

Remuneration Report 2021

For fiscal year 2021, the Board of Management and Supervisory Board of Volkswagen AG have, for the first time, prepared a remuneration report in accordance with section 162 of the *Aktiengesetz* (AktG – German Stock Corporation Act) as amended by the *Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie* (ARUG II – German Act on the Implementation of the Second Shareholders' Rights Directive). In this report, we explain the main features of the remuneration system for the members of the Board of Management and Supervisory Board. The remuneration report also contains an individualized breakdown of the remuneration components provided to current and former members of the Board of Management and Supervisory Board.

A. REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT

Throughout the reporting period, the Volkswagen Group's business was impacted by the effects of the Covid-19 pandemic and in particular by limited vehicle availability due to the semiconductor shortage. In this environment, the Volkswagen Group's deliveries declined year-on-year. Meanwhile, the operating result improved versus the prior year due to margin and mix effects. The Board of Management members also benefited from this in their remuneration.

I. Principles of Board of Management remuneration

The remuneration of the Board of Management is based on the remuneration system developed by the Supervisory Board and adopted on December 14, 2020 with effect from January 1, 2021. The remuneration system for the members of the Board of Management implements the requirements of the AktG as amended by ARUG II and takes into account the recommendations of the German Corporate Governance Code (the Code) in the version dated December 19, 2019 (which entered into force on March 20, 2020). The Annual General Meeting approved the remuneration system on July 22, 2021 with 99.61% of the votes cast.

The new remuneration system has applied since January 1, 2021 to all Board of Management members with service contracts newly concluded or renewed after the Supervisory Board resolution of December 14, 2020. For the Board of Management members already appointed at the time of the resolution by the Supervisory Board on December 14, 2020, the new remuneration system also applies in principle from January 1, 2021. Until such time as their contracts are renewed, however, the following exceptions apply: the performance share plan of the Board of Management members

already appointed continues to have only a three-year performance period but otherwise corresponds to the performance share plan described in this system. Penalty and clawback rules will only apply to Board of Management members already appointed on renewal of their contracts.

The level of the Board of Management remuneration should be appropriate and attractive in the context of the Company's national and international peer group. Criteria include the tasks of the individual Board of Management member, their personal performance, the economic situation, and the performance of and outlook for the Volkswagen Group, as well as how customary the remuneration is when measured against the peer group and the remuneration structure that applies to other areas of the Volkswagen Group. In this context, comparative studies on remuneration are conducted on a regular basis.

In this chapter, we provide an overview of the remuneration system for the Board of Management members in fiscal year 2021 before going into the components of the remuneration in fiscal year 2021.

II. Overview of the remuneration components

The table below provides an overview of the components of the remuneration system applicable for fiscal year 2021 for the members of the Board of Management. The table also outlines the composition of the individual remuneration components and explains their targets, particularly in respect of how the remuneration will promote the Company's long-term performance. A more detailed description of the remuneration system applicable for fiscal year 2021 for the members of the Board of Management is available at www.volkswagenag.com/en/InvestorRelations/corporate-governance/Remuneration.html.

REMUNERATION SYSTEM FOR 2021

Component	Composition	Target
Fixed remuneration components		
Base salary	<ul style="list-style-type: none"> Twelve equal installments payable at month-end Chair of the Board of Management: €2,235,000; Board of Management member: €1,420,000 	The basic remuneration and fringe benefits are intended to reflect the tasks and responsibility of the Board of Management members, provide a basic income and prevent them from taking inappropriate risks.
Fringe benefits	<ul style="list-style-type: none"> Fringe benefit allowance (€175,000) covers certain benefits at the discretion of the Board of Management member, for example: <ul style="list-style-type: none"> Company cars Preventive medical check-ups Allowances for health and long-term care insurance Accident insurance Crediting of benefits against the fringe benefit allowance where these are subject to payroll tax Payment of the remaining amount 	
Occupational retirement provision	<ul style="list-style-type: none"> Defined contribution plan by means of direct commitments to retirement, disability and surviving dependents' benefits Normally when the members reach the age of 65 (or 63 in the case of Board of Management members who took office before January 1, 2020) Annual pension contribution of 40 % of the contractually agreed base salary (or 50 % in the case of Board of Management members who took office before January 1, 2018) 	
Variable remuneration components		
Annual bonus	<ul style="list-style-type: none"> Plan type: Target bonus Chair of the Board of Management: €3,045,000; Board of Management member: €1,350,000 Cap: 180 % of the target amount Assessment period: fiscal year Performance criteria: <ul style="list-style-type: none"> Financial subtargets: <ul style="list-style-type: none"> Operating result (OR) incl. Chinese joint ventures¹ (proportionate) (50 %) and operating return on sales (50 %) The Supervisory Board defines minimum, target, and maximum values for the financial subtargets for each fiscal year. The minimum corresponds to subtarget achievement of 0 % of the OR including Chinese joint ventures (proportionate) or 50 % of the operating return on sales, while the target corresponds to a subtarget achievement of 100 % in each case and the maximum to subtarget achievement of 150 %; interim values are interpolated on a linear basis. Overall financial target achievement = subtarget achievement "operating result including Chinese joint ventures (proportionate)" x 50 % + "subtarget achievement operating return on sales" x 50 % ESG factor <ul style="list-style-type: none"> Subtargets of 50 % each for the Environment (decarbonization index) and Social (sentiment rating and diversity index) as well as the Governance factor between 0.9 and 1.1 (compliance & integrity, standard value of 1.0) The Supervisory Board defines minimum, target, and maximum values for the Environment and Social subtargets for each fiscal year. The minimum, target, and maximum values correspond to subtarget achievement of 0.7, 1.0, and 1.3, respectively; interim values are interpolated on a linear basis. The Supervisory Board sets the Governance factor after the end of the fiscal year taking into account the collective performance of the Board of Management as a whole and the performance of each Management Board member individually. Calculation of the ESG factor: (Environment subtarget achievement x 50 % + Social subtarget achievement x 50 %) x Governance factor (0.9 – 1.1) Annual bonus payment amount = individual target amount x financial target achievement x ESG factor Payment: In cash in the month following approval of the consolidated financial statements for the fiscal year in question 	<p>The annual bonus is designed to motivate Board of Management members to pursue ambitious targets.</p> <p>The financial performance targets support the strategic target of achieving competitive profitability.</p> <p>Integration of the sustainability targets takes the importance of ESG factors into account.</p>

¹ Equity-accounted companies in China.

