

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 Board of Management and Supervisory Board of AUDI AG declare that the recommendations of the “Government Commission on the German Corporate Governance Code” published in the official section of the Federal Official Gazette by the Federal Ministry of Justice in the version dated May 13, 2013 and the identical recommendations in the version dated June 24, 2014, with the exception of Nos. 4.2.3, Paragraph 2, Sentence 6 (caps on overall remuneration of the Board of Management and in respect of their variable remuneration components), 5.1.2, Paragraph 2, Sentence 3, 5.4.1, Paragraph 2, Sentence 1 (age limit for Board of Management and Supervisory Board members), 5.3.2, Sentence 3 (independence of the Audit Committee Chairman), 5.3.3 (nominating committee), 5.4.1, Paragraphs 4 to 6 (disclosures in proposals for election), 5.4.2, Sentence 3 (no more than two former Board of Management members to sit on the Supervisory Board), 5.4.6, Paragraph 2, Sentence 2 (performance-based remuneration of the Supervisory Board), have been complied with since the last Declaration of Compliance dated November 28, 2013 and will continue to be complied with.

With reference to the recommendation of No. 4.2.3, Paragraph 2, Sentence 6 of the German Corporate Governance Code, the Supervisory Board considers caps on the remuneration of the Board of Management overall as well as on the variable remuneration components to be fundamentally sensible, and will draw up and determine these. Until then, a departure is declared.

The Board of Management and Supervisory Board do not consider an age limit for members of corporate bodies to be appropriate. The ability to run a company successfully or exercise the necessary degree of oversight over the Board of Management’s running of the company as a Supervisory Board member does not disappear upon reaching a specified age limit. The imposition of an age limit can moreover be deemed discriminatory.

According to the recommendation from No. 5.3.2, Sentence 3, the Audit Committee Chairman is among other things to be “independent.” A lack of the recommended independence could potentially be inferred from the Audit Committee Chairman’s membership of the Boards of Management of Volkswagen AG and 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. As the concept of independence is not clearly defined 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 No. 5.4.1, Paragraphs 4 to 6 on the disclosure of certain circumstances in proposals for election 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.

No. 5.4.2, Sentence 3 of the Code contains the recommendation that no more than two former Board of Management members should sit on the Supervisory Board. The Board of Management and Supervisory Board are of the opinion that in view of the current majority situation, even a higher number of former Board of Management members does not mean that the Board of Management is not properly advised and overseen by the Supervisory Board. Furthermore, a purely numerical limit to the number of former Board of Management members means valuable expertise could be lost. A departure is therefore declared. Notwithstanding this, in making proposals for election the Supervisory Board will always ensure that the number of former Board of Management members on the Supervisory Board will not interfere with the latter's ability to advise and oversee the Board of Management independently.

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 No. 5.4.6, Paragraph 2, Sentence 2 of the Code and the 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, November 27, 2014

On behalf of the
Supervisory Board:

On behalf of the
Board of Management:

Prof. Dr. Dr. h.c. mult. Martin Winterkorn Prof. Rupert Stadler