

# Remuneration Report

This chapter describes the main elements of the remuneration system for the Board of Management. In addition, the Remuneration Report details the individualized remuneration of the Board of Management and the Supervisory Board of Volkswagen AG, broken down into components, as well as individualized pension provision disclosures for the members of the Board of Management.

## PRINCIPLES OF BOARD OF MANAGEMENT REMUNERATION

Matters involving the remuneration system and the total remuneration of each individual member of the Volkswagen AG Board of Management are decided on by the Supervisory Board on the basis of the Executive Committee's recommendations. The remuneration system implements the requirements of the Aktiengesetz (AktG – German Stock Corporation Act) and the recommendations of the German Corporate Governance Code (the Code) in the version dated February 7, 2017. In particular, the remuneration structure is focused on ensuring sustainable business development in accordance with the Gesetz zur Angemessenheit der Vorstandsvergütung (VorstAG – German Act on the Appropriateness of Executive Board Remuneration) and section 87(1) of the AktG.

At the beginning of 2017, the Supervisory Board of Volkswagen AG resolved to adjust the remuneration system of the Board of Management with effect from January 1, 2017. The system for remuneration of the Board of Management was approved by the Annual General Meeting on May 10, 2017 with 80.96% of the votes cast. The adjustment, in which the Supervisory Board was assisted by renowned, independent external remuneration and legal consultants, resulted in an alignment with the Group strategy.

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 Company, as well as how customary the remuneration is when measured against the peer group and the remuneration structure that applies to other areas of Volkswagen. In this context, comparative studies on remuneration are conducted on a regular basis.

## COMPONENTS OF BOARD OF MANAGEMENT REMUNERATION

In this section, we provide an overview of the Board of Management's remuneration system before going into the components of the remuneration for the reporting period.

### Overview of the remuneration system

The remuneration system of the Board of Management comprises non-performance-related and performance-related components. The performance-related remuneration consists of an annual bonus with a one-year assessment period and a long-term incentive (LTI) in the form of a performance share plan with a forward-looking three-year term. The performance share plan is linked to business development in the next three years and is thus based on a multiyear, forward-looking assessment that reflects both positive and negative developments. The non-performance-related component creates an incentive for individual members of the Board of Management to perform their duties in the best interests of the Company and to fulfill their obligation to act with proper business prudence without needing to focus on merely short-term performance targets. The performance-related components, dependent among other criteria on the financial performance of the Company, serve to ensure the long-term impact of behavioral incentives.

If 100% of the targets agreed with each of the members of the Board of Management are achieved, the annual target remuneration for each member will amount to a total of €4,500,000 (corresponding to a fixed remuneration of €1,350,000, a target amount from the annual bonus of €1,350,000 and a target amount from the performance share plan of €1,800,000). The annual target remuneration for the

Chairman of the Board of Management amounts to a total of €9,000,000 (fixed remuneration of €2,125,000, a target amount from the annual bonus of €3,045,000, and a target amount from the performance share plan of €3,830,000).

Annual minimum remuneration of €3.5 million (sum of fixed remuneration, annual bonus, LTI and any special payments) was contractually agreed with Mr. Sommer.

#### Non-performance-related remuneration

The non-performance-related remuneration comprises fixed remuneration and fringe benefits. Since 2018, separate remuneration is no longer provided for appointments assumed at Group companies, but is covered by the fixed remuneration. The fringe benefits result from noncash benefits and include in particular the use of operating assets such as company cars and the payment of insurance premiums. Taxes due on these noncash benefits are mainly borne by Volkswagen AG.

The fixed level of remuneration is reviewed regularly and adjusted if necessary.

#### Performance-related remuneration

The performance-related/variable remuneration consists of an annual performance-related bonus with a one-year assessment period and a long-term incentive (LTI) in the form of a performance share plan with a forward-looking three-year term (long-term incentive components) and phantom preferred shares. The components of performance-related/

variable remuneration reflect both positive and negative developments.

The Supervisory Board may cap the performance-related/variable remuneration components in the event of extraordinary developments.

