory audit, we certify that the factual disclosures provided in the report are correct and that the Company's consideration concerning legal transactions referred to in the report was not unduly high."

The members of the Audit Committee and the members of the Supervisory Board were provided in each case with the documentation relating to the annual financial statements, including the dependent company report, and the audit reports prepared by the auditors in good time for their meetings on February 20, 2014 and February 21, 2014 respectively. The auditors reported extensively at both meetings on the material findings of their audit and were available to provide additional information.

Taking into consideration the audit reports and the discussion with the auditors as well as their own conclusions, the Audit Committee prepared the documents for our own examination of the consolidated financial statements, the annual financial statements of Volkswagen AG, the combined management report and the dependent company report and reported on these at the Supervisory Board meeting on February 21, 2014. Following this, the Audit Committee recommended that we approve the annual financial statements. We examined the documents in depth in the knowledge and on the basis of the report by the Audit Committee and the audit report as well as in talks and discussions with the auditors. We came to the conclusion that they are due and proper and that the assessment of the position of the Company and the Group presented by the Board of Management in the management report corresponds to the assessment by the Supervisory Board. We therefore concurred with the auditors' findings and approved the annual financial statements prepared by the Board of Management and the consolidated financial statements at our meeting on February 21, 2014. The annual financial statements are thus adopted. Our examination of the dependent company report did not result in any objections to the concluding declaration by the Board of Management in the dependent company report. We reviewed the proposal on the appropriation of net profit submitted by the Board of Management, taking into account in particular the interests of the Company and its shareholders, and endorsed the proposal.

Our thanks and appreciation go to the members of the Board of Management, the Works Council, the management and all the employees of Volkswagen AG and its affiliated companies for their work in 2013. Their collective hard work and commitment helped the Volkswagen Group to record a strong performance in a challenging market environment and to make substantial progress towards achieving the goals set out in its Strategy 2018.

Wolfsburg, February 21, 2014



Prof. Dr. Ferdinand K. Piëch
Chairman of the Supervisory Board