Component	Composition	Target
Long-term incentive (LTI)	<ul style="list-style-type: none"> Plan type: Phantom performance share plan Performance period: measured forward over four years¹ Chair of the Board of Management: €3,830,000; Board of Management member: €1,800,000 Cap: 200% of the target amount Allocation of performance shares: At the start of each fiscal year, the individually agreed target amount is divided by the arithmetic mean of the closing prices of Volkswagen's preferred shares (German Securities Identification Number: 766403) in the Xetra trading system of Deutsche Börse AG on the last 30 trading days prior to January 1 in the respective performance period (initial reference price). Target-setting: At the start of the performance period, the Supervisory Board defines minimum, target and maximum values for EPS as presented in the annual report as audited, fully diluted earnings per Volkswagen preferred share from the Company's continuing and discontinued operations; the EPS minimum corresponds to target achievement of 50%, the EPS target corresponds to target achievement of 100% and the EPS maximum corresponds to target achievement of 150%. Determination of one-quarter of the allocated performance shares at the end of each fiscal year depending on EPS target achievement Calculation of the payment amount: fixed performance shares are multiplied by the arithmetic mean of the closing prices of Volkswagen's preferred shares in the Xetra trading system of Deutsche Börse AG on the last 30 trading days prior to the end of the performance period ("closing reference price") and the dividends paid out per Volkswagen preferred share during the performance period ("dividend equivalent") Payment: In cash in the month following approval of the consolidated financial statements for the last fiscal year of the respective performance period. If the service contract ends before the end of the performance period due to a bad leaver case (extraordinary termination for cause or a breach of a contractual or post-contractual restraint on competition), all performance shares will be forfeited. 	The long-term incentive serves to align the remuneration of the Board of Management members with the Company's long-term performance. The financial performance target EPS (earnings per share) in conjunction with share price performance and the dividends paid, measured over four years, ensures the long-term effect of the behavioral incentives and supports the strategic target of achieving competitive profitability.
Other services		
Special payment	<ul style="list-style-type: none"> Only on the basis of a separate contractual agreement with the Board of Management member The agreement is made in advance for the fiscal year and defines performance criteria for the special payment. There are currently no special payment agreements with Board of Management members. 	Special payments are intended to reward outstanding and exceptional performance and may only be granted if they are in the Company's interest and are associated with future benefits for the Company.
Benefits agreed with new Board of Management members for a defined period of time or for the entire term of their service contracts	<ul style="list-style-type: none"> Only on the basis of a separate contractual agreement with the new Board of Management member Payments to compensate for declining variable remuneration or other financial disadvantages Benefits in connection with a relocation Minimum remuneration guarantee New Board of Management members did not receive any special benefits in the past fiscal year. 	(Compensation) payments are designed to attract qualified candidates.

1. For the Board of Management members already appointed prior to December 14, 2020, a three-year performance period continues to apply until their contracts are renewed. In all other respects, the performance share plan corresponds mutatis mutandis to that described for fiscal year 2021.

Component	Composition	Target
Other remuneration provisions		
Penalty and clawback rules ¹	<ul style="list-style-type: none"> The Supervisory Board can reduce or request repayment of the annual bonus and LTI by up to 100% in the event of relevant misconduct during the assessment period. A clawback is not permissible if more than three years have elapsed since the bonus was paid. 	Penalty and clawback rules are intended to counteract individual misconduct and negligence on the part of the organization.
Maximum remuneration	<ul style="list-style-type: none"> The relevant components are the base salary paid for the respective fiscal year, the fringe benefits granted, the service cost for occupational retirement provision, the annual bonus granted for the respective fiscal year and paid out in the following year, the performance share plan paid out in the respective fiscal year and for which the performance period ended immediately before the respective fiscal year, any special payment granted for the respective fiscal year and any benefits granted to new Board of Management members. For Board of Management members €7,000,000 (gross) per fiscal year and for the chair of the Board of Management €12,000,000 (gross) per fiscal year If the maximum remuneration is exceeded, the annual bonus will be reduced; if a reduction is not sufficient, the Supervisory Board may, at its discretion, reduce other remuneration components or request repayment of remuneration paid out. 	The aim of the maximum remuneration is to ensure that the remuneration of Board of Management members is not inappropriately high when measured against the peer group.
Cap on cash remuneration	<ul style="list-style-type: none"> Additional to maximum remuneration The cash remuneration includes the base salary paid in the respective fiscal year, the annual bonus granted for the respective fiscal year and paid out in the following year, the performance share plan paid in the respective fiscal year and any special payment granted for the respective fiscal year. For Board of Management members €5,500,000 (gross) per fiscal year and for the chair of the Board of Management €10,000,000 (gross) per fiscal year. 	The cap on cash remuneration is intended to prevent unacceptably high disbursements in the individual fiscal year.

1 For the Board of Management members already appointed prior to December 14, 2020, penalty and clawback rules only apply once their contracts have been renewed.

III. Remuneration of the Board of Management members appointed in fiscal year 2021

1. Board of Management members in fiscal year 2021

The members of the Volkswagen AG Board of Management in fiscal year 2021 were as follows:

- > Herbert Diess, Chair of the Board of Management since April 13, 2018, member of the Board of Management since July 1, 2015
- > Murat Aksel, member of the Board of Management since January 1, 2021
- > Arno Antlitz, member of the Board of Management since April 1, 2021
- > Oliver Blume, member of the Board of Management since April 13, 2018, also Chair of the Executive Board of Dr. Ing. h.c. F. Porsche AG
- > Markus Duesmann, member of the Board of Management since April 1, 2020, also Chair of the Board of Management of AUDI AG
- > Gunnar Kilian, member of the Board of Management since April 13, 2018
- > Thomas Schmall-von Westerholt, member of the Board of Management since January 1, 2021
- > Hiltrud Dorothea Werner, member of the Board of Management since February 1, 2017
- > Frank Witter, member of the Board of Management from October 7, 2015, left the Board effective March 31, 2021

For their work on the Board of Management, its members do not receive additional remuneration for discharging other mandates on management bodies, supervisory boards or similar, especially in other companies of the Volkswagen Group. If such remuneration is nevertheless granted, it is counted toward the remuneration for their work as a member of the Board of Management of Volkswagen AG.

2. Remuneration granted and owed in fiscal year 2021

In accordance with section 162(1) sentence 1 of the AktG, the remuneration report must report on the remuneration granted and owed to each individual member of the Board of Management in the last fiscal year. These terms are understood as follows:

- > The term “granted” (*gewährt*) refers to the actual receipt (*Zufluss*) of the remuneration component.
- > The term “owed” (*geschuldet*) refers to all legally existing liabilities for remuneration components that are due but have not yet been fulfilled.
- > This understanding differs from the terms “benefits granted” and “benefits received” used in previous remuneration reports. As per the 2017 version of the Code, “benefits granted” included, regardless of when they were to be paid out, all remuneration components that had been agreed at least in principle for a member of the Board of Management in the fiscal year and for which the amount

could be estimated. With the introduction of section 162 of the AktG, it is no longer possible to maintain the distinction between “granted” and “received” as previously understood. Instead, the meaning of the term “granted” in section 162 of the AktG corresponds to the previous understanding of “received”.

2.1. Overview in the tables

The following tables show the remuneration actually received by members of the Board of Management in fiscal year 2021. The time of actual payment is not relevant. The remuneration reported as granted in fiscal year 2021 thus consists of the base salary paid out in fiscal year 2021, the fringe benefits, the annual bonus paid in the month following the approval of the Company’s consolidated financial statements for fiscal year 2021 and the LTI for the performance period 2018 to 2020 paid in fiscal year 2021. As the Company was not in default on the payment of remuneration components, no remuneration owed is reported in the tables.

The relative shares shown in the tables relate to the remuneration components granted and owed in the respective fiscal year in accordance with section 162(1) sentence 1 of the AktG. They thus include all benefits actually received in the respective fiscal year, regardless of the fiscal year for which the Board of Management members received them. The relative shares indicated here are thus not comparable with the respective relative shares of fixed and variable remuneration components as part of total remuneration in the description of the remuneration system according to section 87a(1) sentence 2 no. 3 of the AktG. The shares indicated in the remuneration system relate to the targets agreed for the relevant fiscal year, irrespective of the

time at which the respective remuneration component was paid out.

Pension expense is reported as service cost within the meaning of IAS 19. The service cost in accordance with IAS 19 does not constitute remuneration granted or owed within the meaning of section 162(1) sentence 1 of the AktG as it is not actually received by the Board of Management member in the reporting year.

Maximum remuneration corresponds to maximum remuneration within the meaning of section 87a(1) sentence 2 no. 1 of the AktG in accordance with the remuneration system adopted by the Supervisory Board and approved by the Annual General Meeting. As in the past, in addition to maximum remuneration, a limit on cash remuneration, which includes the base salary paid out for the relevant fiscal year, the annual bonus granted for the relevant fiscal year and paid out in the subsequent year, the performance share plan paid out in the relevant fiscal year and any special payment granted for the relevant fiscal year, has been agreed with the members of the Board of Management.