#### Annual bonus

The annual bonus is based upon the result for the respective fiscal year. Operating profit achieved by the Volkswagen Group plus the proportionate operating profit of the Chinese joint ventures form half of the basis for the annual bonus, with operating return on sales achieved by the Volkswagen Group making up the second half. Each of the two components of the annual bonus are only payable if certain thresholds are reached or exceeded.

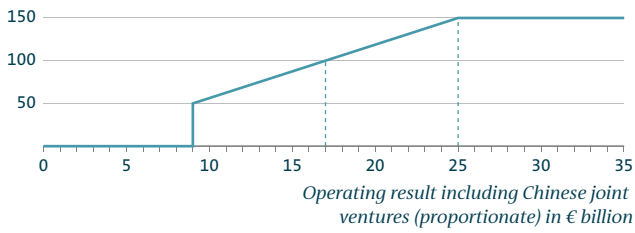
The calculated payment amount may be individually reduced by up to 20% (multiplier of 0.8) or increased by up to 20% (multiplier of 1.2) by the Supervisory Board, taking into account the degree of achievement of individual targets agreed between the Supervisory Board and the respective member of the Board of Management, as well as the success of the full Board of Management in transforming the Volkswagen Group by transferring employees to new areas of activity.

The payment amount for the annual bonus is capped at 180% of the target amount for the annual bonus. The cap arises from 150% of the maximum financial target achievement and a performance factor of a maximum of 1.2.

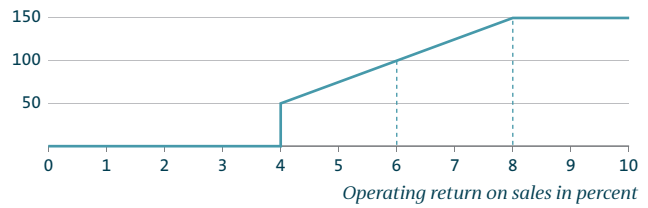
## CALCULATION OF THE PAYMENT AMOUNT FOR THE ANNUAL BONUS

**50 PERCENT COMPONENT 1**

Target achievement in percent

**50 PERCENT COMPONENT 2**

Target achievement in percent

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

€ billion	2018	2019
Maximum threshold	25.0	25.0
100% level of target	17.0	17.0
Minimum threshold	9.0	9.0
Actual	18.5	21.4
Target achievement (in %)	110	127

**COMPONENT 2: OPERATING RETURN ON SALES**

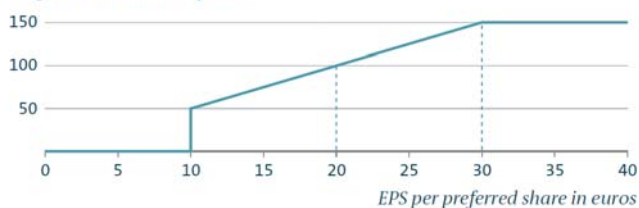
%	2018	2019
Maximum threshold	8.0	8.0
100% level of target	6.0	6.0
Minimum threshold	4.0	4.0
Actual	5.9	6.7
Target achievement (in %)	98	118

#### Performance share plan – long-term incentive (LTI)

The LTI is granted to the Board of Management annually in the form of a performance share plan. Each performance period of the performance share plan has a term of three years. At the time the LTI is granted, the annual target amount under the LTI is converted on the basis of the initial reference price of Volkswagen's preferred shares into performance shares of Volkswagen AG, which are allocated to the respective member of the Board of Management purely for calculation purposes. The conversion is performed based on the unweighted average of the closing prices of Volkswagen's preferred shares for the last 30 trading days preceding January 1 of a given fiscal year. At the end of each year, the number of performance shares is determined definitively for one-third of the three-year performance period based on the degree of target achievement for the annual earnings per Volkswagen preferred share (EPS – earnings per share per preferred share in €). A prerequisite for this is that a threshold is reached.

