



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 June 12, 2015 in the official section of the Federal Gazette, in the version dated May 5, 2015, were implemented in the period since the most recent compliance statement of December 3, 2015 with the exception of the following numbers:

- 4.2.3, para. 2, sentence 6 (caps on overall remuneration for members of the Board of Management and with regard to their variable salary components), implemented by November 24, 2016;
- 5.1.2, para. 2, sentence 3, 5.4.1, para. 2, sentence 1 (age limits for members of the Board of Management and Supervisory Board, control limit for membership of the Supervisory Board), implemented by November 24, 2016;
- 5.3.2, sentence 3 (independence of the Audit Committee Chairman);
- 5.3.3 (nominating committee);
- 5.4.1, para. 5 (disclosure with regard to nominations); and
- 5.4.6, para. 2, sentence 2 (performance-related remuneration for Supervisory Board members).

With regard to the recommendation of number 4.2.3, para. 2, sentence 6 of the German Corporate Governance Code, the Supervisory Board considers caps on overall remuneration for members of the Board of Management and on variable salary components to be sensible. Consequently, today it passed a resolution on such caps, meaning this recommendation is satisfied effective today.

In the past, the Supervisory Board and Board of Management did not consider age limits for Board members to be appropriate. The Board of Management and the Supervisory Board now believe that these concerns can be addressed through appropriate regulation of age limits. They have therefore today set a

suitable age limit for members of the Supervisory Board and the Board of Management. This recommendation will therefore be implemented from today.

According to the recommendation number 5.3.2, sentence 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 Board of Management and Supervisory Board believe that these activities neither represent a conflict of interest nor interfere with the work of the Audit Committee Chairman. Because the concept of independence is not defined clearly within the Code, this departure is declared merely as a precaution.

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 departure is therefore declared merely as a precaution, though the Supervisory Board will endeavor to comply with the recommendation from the Code.

The Board of Management 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 sustained corporate development. In light of the vagueness of the recommendation from number 5.4.6, para. 2, sentence 2 of the Code and the as yet unclarified scope of a performance-related remuneration component in respect of sustained corporate development, the Board of Management and Supervisory Board declare the departure merely as a precaution.

Ingolstadt, dated November 24, 2016

On behalf of the Supervisory Board:

On behalf of the Board of Management:

.....
Matthias Müller

.....
Prof. Rupert Stadler