Board of Management service contracts that are new or have been renewed since the Supervisory Board adopted the new remuneration system for the members of the Board of Management on December 14, 2020 also contain the penalty and clawback rules provided for in this remuneration system. The service contracts of the Board of Management members Ms. Werner, Mr. Blume and Mr. Duesmann, who were already appointed as of December 14, 2020, therefore do not contain penalty or clawback rules, nor did Mr. Witter’s service contract, which ended on June 30, 2021. Volkswagen AG did not make use of the existing penalty and clawback rules in fiscal year 2021.

	HERBERT DIESS	
	Chair, Volume brand group, China	
	2021	
	€	%
Fixed remuneration components		
Base salary	2,235,000.00	26.0
Fringe benefits	178,231.00	2.1
Total	2,413,231.00	28.1
Variable remuneration components		
One-year variable remuneration/annual bonus	5,294,646.00	61.6
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018 – 2020	886,668.16	10.3
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	8,594,545.16	100.0
Pension expenses	1,717,037.00	x
Total remuneration including pension expenses	10,311,582.16	x
Maximum remuneration	12,000,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

	MURAT AKSEL	
	Purchasing	
	2021	
	€	%
Fixed remuneration components		
Base salary	1,420,000.00	36.0
Fringe benefits	180,481.00	4.6
Total	1,600,481.00	40.5
Variable remuneration components		
One-year variable remuneration/annual bonus	2,347,380.00	59.5
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018 – 2020	–	–
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	3,947,861.00	100.0
Pension expenses	1,076,359.00	x
Total remuneration including pension expenses	5,024,220.00	x
Maximum remuneration	7,000,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

	ARNO ANTLITZ	
	Finance and IT (since April 1, 2021)	
	2021	
	€	%
Fixed remuneration components		
Base salary	1,065,000.00	36.0
Fringe benefits	135,764.00	4.6
Total	1,200,764.00	40.5
Variable remuneration components		
One-year variable remuneration/annual bonus	1,760,535.00	59.5
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018–2020	–	–
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	2,961,299.00	100.0
Pension expenses	883,496.00	x
Total remuneration including pension expenses	3,844,795.00	x
Maximum remuneration	5,250,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

	OLIVER BLUME	
	Chair of the Executive Board of Dr. Ing. h.c. F. Porsche AG Sport & Luxury brand group	
	2021	
	€	%
Fixed remuneration components		
Base salary	1,420,000.00	33.0
Fringe benefits	180,442.00	4.2
Total	1,600,442.00	37.2
Variable remuneration components		
One-year variable remuneration/annual bonus	2,347,380.00	54.6
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018–2020	351,318.72	8.2
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	4,299,140.72	100.0
Pension expenses	1,092,470.00	x
Total remuneration including pension expenses	5,391,610.72	x
Maximum remuneration	7,000,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

	MARKUS DUESMANN	
	Chair of the Board of Management of AUDI AG, Premium brand group	
	2021	
	€	%
Fixed remuneration components		
Base salary	1,420,000.00	35.8
Fringe benefits	203,048.00	5.1
Total	1,623,048.00	40.9
Variable remuneration components		
One-year variable remuneration/annual bonus	2,347,380.00	59.1
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018–2020	–	–
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	3,970,428.00	100.0
Pension expenses	1,120,404.00	x
Total remuneration including pension expenses	5,090,832.00	x
Maximum remuneration	7,000,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

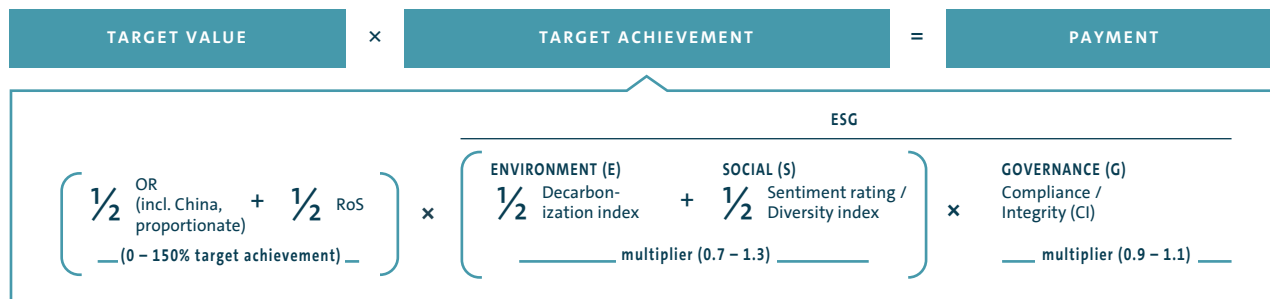
	GUNNAR KILIAN	
	Human Resources and Truck & Bus	
	2021	
	€	%
Fixed remuneration components		
Base salary	1,420,000.00	26.6
Fringe benefits	180,442.00	3.4
Total	1,600,442.00	30.0
Variable remuneration components		
One-year variable remuneration/annual bonus	2,347,380.00	44.0
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018–2020	1,383,318.72	25.9
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	5,331,140.72	100.0
Pension expenses	1,309,055.00	x
Total remuneration including pension expenses	6,640,195.72	x
Maximum remuneration	7,000,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

	THOMAS SCHMALL-VON WESTERHOLT	
	Technology, Chair of the Board of Management of Volkswagen Group Components	
	2021	
	€	%
Fixed remuneration components		
Base salary	1,420,000.00	36.0
Fringe benefits	180,235.00	4.6
Total	1,600,235.00	40.5
Variable remuneration components		
One-year variable remuneration/annual bonus	2,347,380.00	59.5
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018–2020	–	–
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	3,947,615.00	100.0
Pension expenses	1,040,965.00	x
Total remuneration including pension expenses	4,988,580.00	x
Maximum remuneration	7,000,000.00	x
Clawback in accordance with section 162 (1) sentence 2 no. 4 of the AktG	–	x

	HILTRUD DOROTHEA WERNER	
	Integrity and Legal Affairs	
	2021	
	€	%
Fixed remuneration components		
Base salary	1,420,000.00	25.0
Fringe benefits	179,781.00	3.2
Total	1,599,781.00	28.2
Variable remuneration components		
One-year variable remuneration/annual bonus	2,149,931.72	37.9
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018–2020	1,930,068.28	34.0
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	5,679,781.00	100.0
Pension expenses	1,261,258.00	x
Total remuneration including pension expenses	6,941,039.00	x
Maximum remuneration	7,000,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

	FRANK WITTER	
	Finance and IT (until March 31, 2021)	
	2021	
	€	%
Fixed remuneration components		
Base salary	355,000.00	32.0
Fringe benefits	45,012.00	4.1
Total	400,012.00	36.1
Variable remuneration components		
One-year variable remuneration/annual bonus	586,845.00	52.9
Multiyear variable remuneration/long-term incentive (LTI)		
LTI (performance share plan) 2018–2020	122,517.07	11.0
Other remuneration		
Special payments	–	–
Special benefits paid to new Board of Management members	–	–
Total remuneration granted and owed	1,109,374.07	100.00
Pension expenses	271,099.00	x
Total remuneration including pension expenses	1,380,473.07	x
Maximum remuneration	1,750,000.00	x
Clawback in accordance with section 162(1) sentence 2 no. 4 of the AktG	–	x

ANNUAL BONUS



2.2 Explanation

2.2.1 Performance criteria for variable remuneration

a) Performance criteria for the annual bonus

aa) Financial subtargets

The following overviews show the threshold values, target values and maximum values set by the Supervisory Board for fiscal year 2021 for the financial subtargets operating result, including Chinese joint ventures (proportionate), and operating return on sales (RoS), along with the actual figures and target achievement levels in percent in fiscal year 2021.