#### EPS PERFORMANCE MEASUREMENT

Target achievement in percent



#### PERFORMANCE PERIOD 2017–2019

€	2017	2018	2019
Maximum threshold	30.0	30.0	30.0
100% level of target	20.0	20.0	20.0
Minimum threshold	10.0	10.0	10.0
Actual	22.69	23.63	26.66
Target achievement (in %)	113	118	133

#### PERFORMANCE PERIOD 2018–2020

€	2018	2019
Maximum threshold	30.0	30.0
100% level of target	20.0	20.0
Minimum threshold	10.0	10.0
Actual	23.63	26.66
Target achievement (in %)	118	133

#### PERFORMANCE PERIOD 2019–2021

€	2019
Maximum threshold	30.0
100% level of target	20.0
Minimum threshold	10.0
Actual	26.66
Target achievement (in %)	133

After the end of the three-year term of the performance share plan, a cash settlement takes place. The payment amount corresponds to the final number of determined performance shares, multiplied by the closing reference price at the end of the three-year period plus a dividend equivalent for the relevant term. The closing reference price is the unweighted average of the closing prices for Volkswagen's preferred shares for the 30 trading days preceding the last day of the three-year performance period. The dividend equivalent corresponds to the dividends distributed during the holding period on a genuine Volkswagen preferred share.

	PERFORMANCE PERIOD		
	2017–2019	2018–2020	2019–2021
Initial reference price	127.84	169.42	147.08
Closing reference price	177.44	– <sup>1</sup>	– <sup>1</sup>
Dividend equivalent			
2017	2.06	–	–
2018	3.96	3.96	–
2019	4.86	4.86	4.86

1 Determined at the end of the performance period.

The payment amount under the performance share plan is limited to 200% of the target amount. The payment amount is reduced by 20% if the average ratio of capex to sales revenue or the R&D ratio in the Automotive Division of the last three years is smaller than 5%.

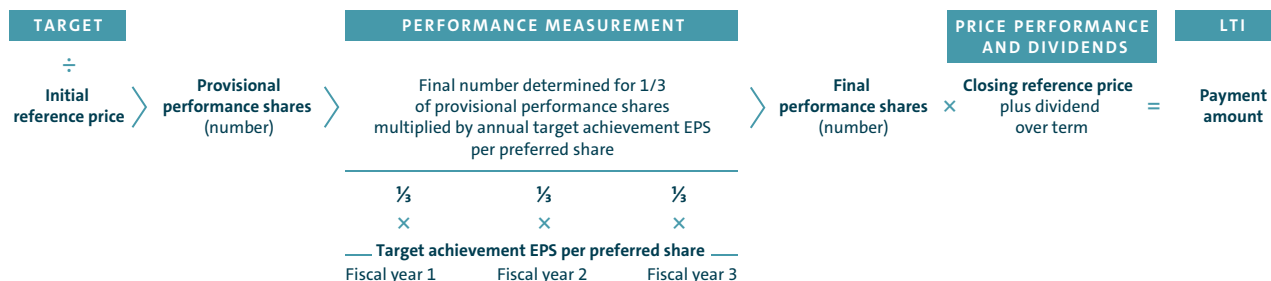
If the employment contract of a member of the Board of Management concludes prior to the end of the performance period due to extraordinary termination based on good cause, or if the member of the Board of Management starts working for a competitor (also referred to as “bad-leaver cases”), the unpaid performance shares will expire. For members of the Board of Management who held their seat as of December 31, 2016, this rule only applies in the event of a reappointment or new appointment.

In connection with the appointment of the Chairman of the Board of Management, the employment contract of Mr. Diess was terminated by mutual agreement in 2018 and a new employment contract was entered into, whereby the expiry rule described above applies from the 2018–2020 performance period onwards.

Ms. Werner was appointed as a member of the Board of Management in 2017. Mr. Blume, Mr. Kilian and Mr. Sommer were newly appointed to the Board of Management in 2018, followed by Mr. Schot in 2019.

