



**Declaration of the Management Board 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 from the most recent compliance statement of November 24, 2016 to the entry into force on April 24, 2017 of the amended Code of February 7, 2017, with the exception of the following numbers:

- 5.3.2, sent. 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, sent. 2 (performance-related remuneration for Supervisory Board members).

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 relating to 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, though the Supervisory Board will endeavor to comply with the recommendation from 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.

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 and are being implemented in the period since the most recent compliance statement of April 24, 2017 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 reasons for the declared deviations in numbers 5.3.2, para. 3, sent. 2, 5.3.3, 5.4.1, para. 6 and 5.4.6, para. 2, sent. 2 have already been explained above.

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 explained for the first time. As the Supervisory Board regards a multi-year measurement basis which mainly relates to future periods, a modification of the remuneration system in accordance with the recommendations of the current Code is currently in preparation, but not yet completed and implemented.

5.4.1 para. 2 sent. 1 (objectives for the composition of the Supervisory Board; here: competence profile)

This recommendation for the objectives for the composition of the Supervisory Board has been amended to state that the Supervisory Board shall formulate a competence profile for the entire Board in addition to the objectives for its

composition. After due deliberations and determinations by the Supervisory Board this recommendation is fully complied with from today.

5.4.1 para. 5 sent. 2 (résumés for the members of the Supervisory Board)

The recommendation to publish updated résumés for all members of the Supervisory Board annually on the company's website with an overview of their main secondary activities has been newly added to the Code. The Supervisory Board has discussed this complex of issues today and decided to publish the résumés accordingly. This will be done promptly to comply with this recommendation of the Code.

Ingolstadt, November 30, 2017

On behalf of the Supervisory Board:

On behalf of the Management Board:

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Matthias Müller

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Prof. Rupert Stadler