COMPONENT 1: OPERATING RESULT INCLUDING CHINESE JOINT VENTURES (PROPORTIONATE)

COMPONENT 2: OPERATING RETURN ON SALES

€ billion	2021
Maximum value	25.0
100% target level	17.0
Threshold value	9.0
Actual	22.3
Target achievement (in %)	133

%	2021
Maximum value	8.0
100% target level	6.0
Threshold value	4.0
Actual	7.7
Target achievement (in %)	143

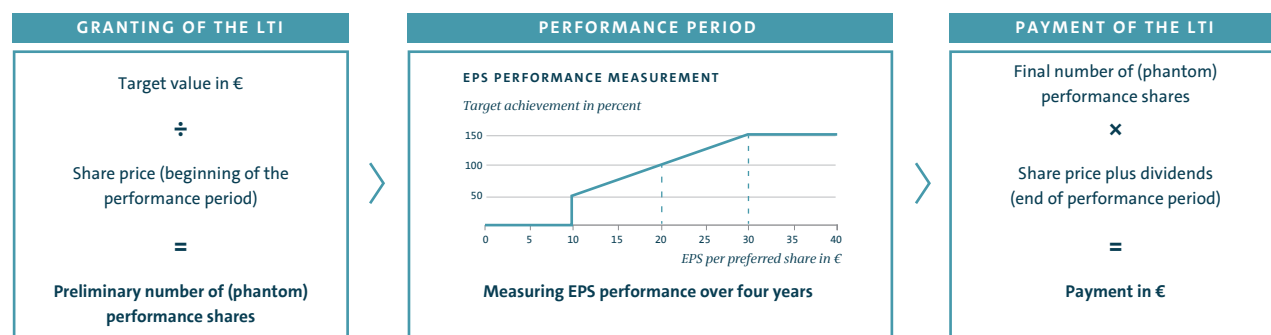
bb) ESG factor

The following overview shows the minimum values, target values and maximum values set by the Supervisory Board for fiscal year 2021 for the environmental (decarbonization index) and social (sentiment rating and diversity index) subtargets along with the actual figures and target achievement levels in fiscal year 2021. The decarbonization index measures the emissions of CO₂ and CO₂ equivalents by the passenger car- and light commercial vehicle-producing brands over the entire life cycle and documents the progress we are making in improving our carbon footprint. The sentiment rating is an important parameter of the opinion survey – an employee poll with which the Group regularly gathers information regarding employee satisfaction. The diversity index is used worldwide to determine the development of the proportion of women in management and the

internationalization of top management. The indicator provides incentives for an exemplary leadership and corporate culture. The governance factor is a means for the Supervisory Board to express its satisfaction with the expected and actual behavior of the Board of Management with regard to the criteria of integrity and compliance. As a rule, the governance factor should be 1.0 and may only be reduced to 0.9 or raised to 1.1 in exceptional circumstances based on a professional judgment of the Supervisory Board. For fiscal year 2021, the Supervisory Board has set the governance factor at the standard value of 1.0 for all current Board of Management members; it takes into account and assesses the collective performance of the Board of Management as a whole and the performance of each Management Board member individually.

	ENVIRONMENTAL		SOCIAL	
	Decarbonization index		Sentiment rating	Diversity index
in tCO ₂ e/vehicle	2021	Points	2021	2021
Maximum value	45.5	Maximum value	81.5	124
100 % target level	46.9	100 % target level	77.5	119
Minimum value	47.7	Minimum value	73.5	113
Actual	45.9	Actual	82.3	127
Target achievement (factor)	1.21	Target achievement (factor)	1.30	1.30

LONG-TERM INCENTIVE (LTI): (PHANTOM) PERFORMANCE SHARE PLAN (PSP)



b) Performance criteria for the long-term incentive (LTI)

The four-year performance share plan has applied since January 1, 2021 to all Board of Management members with service contracts newly concluded or renewed after the Supervisory Board resolution of December 14, 2020. This includes Mr. Antlitz, Mr. Aksel and Mr. Schmall-von Westerholt. For the Board of Management members already

appointed at the time of the Supervisory Board resolution of December 14, 2020, a three-year performance period continues to apply until their contracts are renewed. This is the case for Ms. Werner, Mr. Duesmann, Mr. Blume and Mr. Witter. The four-year performance share plan applies pro rata from July 10, 2021 for Mr. Diess and pro rata from December 10, 2021 for Mr. Kilian.

aa) Information on the performance shares

	PERFORMANCE PERIOD 2018–2020	PERFORMANCE PERIOD 2019–2021	PERFORMANCE PERIOD 2020–2022	PERFORMANCE PERIOD 2021–2023	PERFORMANCE PERIOD 2021–2024
€	Number of performance shares allocated at the grant date	Number of performance shares allocated at the grant date	Number of performance shares allocated at the grant date	Number of performance shares allocated at the grant date	Number of performance shares allocated at the grant date
Herbert Diess	19,212	26,040	21,585	13,368	12,313
Murat Aksel (since January 1, 2021)	–	–	–	–	12,069
Arno Antlitz (since April 1, 2021)	–	–	–	–	9,052
Oliver Blume	7,614	12,238	10,144	12,069	–
Markus Duesmann	–	–	7,608	12,069	–
Gunnar Kilian	7,614	12,238	10,144	11,342	727
Thomas Schmall-von Westerholt (since January 1, 2021)	–	–	–	–	12,069
Hiltrud Dorothea Werner	10,624	12,238	10,144	12,069	–
Frank Witter (until March 31, 2021)	10,624	12,238	10,144	3,018	–
Total	55,688	74,992	69,769	63,935	46,230

bb) EPS performance

The following overview shows the minimum value, target value and maximum value set by the Supervisory Board at the beginning of the performance period for the performance share plan 2018–2020, which was paid out in fiscal year 2021, along with the actual figure and target achievement level in percent.

PERFORMANCE PERIOD 2018–2020

€	2018	2019	2020
Maximum value	30.0	30.0	30.0
100% target level	20.0	20.0	20.0
Minimum value	10.0	10.0	10.0
Actual	23.63	26.66	16.66
Target achievement (in %)	118	133	83

The following overviews show the minimum value, target value and maximum value set by the Supervisory Board at the beginning of the performance periods 2019–2021, 2020–2022 and 2021–2023 or 2021–2024 along with the actual figures and target achievement levels attained in percent so far for the individual years of the assessment period up to and including 2021. The performance share plans for the performance periods 2019–2021, 2020–2022 and 2020–2023 or 2021–2024 were not due in fiscal year 2021 and have not yet been paid out; they therefore do not constitute remuneration granted or owed in fiscal year 2021.

PERFORMANCE PERIOD 2019–2021

€	2019	2020	2021
Maximum value	30.0	30.0	30.0
100% target level	20.0	20.0	20.0
Minimum value	10.0	10.0	10.0
Actual	26.66	16.66	29.65
Target achievement (in %)	133	83	148

PERFORMANCE PERIOD 2020–2022

€	2020	2021
Maximum value	30.0	30.0
100% target level	20.0	20.0
Minimum value	10.0	10.0
Actual	16.66	29.65
Target achievement (in %)	83	148

PERFORMANCE PERIOD 2021–2023

€	2021
Maximum value	30.0
100% target level	20.0
Minimum value	10.0
Actual	29.65
Target achievement (in %)	148

PERFORMANCE PERIOD 2021–2024

€	2021
Maximum value	30.0
100% target level	20.0
Minimum value	10.0
Actual	29.65
Target achievement (in %)	148

cc) Reference prices/dividend equivalent for the performance periods

The relevant initial reference price, closing reference price and dividend equivalent for the performance period 2018–2020 can be found in the following overview.