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

## CALCULATION OF THE PAYMENT AMOUNT FROM THE PERFORMANCE SHARE PLAN



## INFORMATION ON THE PERFORMANCE SHARES

€	PERFORMANCE PERIOD 2017–2019		PERFORMANCE PERIOD 2018–2020		PERFORMANCE PERIOD 2019–2021	
	Number of performance shares allocated at the grant date	Fair value at the grant date	Number of performance shares allocated at the grant date	Fair value at the grant date	Number of performance shares allocated at the grant date	Fair value at the grant date
Herbert Diess	14,080	2,048,640	19,212	2,840,468	26,040	3,350,046
Oliver Blume (since April 13, 2018)	–	–	7,614	1,349,810	12,238	1,574,419
Jochem Heizmann (until January 10, 2019)	14,080	2,031,040	10,624	1,799,918	335	43,098
Gunnar Kilian (since April 13, 2018)	–	–	7,614	1,349,810	12,238	1,574,419
Andreas Renschler	14,080	1,891,648	10,624	1,799,918	12,238	1,574,419
Abraham Schot (since January 1, 2019)	–	–	–	–	12,238	1,574,419
Stefan Sommer (since September 1, 2018)	–	–	3,541	488,446	12,238	1,574,419
Hiltrud Dorothea Werner	12,907	1,856,672	10,624	1,799,918	12,238	1,574,419
Frank Witter	14,080	2,025,408	10,624	1,799,918	12,238	1,574,419
<b>Total</b>	<b>69,227</b>	<b>9,853,408</b>	<b>80,477</b>	<b>13,228,206</b>	<b>112,041</b>	<b>14,414,075</b>

€	Provision as of Dec. 31, 2019	Intrinsic value as of Dec. 31, 2019	Comprehensive income 2019 arising from performance shares	Provision as of Dec. 31, 2018	Intrinsic value as of Dec. 31, 2018 <sup>1</sup>	Comprehensive income 2018 arising from performance shares
	Herbert Diess	3,504,374	3,687,200	3,490,713	2,617,527	1,616,319
Oliver Blume (since April 13, 2018)	984,260	–	1,614,937	401,323	–	401,323
Jochem Heizmann (until January 10, 2019)	2,934,421	1,767,329	951,793	3,422,628	2,362,898	759,638
Gunnar Kilian (since April 13, 2018)	2,016,260	–	1,614,937	401,323	–	401,323
Andreas Renschler	5,572,774	3,879,394	1,713,961	5,298,813	2,362,898	1,991,565
Abraham Schot (since January 1, 2019)	3,925,694	–	3,925,694	–	–	–
Stefan Sommer (since September 1, 2018)	1,415,440	–	1,317,674	97,766	–	97,766
Hiltrud Dorothea Werner	5,019,403	2,782,969	2,852,956	2,166,448	–	1,542,922
Frank Witter	6,981,087	3,879,394	2,054,256	6,366,831	2,362,898	2,678,125
<b>Total</b>	<b>32,353,713</b>	<b>15,996,286</b>	<b>19,536,920</b>	<b>20,772,660</b>	<b>8,705,012</b>	<b>9,420,432</b>

1 Adjusted

The number of performance shares equals the provisional performance shares allocated at the grant date of the performance share plan. The fair value as at the grant date was determined using a recognized valuation technique.

To determine their amount, the performance shares expected for future performance periods were taken into account in addition to the provisional performance shares determined or allocated for the performance periods 2017–2019, 2018–2020 and 2019–2021. The amount therefore depends on the individual contract term and the relevant vesting arrangements for the performance shares. The intrinsic value was calculated in accordance with IFRS 2 and corresponds to the amount that the members of the Board of Management would have received if they had stepped down on December 31, 2019. Only the nonforfeitable (vested) performance shares at the reporting date are included in the calculation. The intrinsic value was calculated based on the unweighted average share price for the last 30 trading days (Xetra closing prices of Volkswagen's preferred shares) preceding December 31, 2019, taking the dividends paid per preferred share during the performance period into account. The net value of all amounts recognized in income for the performance shares in fiscal year 2019 is recorded in "Comprehensive income 2019 arising from performance shares" according to the IFRSs.

#### Phantom preferred shares

The phantom preferred shares for the remuneration withheld for 2015 formed part of the Board of Management remuneration until they were paid out in 2019.

#### Total remuneration cap

In addition to the cap on the individual variable components of the remuneration for the members of the Board of Management, the annual benefits received according to the Code, consisting of fixed remuneration and the variable remuneration components (i.e. annual bonus and performance share plan) for one fiscal year may not exceed an amount of €10,000,000 for the Chairman of the Board of Management and €5,500,000 for each member of the Board of Management. If the total remuneration cap is exceeded, the variable components will be reduced proportionately.

