



Declaration of the Board of Management and 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 recommendations of the Government Commission on the German Corporate Governance Code, announced by the Federal Ministry of Justice on April 24, 2017 in the official section of the Federal Gazette, in the version dated February 7, 2017, have been implemented in the period since the most recent compliance statement of November 30, 2017 and continue to be implemented with the exception of the following numbers:

- 4.2.3, para. 2, sent. 3 (variable components of Management Board remuneration, multi-year measurement basis mainly relating to future periods.)
- 5.3.2, para. 3, sent. 2 (independence of the Audit Committee Chairman);
- 5.3.3 (nominating committee);
- 5.4.1, para. 6 (disclosure with regard to nominations); and
- 5.4.6, para. 2, sent. 2 (performance-related remuneration for Supervisory Board members).

The Supervisory Board considers a multi-year measurement basis for Management Board remuneration, which is essentially a forward-looking approach, to be sensible. The remuneration system is therefore currently being modified in accordance with the recommendations of the currently applicable Code, although this has not been completed or implemented yet. In the light of this, the deviation from the recommendation in number 4.2.3, para. 2 sent. 3 regarding the variable components of Management Board remuneration relating to future periods is declared.

According to recommendation number 5.3.2, sent. 3, the Audit Committee Chairman should, among other things, be “independent.” A lack of the recommended independence could potentially be inferred from the Audit Committee Chairman’s membership of the Supervisory Board of Volkswagen AG and of the Management Board of Porsche Automobil Holding SE. The Management Board and Supervisory Board believe that these activities neither represent a conflict of interest nor interfere with the work of the Audit

Committee Chairman. The deviations are explained as a purely precautionary measure.

The Supervisory Board is of the opinion that a nominating committee merely increases the number of committees without noticeably improving its work as a corporate body.

With regard to the recommendation in number 5.4.1, para. 5 on the disclosure of certain circumstances in nominations by the Supervisory Board to the Annual General Meeting, the requirements of the Code are vague and unclear in their definition. A deviation is therefore declared merely as a precaution, although the Supervisory Board will endeavor to comply with the requirements of the recommendation in the Code.

The Management Board and Supervisory Board are of the opinion that the current regulation on remuneration in Section 16 of the Articles of Incorporation and Bylaws of AUDI AG contains a performance-related component for the members of the Supervisory Board which also promotes long-term corporate development. In light of the vagueness of the recommendation from number 5.4.6, para. 2, sent. 2 of the Code and the as yet unclarified scope of a performance-related remuneration component in respect of long-term corporate development, the Management Board and Supervisory Board declare the deviation merely as a precaution.

Ingolstadt, November 29, 2018

For the Supervisory Board:

For the Board of
Management:

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Dr. Herbert Diess

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Abraham Schot