	PERFORMANCE PERIOD
	2018–2020
Initial reference price	169.42
Closing reference price	149.14
Dividend equivalent	
2018	3.96
2019	4.86
2020	4.86

The following overview shows the initial reference price, closing reference price and dividend equivalent for the performance share plans not yet due and not yet paid out for the performance periods 2019–2021, 2020–2022 and 2021–2023 or 2021–2024.

	PERFORMANCE PERIOD			
	2019–2021	2020–2022	2021–2023	2021–2024
Initial reference price	147.08	177.44	149.14	149.14
Closing reference price	175.75	– ¹	– ¹	– ¹
Dividend equivalent				
2019	4.86	–	–	–
2020	4.86	4.86	–	–
2021	4.86	4.86	4.86	4.86

¹ Determined at the end of the performance period.

dd) Advances

In the introductory phase of the performance share plan, the members of the Board of Management who were Board members as of December 31, 2016 generally received advances of 80% of their target amount for the 2017 to 2019 and 2018 to 2020 performance periods. Mr. Blume received corresponding advances for the performance periods 2018 to 2020 (proportionate) and 2019 to 2021. The advances were paid after the first year of the relevant performance period. Final settlement is based on actual achievement of targets at the end of the relevant three-year performance period.

2.2.2 Conformity with the remuneration system

The remuneration granted and owed to the Board of Management members in fiscal year 2021 meets the requirements of the remuneration system for the members of the Board of Management. There was no deviation from the applicable remuneration system in fiscal year 2021. There was no need to reduce the payments related to the annual bonus and performance share plan, as they did not exceed 180% of the target amount for the annual bonus or 200% of the target amount for the performance share plan. The total remuneration granted and owed to the Board of Management members in fiscal year 2021 did not exceed the maximum remuneration envisaged by the remuneration system. Due to the base salary paid out for fiscal year 2021, the annual bonus granted for fiscal year 2021 and paid out at the beginning of fiscal year 2022, and the performance share plan paid out in fiscal year 2021 for the 2018 to 2020 performance period, Board of Management member Ms. Werner would have received total cash remuneration above the agreed cash remuneration cap of €5.5 million gross in fiscal year 2021. Against this background, the payment amount from the annual bonus was reduced by the excess amount of €197,448.28. The table entitled “Remuneration granted and owed” therefore shows the reduced annual bonus amount for Ms. Werner. The Supervisory Board of Volkswagen AG reappointed Mr. Diess as a member of the Board of Management in fiscal year 2021 with effect from the beginning of July 10, 2021 and named him Chair of the Board of Management, thereby ending his existing appointment with effect from the end of July 9, 2021. A new service contract was concluded in this context, the terms of which correspond to the remuneration system applicable to members of the Volkswagen AG Board of Management from January 1, 2021. A four-year performance share plan has thus applied to Mr. Diess since July 10, 2021. For fiscal year 2021, the LTI was therefore based pro rata on a three-year performance share plan up to and including July 9, 2021 and a four-year performance share plan from July 10, 2021. The penalty and clawback rules were consequently only applicable as from July 10, 2021. Volkswagen AG also reappointed Mr. Kilian as a member of the Board of Management with effect from the beginning of December 10, 2021, thereby ending his existing appointment with effect from the end of December 9, 2021. A new service contract was concluded in this context, the terms of which correspond to the remuneration system applicable to members of the Volkswagen AG Board of Management from January 1, 2021. In line with the arrangements for Mr. Diess, a four-year performance share plan applied pro rata to Mr. Kilian starting on December 10, 2021, along with the penalty and clawback rules.

PENSIONS OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN 2021 IN ACCORDANCE WITH IAS 19

€	Cash value	Pension expenses in fiscal year 2021
Herbert Diess	8,736,404.00	1,717,037.00
Murat Aksel	1,076,359.00	1,076,359.00
Arno Antlitz (since April 1, 2021)	883,496.00	883,496.00
Oliver Blume	3,669,616.00	1,092,470.00
Markus Duesmann	1,741,168.00	1,120,404.00
Gunnar Kilian	4,313,101.00	1,309,055.00
Thomas Schmall-von Westerholt	1,040,965.00	1,040,965.00
Hiltrud Dorothea Werner	5,724,252.00	1,261,258.00
Frank Witter (until March 31, 2021)	–	271,099.00
Total	27,185,361.00	9,772,143.00

2.2.3 Benefits and pension commitments in connection with termination

a) Benefits and pension commitments to Board of Management members for early termination

The remuneration system for the members of the Board of Management and the service contracts of the Board of Management members provide for severance payments in the event that an appointment as member of the Board of Management is revoked. In such cases – except where there is good cause entitling the Company to terminate the service contract prematurely or where the appointment is revoked due to a gross breach of duty – the Board of Management member receives a gross severance payment in the amount of the total remuneration of the past financial year up to the end of the regular term of the appointment, for a maximum of two years, calculated as of the date of the termination of the appointment as member of the Board of Management. Any special payment will not be taken into account for the calculation. Should a Board of Management member leave during the course of the first fiscal year of the appointment, the calculation will by way of exception be based on the expected total remuneration for the current fiscal year. The severance payment will be paid in a maximum of 24 monthly installments from the time of the termination of the appointment as a member of the Company's Board of Management. Contractual remuneration paid by the Company for the period from the termination of the appointment until the end of the service contract will be offset against the severance payment. Should Board of Management members take up other work after the termination of their appointment, the amount of the severance payment will be reduced by the amount of the income earned from that work. Should a post-contractual non-compete covenant be agreed, the severance payment will be offset against the compensation received for observing the post-contractual non-compete covenant.

The members of the Board of Management are also entitled to a pension and to a surviving dependents' pension as well as the use of company cars for the period in which they receive their pension in the event of early termination of their service on the Board of Management.

b) Pension commitments to Board of Management members for regular termination of service

In the event of regular termination of their service on the Board of Management, the members of the Board of Management are entitled to a pension, including a surviving dependents' pension, as well as the use of company cars for the period in which they receive their pension. The agreed benefits are paid or made available when the Board of Management member reaches the age of 63, or in Mr. Duesmann's, Mr. Aksel's, Mr. Schmall-von Westerholt's and Mr. Antlitz's case, when they reach the age of 65.

The Board of Management members received a defined contribution plan, which is based in principle on a works agreement that also applies to the employees of Volkswagen AG covered by collective agreements and includes retirement, invalidity and surviving dependents' benefits. A pension contribution in the amount of 50% of the base salary for Ms. Werner and Mr. Diess and in the amount of 40% of the base salary for Mr. Aksel, Mr. Blume, Mr. Duesmann, Mr. Kilian, Mr. Schmall-von Westerholt and Mr. Antlitz is paid to Volkswagen Pension Trust e.V. at the end of the calendar year for each year they are appointed to the Board of Management. The pension contribution for Mr. Witter was 50%. The annual pension contributions result in modules of what is, in principle, a lifelong pension in line with the arrangements that also apply to employees covered by collective agreements.

The individual pension modules vest immediately upon payment to Volkswagen Pension Trust e.V. Instead of a lifelong pension, benefits can optionally be paid out as a lump sum or in installments when the beneficiary reaches retirement age. Volkswagen AG has assumed responsibility for pension entitlements due to Mr. Witter from the time before his service with the Company. The earliest point at which he can draw his pension is when he reaches the age of 60; for his other pension entitlements, the earliest point at which Mr. Witter may retire is at the age of 62.

There were no changes to these commitments in fiscal year 2021.