#### Regular review and adjustment

The Supervisory Board regularly reviews and, if necessary, adjusts the level of the total remuneration cap and the individual targets.

#### Other agreements

Members of the Board of Management with contracts entered into on or after January 1, 2010 are entitled to payment of their normal remuneration for six to twelve months in the event of illness. Contracts entered into before that date grant remuneration for six months. In the event of disability, they are entitled to the retirement pension.

Surviving dependents receive a widow's pension of 66  $\frac{2}{3}$ % and orphans' benefits of 20% of the former member of the Board of Management's pension. Contracts with members of the Board of Management whose first term of office began after April 1, 2015, provide for an entitlement – in line with the principles of the works agreement that also applies to employees of Volkswagen AG covered by collective agreements – to a widow's pension of 60%, an orphan's benefit of 10% for half-orphans and an orphan's benefit of 20% for full orphans, based in each case on the former member of the Board of Management's pension.

#### BENEFITS BASED ON PHANTOM PREFERRED SHARES FROM THE REMUNERATION WITHHELD FOR FISCAL YEAR 2015

At its meeting on April 22, 2016, Volkswagen AG's Supervisory Board accepted the offer made by the members of the Board of Management to withhold 30% of the variable remuneration for fiscal year 2015 for the Board of Management members active on the date of the resolution and to make its disposal subject to future share price performance.

This was effected by first converting the amount withheld based on the average share price for the 30 trading days preceding April 22, 2016 (initial reference price) into phantom preferred shares of Volkswagen AG with a three-year holding period and, at the same time, defining a target reference price corresponding to 125% of the initial reference price. During the holding period, the holders of phantom preferred shares were entitled to dividend equivalents in the amount of the dividends paid on real preferred shares.

The shares were generally reconverted and paid out when the three-year holding period had expired or – in the event that members retired from office early – at the time they did so.

To determine the payment amount, the average share price for the 30 trading days preceding the last day of the

holding period, i.e. April 22, 2019, or the date on which members left the company, was calculated (closing reference price). The difference between the target reference price and the initial reference price was deducted from the closing reference price, and the dividends distributed on one real Volkswagen preferred share during the holding period (dividend equivalent) were added to the closing reference price. The figure thus calculated was multiplied by the number of phantom preferred shares so as to calculate the amount to be paid to each Board of Management member. This ensured that – excluding the dividend equivalents accrued – the amount withheld was only paid out in full if the initial reference price of the preferred share increased by at least 25%.

In January of fiscal year 2019, Mr. Heizmann retired from the Board of Management as per contract.

The number of phantom preferred shares granted on April 22, 2016 to members of the Board of Management who were in office at the time did not change in fiscal year 2019 (as of settlement in April 2019). In the year under review, the change in fair value of the phantom shares led to the recognition of an expense of €0.1 million (previous year: total income of €0.6 million).

#### INFORMATION ON THE PHANTOM PREFERRED SHARES HELD IN 2019

€	Number of phantom shares	Provision Dec. 31, 2019	Provision Dec. 31, 2018	Intrinsic value Dec. 31, 2019	Intrinsic value Dec. 31, 2018	Comprehensive income 2019 arising from phantom preferred shares	Comprehensive income 2018 arising from phantom preferred shares
Herbert Diess	4,317	–	512,740	–	540,704	27,705	–83,688
Jochem Heizmann (until January 10, 2019)	8,633	–	1,025,361	–	1,081,283	43,232	–167,356
Andreas Renschler	7,914	–	939,964	–	991,229	50,791	–153,418
Frank Witter	1,990	–	236,357	–	249,248	12,771	–38,577
<b>Total</b>	<b>22,854</b>	<b>–</b>	<b>2,714,422</b>	<b>–</b>	<b>2,862,464</b>	<b>134,499</b>	<b>–443,040</b>



**REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE**

€	2019			2018	
	Non-performance-related component	Performance-related component	Long-term incentive component	Total remuneration	Total remuneration
Herbert Diess	2,212,694	4,288,002	3,350,046	9,850,742	7,877,832
Oliver Blume (since April 13, 2018)	1,418,936	1,901,085	1,574,419	4,894,440	3,515,815
Jochem Heizmann (until January 10, 2019)	71,391	52,085	43,098	166,574	5,013,141
Gunnar Kilian (since April 13, 2018)	1,462,701	1,901,085	1,574,419	4,938,205	3,529,523
Andreas Renschler	1,609,755	1,901,085	1,574,419	5,085,259	5,004,370
Abraham Schot (since January 1, 2019)	1,810,079	1,901,085	1,574,419	5,285,583	–
Stefan Sommer (since September 1, 2018)	1,869,019	1,901,085	1,574,419	5,344,523	1,603,515
Hiltrud Dorothea Werner	1,465,159	1,901,085	1,574,419	4,940,663	4,930,160
Frank Witter	1,412,781	1,901,085	1,574,419	4,888,285	4,821,428
Members of the Board of Management who left in the previous year	–	–	–	–	14,040,526
<b>Total</b>	<b>13,332,515</b>	<b>17,647,682</b>	<b>14,414,075</b>	<b>45,394,271</b>	<b>50,336,310</b>

**REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE**

The amounts shown as benefits received in the Board of Management remuneration tables in accordance with the Code correspond, in principle, to the amounts paid out for the fiscal year in question.

In the introductory phase of the performance share plan (2017 to 2018), members of the Board of Management who were Board members as of December 31, 2016 generally received advances on the target amount, which in accordance

with the Code are reported in the tables as benefits received for the fiscal year in which the performance shares under the plan were allocated. Mr. Blume will receive corresponding advances for the performance period 2018–2020 (proportionate) and 2019–2021.

The amounts shown as “Benefits granted” in the Board of Management remuneration tables in accordance with the Code are based on 100% of the targets for the annual bonus and on the fair value at the grant date for the performance share plan.

**REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE**

HERBERT DIESS						
Chairman of the Board of Management of Volkswagen AG, Chairman of the Brand Board of Management of Volkswagen Passenger Cars, Volume brand group, China						
€	Benefits received		Benefits granted			
	2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration	2,125,000	1,905,414	1,905,414	2,125,000	2,125,000	2,125,000
Fringe benefits	87,694	76,768	76,768	87,694	87,694	87,694
<b>Total</b>	<b>2,212,694</b>	<b>1,982,182</b>	<b>1,982,182</b>	<b>2,212,694</b>	<b>2,212,694</b>	<b>2,212,694</b>
One-year performance-related remuneration	4,288,002	3,055,182	2,564,750	3,045,000	–	5,481,000
Multiyear performance-related remuneration	540,445	2,603,867	2,840,468	3,350,046	–	7,660,000
LTI (performance share plan 2017–2019)	–	–	–	–	–	–
LTI (performance share plan 2018–2020)	–	2,603,867	2,840,468	–	–	–
LTI (performance share plan 2019–2021)	–	–	–	3,350,046	–	7,660,000
Phantom shares	540,445	–	–	–	–	–
<b>Total<sup>1</sup></b>	<b>7,041,141</b>	<b>7,641,230</b>	<b>7,387,400</b>	<b>8,607,740</b>	<b>2,212,694</b>	<b>15,353,694</b>
Pension expense	1,354,053	850,620	850,620	1,354,053	1,354,053	1,354,053
<b>Total remuneration</b>	<b>8,395,194</b>	<b>8,491,850</b>	<b>8,238,020</b>	<b>9,961,793</b>	<b>3,566,747</b>	<b>16,707,747</b>

1 The fixed remuneration agreed with Mr. Diess for fiscal year 2018 is €1,905,414 (prorated for the term of office as a full member of the Board of Management up until April 12, 2018 and for the term of office as Chairman of the Board of Management starting April 13, 2018).

