



**Declaration of the Board of Management
and the Supervisory Board of AUDI AG
regarding the recommendations of the**

**"Government Commission on the German Corporate Governance Code"
pursuant to Section 161 of the German Stock Corporation Act**

The Board of Management and Supervisory Board of AUDI AG hereby declare that AUDI AG has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on June 24, 2014 published by the Federal Justice Ministry in the official part of the Bundesanzeiger (Federal Official Gazette) during the period since the last compliance statement issued on November 27, 2014 and up until the entry into force on June 12, 2015 of the Code as amended on May 5, 2015, with the following exceptions:

- 4.2.3, para. 2, sentence 6 (caps for the overall compensation of the members of the Board of Management and for the variable compensation components);
- 5.1.2, para. 2, sentence 3, 5.4.1, para. 2, sentence 1 (age limit for members of the Board of Management and of the Supervisory Board);
- 5.3.2, sentence 3 (independence of the Audit Committee Chairman);
- 5.3.3 (nominating committee);
- 5.4.1, para. 4 through 6 (disclosures in making election recommendations);
- 5.4.2, sentence 3 (Not more than two former members of the Board of Management shall be members of the Supervisory Board) until April 25, 2015;
- 5.4.6, para. 2, sentence 2 (performance-related compensation of the Supervisory Board).

In reference to the recommendation formulated in number 4.2.3, para. 2, sentence 6 of the German Corporate Governance Code, the Supervisory Board believes that caps for the overall compensation of the members of the Board of Management and for the variable compensation components are generally useful and will develop and implement such caps. Until then, an exception is declared.

The Board of Management and the Supervisory Board feel that an age limit is not appropriate. The ability to successfully manage a company, or to supervise the Board of Management or the Supervisory Board in their management activities as required, is not lost upon reaching a certain age.

According to recommendation no. 5.3.2, sentence 3, the Chairman of the Audit Committee shall, among other things, be "independent." The Audit Committee Chairman's membership in the Board of Management of Volkswagen AG and of Porsche Automobil Holding SE may be indicative of a lack of independence as defined in the recommendations. In the view of the Board of Management and of the Supervisory Board, these activities neither give rise to a conflict of interest, nor do they have an adverse effect on the work of the Chairman of the Audit Committee. As the notion of independence is not clearly defined in the Code, we are declaring this exception merely as a precaution.

A nominating committee would, in the view of the Supervisory Board, only increase the number of committees without, however, leading to a noticeable improvement in the work of the Board.

Regarding the recommendation set forth in no. 5.4.1, para. 4 through 6, on the disclosure of certain circumstances when the Supervisory Board makes election recommendations to the General Meeting, the requirements in the Code are vague and not clearly defined. An exception is therefore declared merely as a precaution, while the Supervisory Board will endeavor to fulfill the recommendations of the Code.

In number 5.4.2, sentence 3, the Code recommends that no more than two former members of the Board of Management shall be members of the Supervisory Board. The Board of Management and the Supervisory Board believe that, given the current majorities in the Supervisory Board, having a larger number of former members of the Board of Management on the Supervisory Board would not result in the Board of Management being improperly advised or supervised by the Supervisory Board. Moreover, restricting access of former members of the Board of Management to the Supervisory Board purely based on numbers could lead to a loss of valuable expertise. For those reasons, an exception is being declared. Nonetheless, the Supervisory Board, in making election recommendations, will always be vigilant to ensure that the number of former members of the Board of

Management in the Supervisory Board does not have any adverse effect on the independent advice to and supervision of the Board of Management.

The Board of Management and the Supervisory Board believe that the current remuneration arrangements for Supervisory Board members set forth in Art. 16 of AUDI AG's articles of incorporation provides for a performance-related component that is also oriented toward sustainable growth of the company. In view of the vagueness of the recommendation in number 5.4.6, para. 2, sentence 2 of the Code, and considering that the scope of a performance-related compensation component aimed at a sustainable growth of the enterprise has not yet been clarified, the Board of Management and the Supervisory Board declare this exception merely as a precaution.

AUDI AG has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on May 5, 2015 and published by the Federal Justice Ministry in the official part of the Bundesanzeiger (Federal Official Gazette) on June 12, 2015 during the period since the entry into force of the amended Code on June 12, 2015, with the following exceptions:

- 4.2.3, para. 2, sentence 6 (caps for the overall compensation of members of the Board of Management and for the variable compensation components);
- 5.1.2, para. 2, sentence 3, 5.4.1, para. 2, sentence 1 (age limit for members of the Board of Management and of the Supervisory Board, and regular limit in the length of time a person can serve on the Supervisory Board);
- 5.3.2, sentence 3 (independence of the Audit Committee Chairman);
- 5.3.3 (nominating committee);
- 5.4.1, para. 5 (disclosures in making election recommendations);
- 5.4.6, para. 2, sentence 2 (performance-related compensation of the Supervisory Board).

The reasons for the declared exceptions have already been explained above. The exception from the recommendation to limit the length of time a person can serve on the Supervisory Board is declared for the first time. The ability to supervise the Board of Management or the Supervisory Board in their management activities as required, is not lost upon reaching a certain length of service.

Ingolstadt, December 3, 2015

On behalf of the Supervisory Board:

On behalf of the Board of Management:

[Signature]

[Signature]

Matthias Müller

Prof. Rupert Stadler