The overview on the previous page shows the pensions for the individual members of the Board of Management in fiscal year 2021, indicating the present value and the pension expense for the Company during the last fiscal year.

c) Benefits and pension commitments to Board of Management members who left in fiscal year 2021

Mr. Witter left in fiscal year 2021. He was originally appointed as a member of the Volkswagen AG Board of Management until the end of June 30, 2021. Mr. Witter's appointment to the Board of Management of Volkswagen AG was terminated early by mutual agreement, effective March 31, 2021. Due to this termination, Volkswagen AG concluded a termination agreement with Mr. Witter. The subject of this termination agreement included the continuation of his service contract until its regular termination date, i.e. until the end of June 30, 2021. Volkswagen AG agreed to continue paying Mr. Witter his monthly base salary until the termination date of his service contract and to grant the annual bonus for 2021 and the LTI for the performance period 2021–2023 on a pro rata basis (6/12). Until the end of his service contract, Mr. Witter retained private use of his company cars and was entitled to fringe benefits.

2.2.4 No clawback claims in fiscal year 2021

Volkswagen AG did not seek to claw back any variable remuneration components from individual Board of Management members in fiscal year 2021. The prerequisites for a clawback claim did not apply.

IV. Remuneration of former Board of Management members

In accordance with section 162(1) sentence 1 of the AktG, the remuneration granted and owed to former members of the Board of Management must also be reported.

1. Remuneration granted and owed in fiscal year 2021 (individualized)

Under section 162(5) sentence 2 of the AktG, the obligation to report individually on the remuneration granted and owed to former Board of Management members also extends to remuneration granted and owed in the ten years after their most recent term of office on the Board of Management or Supervisory Board at Volkswagen AG.

The following tables show the remuneration granted and owed in fiscal year 2021 to the individual former members of the Board of Management who left after fiscal year 2011. As with the current Board of Management members, the annual bonus paid at the beginning of 2022 to former Board of Management members for the 2021 fiscal year is counted as remuneration granted in fiscal year 2021.

2. Total remuneration granted to former Board of Management members

Section 162(5) sentence 2 of the AktG does not require the Company to report individually on the remuneration granted and owed in 2021 to former members of the Board of Management whose most recent term of office on the Board of Management or Supervisory Board at Volkswagen AG came to an end before the beginning of 2012 and who were then granted and owed remuneration for more than ten years after leaving Volkswagen AG. A total of €9.1 million was granted and owed to such former Board of Management members and their surviving dependents in fiscal year 2021. Obligations for pensions for this group of persons measured in accordance with IAS 19 amounted to €119.9 million.

	KARLHEINZ BLESSING	
	2021	
	€	%
Pension payments	181,512.60	26.8
Base salary	–	–
Fringe benefits	5,667.50	0.8
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018 – 2020)	490,068.28	72.4
Severance payments	–	–
Total remuneration granted and owed	677,248.38	100.0

	FRANCISCO JAVIER GARCIA SANZ	
	2021	
	€	%
Pension payments	712,068.00	57.6
Base salary	–	–
Fringe benefits	34,128.00	2.8
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018 – 2020)	490,068.28	39.6
Severance payments	–	–
Total remuneration granted and owed	1,236,264.28	100.0

	JOCHEM HEIZMANN	
	2021	
	€	%
Pension payments	739,200.00	59.2
Base salary	–	–
Fringe benefits	18,489.00	1.5
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018 – 2020)	490,068.28	39.3
Severance payments	–	–
Total remuneration granted and owed	1,247,757.28	100.0

	CHRISTINE HOHMANN-DENNHARDT	
	2021	
	€	%
Pension payments	107,130.12	75.6
Base salary	–	–
Fringe benefits	34,521.14	24.4
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018–2020)	–	–
Severance payments	–	–
Total remuneration granted and owed	141,651.26	100.0

	MICHAEL MACHT	
	2021	
	€	%
Pension payments	739,200.00	95.7
Base salary	–	–
Fringe benefits	33,181.98	4.3
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018–2020)	–	–
Severance payments	–	–
Total remuneration granted and owed	772,381.98	100.0

	MATTHIAS MÜLLER	
	2021	
	€	%
Pension payments	1,108,800.00	78.5
Base salary	–	–
Fringe benefits	25,873.18	1.8
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018–2020)	277,297.32	19.6
Severance payments	–	–
Total remuneration granted and owed	1,411,970.50	100.0

	HORST NEUMANN	
	2021	
	€	%
Pension payments	660,058.20	95.1
Base salary	–	–
Fringe benefits	33,660.00	4.9
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018–2020)	–	–
Severance payments	–	–
Total remuneration granted and owed	693,718.20	100.0

	LEIF ÖSTLING	
	2021	
	€	%
Pension payments	243,848.76	100.0
Base salary	–	–
Fringe benefits	–	–
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018–2020)	–	–
Severance payments	–	–
Total remuneration granted and owed	243,848.76	100.0

	HANS DIETER PÖTSCH	
	2021	
	€	%
Pension payments	814,800.00	96.8
Base salary	–	–
Fringe benefits	26,719.14	3.2
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018–2020)	–	–
Severance payments	–	–
Total remuneration granted and owed	841,519.14	100.0

	ANDREAS RENSCHLER	
	2021	
	€	%
Pension payments	–	–
Base salary	–	–
Fringe benefits	73,765.00	1.3
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018–2020)	490,068.28	8.8
Severance payments	5,036,253.00	89.9
Total remuneration granted and owed	5,600,086.28	100.0

	RUPERT STADLER	
	2021	
	€	%
Pension payments	–	–
Base salary	–	–
Fringe benefits	4,354.68	0.9
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018–2020) ¹	468,508.74	99.1
Severance payments ²	–	–
Total remuneration granted and owed	472,863.42	100.0

1 In the context of the diesel liability settlement, which was approved by the Annual General Meeting on July 22, 2021, Mr. Stadler has waived a further €420,000 gross of his LTI for fiscal year 2018 as his personal contribution.

2 In the context of the diesel liability settlement, which was approved by the Annual General Meeting on July 22, 2021, Mr. Stadler has waived his conditional claim to a severance payment of €5,112,500 gross from Volkswagen AG and AUDI AG. Moreover, Mr. Stadler has waived possible additional claims to severance payments from AUDI AG. In the context of the liability settlement, €3.6 million of the waived severance payment from Volkswagen AG and AUDI AG and €80,000 of the waived additional severance claims against AUDI AG were considered as Mr. Stadler's personal contribution.

	MARTIN WINTERKORN	
	2021	
	€	%
Pension payments	1,180,800.00	97.6
Base salary	–	–
Fringe benefits	28,572.00	2.4
One-year variable remuneration/annual bonus	–	–
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018 – 2020) ¹	–	–
Severance payments ²	–	–
Total remuneration granted and owed	1,209,372.00	100.0

1 In the context of the diesel liability settlement, which was approved by the Annual General Meeting on July 22, 2021, Mr. Winterkorn has waived €1.335 million gross of his special benefits for fiscal year 2016, which were deferred to June 30, 2021 on the basis of a contractual agreement, as his personal contribution.

2 In the context of the diesel liability settlement, which was approved by the Annual General Meeting on July 22, 2021, Mr. Winterkorn has waived €2.655 million gross of his LTI for fiscal year 2016, which was deferred to June 30, 2021 on the basis of a contractual agreement, as his personal contribution.

	FRANK WITTER ¹	
	2021	
	€	%
Pension payments	216,385.92	13.7
Base salary	355,000.00	22.5
Fringe benefits	54,570.20	3.5
One-year variable remuneration/annual bonus	586,845.00	37.1
Multiyear variable remuneration/long-term incentive (LTI, performance share plan 2018 – 2020)	367,551.21	23.3
Severance payments	–	–
Total remuneration granted and owed	1,580,352.33	100.0
Pension expenses	271,099.00	–
Total remuneration incl. pension expenses	1,851,451.33	–

1 Mr. Witter was an active Board of Management member until March 31, 2021. The table shows his remuneration in fiscal year 2021 after his departure from the Board of Management.

V. Comparative presentation

The following table shows a comparison of the year-on-year percentage change in the remuneration of current and former Board of Management members with the earnings performance of Volkswagen AG and with the average remuneration of employees on a full time equivalent basis. For members of the Board of Management, the remuneration granted and owed in in the reporting year, is placed in relation to the equivalent figure for the previous year.

Earnings performance is shown on the basis of Volkswagen AG's net income or loss for the year. However, the remuneration of the Board of Management members is based on Group KPIs. In order to demonstrate more transparently how the remuneration of the Board of Management members has changed compared with earnings performance, the earnings after tax, operating result and operating return on sales of the Volkswagen Group, as reported in the consolidated financial statements, are also used in determining earnings performance. This means that Group KPIs are not only applied in calculating the remuneration of the Board of Management members but also in determining earnings performance. The Group KPIs used in determining earnings performance show the overall effect of the business activities for which the Board of Management is responsible.

The comparison with the growth in average employee remuneration is based on the personnel expenses of Volkswagen AG reported in the notes to the annual financial statements of Volkswagen AG, adjusted for the remuneration of the members of the Board of Management. These adjusted personnel expenses are divided by the number of full time equivalent employees of Volkswagen AG as of December 31, 2021, excluding the members of the Board of Management.

VI. Peer group

The Supervisory Board regularly reviews and, if necessary, adjusts the level of the remuneration, the total remuneration cap and the individual targets. Among other things, the Supervisory Board performs a vertical comparison with the remuneration and employment terms of the Company's employees and a horizontal comparison with the remuneration and employment terms of other companies' management board members. The Supervisory Board conducts a peer group comparison to assess whether the specific total remuneration paid to the members of the Board of Management is customary when measured against that paid in other companies. This peer group is regularly reviewed and adjusted, most recently in February and December 2020. The peer group currently comprises the following companies: BMW, Daimler, Ford, General Motors, Stellantis, Nissan Motor Corporation, Toyota, BYD, Tesla (excluding CEO), hp, IBM, Uber, SAP, Samsung, General Electric, Siemens, Hitachi and Boeing.

Annual change in %	2021 compared with 2020 ¹
Board of Management remuneration²	
Herbert Diess	+ 40.1 %
Murat Aksel	–
Arno Antlitz	–
Oliver Blume	+ 74.8 %
Markus Duesmann	– 56.6 %
Gunnar Kilian	+ 128.3 %
Thomas Schmall-von Westerholt	–
Hiltrud Dorothea Werner	+ 6.6 %
Frank Witter ³	– 34.5 %
Karlheinz Blessing	– 83.0 %
Francisco Javier Garcia Sanz	– 43.8 %
Jochem Heizmann	– 50.7 %
Christine Hohmann-Dennhardt	+ 2.7 %
Michael Macht	+ 0.6 %
Matthias Müller	– 71.4 %
Horst Neumann	+ 0.1 %
Leif Östling	+ 1.0 %
Hans Dieter Pötsch	– 1.5 %
Andreas Renschler	– 0.2 %
Rupert Stadler	– 73.7 %
Martin Winterkorn	+ 0.2 %
Earnings performance	
Net income or loss for the year of Volkswagen AG	– 36.2 %
Earnings after tax of the Volkswagen Group	+ 74.8 %
Operating result of the Volkswagen Group	+ 99.2 %
Operating return on sales of the Volkswagen Group	+ 79.1 %
Employees	
Volkswagen AG employees	+ 9.2 %

1 Under the transitional provision of section 26j(2) sentence 2 of the *Einführungsgesetz zum Aktiengesetz* (EGAktG – Introductory Act to the German Stock Corporation Act), the comparative presentation is to be based on the average remuneration in the period since fiscal year 2020 only, rather than the average remuneration for the last five fiscal years; this provision applies until the end of fiscal year 2025.

2 Remuneration "granted and owed" within the meaning of section 162(1) sentence 1 of the AktG.

3 Remuneration "granted and owed" for full fiscal year 2021 as an active Board of Management member and after his departure from the Board of Management.

B. REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

I. Principles of Supervisory Board remuneration

Following its regular review of Supervisory Board remuneration, the Supervisory Board proposed a revision of the remuneration for the members of the Supervisory Board to the 2017 Annual General Meeting. The proposed revision to the Supervisory Board remuneration system was approved by the Annual General Meeting on May 10, 2017 with 99.98% of the votes cast. The remuneration of the members of the Supervisory Board is governed by Article 17 of the Articles of Association of Volkswagen Aktiengesellschaft. Section 113(3) of the AktG, as amended by ARUG II, requires the Annual General Meeting of listed companies to pass a resolution on the remuneration of Supervisory Board members at least every four years, whereby a resolution confirming the existing remuneration is also permissible. Information on the system in place for the remuneration of the Supervisory Board members must also be provided in this process. At the Annual General Meeting on July 22, 2021, the Supervisory Board and Board of Management presented the existing remuneration of the members of the Supervisory Board for confirmation and the remuneration system for approval. The Annual General Meeting on July 22, 2021 confirmed the remuneration and approved the remuneration system with 99.99% of the votes cast.

The remuneration of the members of the Supervisory Board of Volkswagen AG is comprised entirely of non-performance-related remuneration components. Remuneration for supervisory board work at subsidiaries continues to be comprised partly of non-performance-related and partly of performance-related components.

II. Overview of remuneration

The members of the Supervisory Board of Volkswagen AG receive fixed remuneration of €100,000 per fiscal year. The Chair of the Supervisory Board receives fixed remuneration of €300,000; the Deputy Chair receives fixed remuneration of €200,000.

For their work in the Supervisory Board committees, the members of the Supervisory Board also receive additional fixed remuneration of €50,000 per committee and fiscal year provided the committee met at least once that year for the performance of its duties. Memberships of the Nomination and Mediation Committees established in accordance with section 27(3) of the *Mitbestimmungsgesetz* (MitbestG – German Codetermination Act) are not taken into account. Committee chairs receive double this amount, while the deputy chairs receive one-and-a-half times the committee remuneration listed previously. Remuneration is paid for work on a maximum of two committees, whereby the two most highly remunerated functions are taken into account if this maximum is exceeded. Supervisory Board members who

belonged to the Supervisory Board or one of its committees for only part of the fiscal year receive remuneration on a pro rata temporis basis. Any value-added tax incurred on the remuneration is reimbursed by the Company.

Supervisory Board members receive an attendance fee of €1,000 for attending a meeting of the Supervisory Board or one of its committees; if several meetings take place on the same day, the attendance fee is paid only once.

The remuneration and attendance fees are each payable after the end of the fiscal year.

The remuneration enables suitable, qualified candidates to be recruited to the Supervisory Board. As such, the remuneration of the members of the Supervisory Board contributes to the ability of the Supervisory Board as a whole to properly and competently perform its duties of monitoring and advising the Board of Management. Restricting the payment to fixed remuneration is also appropriate to the duties of the Supervisory Board. The restriction provides the Supervisory Board members with an incentive in their monitoring and advisory duties to properly scrutinize the activities of the Board of Management without being guided primarily by the performance of key operating ratios.

Once they have retired from the Supervisory Board, former members no longer receive remuneration from Volkswagen AG for their previous work on the Supervisory Board.

III. Other remuneration

Volkswagen AG reimburses Supervisory Board members for the expenses they incur in the course of their work. In accordance with Article 17(7) sentence 2 of the Articles of Association of Volkswagen AG, the members of the Supervisory Board were also covered in the reporting year by the directors and officers (D&O) insurance taken out by the Company in their interest. The Company paid the premiums for the D&O insurance. There was a deductible of at least 10% of the damage up to at least one-and-a-half times the fixed remuneration of the relevant Supervisory Board member.

IV. Remuneration to Supervisory Board members in fiscal year 2021

1. Supervisory Board members in fiscal year 2021

The members of the Volkswagen AG Supervisory Board in office during the 2021 fiscal year are listed in the table below.

2. Remuneration granted and owed

The following table shows the remuneration individually granted and owed to each of the Supervisory Board members in fiscal year 2021. This is based on the same understanding of the term “granted and owed” as set out on page 4 of this remuneration report. The remuneration reported in the table therefore reflects the amounts actually received in fiscal year 2021.

€ (%)	FIXED	WORK IN THE	MEETING	TOTAL	REMUNERATION
	REMUNERATION	COMMITTEES	ATTENDANCE		FOR SERVING ON
	2021	2021	FEES	2021	THE BOARDS OF
					OTHER GROUP
					COMPANIES ¹
					2021
Hans Dieter Pötsch	300,000.00 (72.3 %)	100,000.00 (24.1 %)	15,000.00 (3.6 %)	415,000.00	498,900.00
Jörg Hofmann ²	200,000.00 (69.0 %)	75,000.00 (25.9 %)	15,000.00 (5.2 %)	290,000.00	–
Hussain Ali Al Abdulla	100,000.00 (96.2 %)	–	4,000.00 (3.8 %)	104,000.00	–
Hessa Sultan Al Jaber	100,000.00 (94.3 %)	–	6,000.00 (5.7 %)	106,000.00	–
Bernd Althusmann ³	100,000.00 (62.9 %)	50,000.00 (31.4 %)	9,000.00 (5.7 %)	159,000.00	–
Kai Bliesener (until March 31, 2021) ²	25,000.00 (92.6 %)	–	2,000.00 (7.4 %)	27,000.00	–
Matías Carnero Sojo (since April 1, 2021) ⁴	–	–	–	–	–
Daniela Cavallo (since May 11, 2021) ²	63,888.89 (46.7 %)	61,944.44 (45.3 %)	11,000.00 (8.0 %)	136,833.33	86,308.59
Hans-Peter Fischer ²	100,000.00 (90.9 %)	–	10,000.00 (9.1 %)	110,000.00	–
Marianne Hei	100,000.00 (61.7 %)	50,000.00 (30.9 %)	12,000.00 (7.4 %)	162,000.00	83,700.00
Ulrike Jakob ²	100,000.00 (90.9 %)	–	10,000.00 (9.1 %)	110,000.00	–
Louise Kiesling	100,000.00 (92.6 %)	–	8,000.00 (7.4 %)	108,000.00	–
Peter Mosch ²	100,000.00 (47.1 %)	96,458.33 (45.4 %)	16,000.00 (7.5 %)	212,458.33	163,900.00
Bertina Murkovic ²	100,000.00 (46.3 %)	100,000.00 (46.3 %)	16,000.00 (7.4 %)	216,000.00	–
Bernd Osterloh (until April 30, 2021) ²	33,055.56 (42.2 %)	41,319.44 (52.7 %)	4,000.00 (5.1 %)	78,375.00	47,552.18
Hans Michel Pich	100,000.00 (60.2 %)	50,000.00 (30.1 %)	16,000.00 (9.6 %)	166,000.00	190,800.00
Ferdinand Oliver Porsche	100,000.00 (38.0 %)	150,000.00 (57.0 %)	13,000.00 (4.9 %)	263,000.00	163,800.00
Wolfgang Porsche	100,000.00 (37.6 %)	150,000.00 (56.4 %)	16,000.00 (6.0 %)	266,000.00	215,800.00
Jens Rothe (since October 22, 2021) ²	19,166.67 (90.6 %)	–	2,000.00 (9.4 %)	21,166.67	–
Conny Schnhardt ²	100,000.00 (61.7 %)	50,000.00 (30.9 %)	12,000.00 (7.4 %)	162,000.00	–
Athanasios Stimoniaris (until August 31, 2021) ²	66,666.67 (91.7 %)	–	6,000.00 (8.3 %)	72,666.67	199,586.15
Stephan Weil ³	100,000.00 (61.3 %)	50,000.00 (30.7 %)	13,000.00 (8.0 %)	163,000.00	–
Werner Weresch ²	100,000.00 (91.7 %)	–	9,000.00 (8.3 %)	109,000.00	94,500.00
Total	2,207,777.79	1,024,722.21	225,000.00	3,457,500.00	1,744,846.92

1 The remuneration for membership of other Group bodies includes variable remuneration components for the following members of the Supervisory Board: Hans Dieter Ptsch (142,400.00), Marianne Hei (71,200.00), Peter Mosch (142,400.00), Hans Michel Pich (106,800.00), Ferdinand Oliver Porsche (106,800.00), Wolfgang Porsche (106,800.00) and Athanasios Stimoniaris (40,000.00).

2 These employee representatives have stated that they will transfer their Supervisory Board remuneration to the Hans Bckler Foundation in accordance with the guidelines issued by the *Deutscher Gewerkschaftsbund* (DGB – German Confederation of Trade Unions).

3 Under section 5(3) of the *Niederschsisches Ministergesetz* (German Act Governing Ministers of the State of Lower Saxony), these members of the Supervisory Board are obliged to transfer their Supervisory Board remuneration to the State of Lower Saxony as soon as and in so far as it exceeds 6,200 per annum. Remuneration is defined for this purpose as Supervisory Board remuneration and attendance fees exceeding the amount of 200.

4 Mr. Carnero Sojo waived his remuneration for fiscal year 2021 in its entirety.

V. Comparative presentation

The following table compares the year-on-year percentage change in the remuneration of the Supervisory Board members with the earnings performance of Volkswagen AG and with the average remuneration of employees on a full time equivalent basis.

Earnings performance is shown on the basis of Volkswagen AG's net income or loss for the year. The Volkswagen Group's earnings after tax are also used as a Group KPI.

The comparison with the growth in average employee remuneration is based on the personnel expenses of Volkswagen AG reported in the notes to the annual financial statements of Volkswagen AG, adjusted for the remuneration of the members of the Board of Management. These adjusted personnel expenses are divided by the number of full time equivalent employees of Volkswagen AG as of December 31, 2021, excluding the members of the Board of Management.

Annual change in %	2021 compared with 2020 ¹
Supervisory Board remuneration²	
Hans Dieter Pötsch	+1.5 %
Jörg Hofmann	-3.0 %
Hussain Al Abdulla	+1.0 %
Hessa Sultan Al Jaber	-2.8 %
Bernd Althusmann	-2.5 %
Kai Bliesener (until March 31, 2021)	-54.3 %
Matías Carnero Sojo (since April 1, 2021)	-
Daniela Cavallo (since May 11, 2021)	-
Hans-Peter Fischer	-2.7 %
Marianne Heiß	+2.6 %
Ulrike Jakob	-2.7 %
Louise Kiesling	-4.4 %
Peter Mosch	+2.1 %
Bertina Murkovic	+7.8 %
Bernd Osterloh (until April 30, 2021)	-68.3 %
Hans Michel Piëch	+13.5 %
Ferdinand Oliver Porsche	+3.1 %
Wolfgang Porsche	+8.9 %
Jens Rothe (since October 22, 2021)	-
Conny Schönhardt	-3.0 %
Athanasios Stimoniariis (until August 31, 2021)	-35.8 %
Stephan Weil	-4.1 %
Werner Weresch	+9.1 %
Earnings performance	
Net income or loss for the year of Volkswagen AG	-36.2 %
Earnings after tax of the Volkswagen Group	+74.8 %
Employees	
Volkswagen AG employees	+9.2 %

1 Under the transitional provision of section 26j(2) sentence 2 of the *Einführungsgesetz zum Aktiengesetz* (EGAktG – Introductory Act to the German Stock Corporation Act), the comparative presentation is to be based on the average remuneration in the period since fiscal year 2020 only, rather than the average remuneration for the last five fiscal years; this provision applies until the end of fiscal year 2025.

2 Remuneration "granted and owed" within the meaning of section 162(1) sentence 1 of the AktG.