OLIVER BLUME						
Chairman of the Board of Management of Dr. Ing. h.c. F. Porsche AG, Sport & Luxury brand group						
Joined: April 13, 2018						
€	Benefits received		Benefits granted			
	2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration	1,350,000	967,500	967,500	1,350,000	1,350,000	1,350,000
Fringe benefits	68,936	45,999	45,999	68,936	68,936	68,936
<b>Total</b>	<b>1,418,936</b>	<b>1,013,499</b>	<b>1,013,499</b>	<b>1,418,936</b>	<b>1,418,936</b>	<b>1,418,936</b>
One-year performance-related remuneration	1,901,085	1,152,506	967,500	1,500,000 <sup>1</sup>	–	2,580,000
Multiyear performance-related remuneration	1,440,000	1,032,000	1,349,810	1,574,419	–	3,600,000
LTI (performance share plan 2018–2020)	–	1,032,000	1,349,810	–	–	–
LTI (performance share plan 2019–2021)	1,440,000	–	–	1,574,419	–	3,600,000
<b>Total</b>	<b>4,760,021</b>	<b>3,198,005</b>	<b>3,330,809</b>	<b>4,493,355</b>	<b>1,418,936</b>	<b>7,598,936</b>
Pension expense	808,544	588,354	588,354	808,544	808,544	808,544
<b>Total remuneration</b>	<b>5,568,565</b>	<b>3,786,359</b>	<b>3,919,163</b>	<b>5,301,899</b>	<b>2,227,480</b>	<b>8,407,480</b>

1 In 2019, Mr. Blume was granted a maximum performance-related bonus payment by Porsche AG in the amount of €150,000 which is not taken into consideration in the remuneration from Volkswagen AG.

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

JOCHEM HEIZMANN						
China						
Left: January 10, 2019						
€	Benefits received		Benefits granted			
	2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration	36,986	1,350,000	1,350,000	36,986	36,986	36,986
Fringe benefits	34,405	255,076	255,076	34,405	34,405	34,405
<b>Total</b>	<b>71,391</b>	<b>1,605,076</b>	<b>1,605,076</b>	<b>71,391</b>	<b>71,391</b>	<b>71,391</b>
One-year performance-related remuneration	52,085	1,608,147	1,350,000	36,986	–	66,575
Multiyear performance-related remuneration	1,068,593	1,440,000	1,799,918	43,098	–	98,630
LTI (performance share plan 2017–2019)	–	–	–	–	–	–
LTI (performance share plan 2018–2020)	–	1,440,000	1,799,918	–	–	–
LTI (performance share plan 2019–2021)	–	–	–	43,098	–	98,630
Phantom shares	1,068,593	–	–	–	–	–
<b>Total</b>	<b>1,192,069</b>	<b>4,653,223</b>	<b>4,754,994</b>	<b>151,475</b>	<b>71,391</b>	<b>236,597</b>
Pension expense	–	–	–	–	–	–
<b>Total remuneration</b>	<b>1,192,069</b>	<b>4,653,223</b>	<b>4,754,994</b>	<b>151,475</b>	<b>71,391</b>	<b>236,597</b>

GUNNAR KILIAN						
Human Resources						
Joined: April 13, 2018						
€	Benefits received		Benefits granted			
	2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration	1,350,000	967,500	967,500	1,350,000	1,350,000	1,350,000
Fringe benefits	112,701	59,707	59,707	112,701	112,701	112,701
<b>Total</b>	<b>1,462,701</b>	<b>1,027,207</b>	<b>1,027,207</b>	<b>1,462,701</b>	<b>1,462,701</b>	<b>1,462,701</b>
One-year performance-related remuneration	1,901,085	1,152,506	967,500	1,350,000	–	2,430,000
Multiyear performance-related remuneration	–	–	1,349,810	1,574,419	–	3,600,000
LTI (performance share plan 2018–2020)	–	–	1,349,810	–	–	–
LTI (performance share plan 2019–2021)	–	–	–	1,574,419	–	3,600,000
<b>Total</b>	<b>3,363,786</b>	<b>2,179,713</b>	<b>3,344,517</b>	<b>4,387,120</b>	<b>1,462,701</b>	<b>7,492,701</b>
Pension expense	886,559	703,228	703,228	886,559	886,559	886,559
<b>Total remuneration</b>	<b>4,250,345</b>	<b>2,882,941</b>	<b>4,047,745</b>	<b>5,273,679</b>	<b>2,349,260</b>	<b>8,379,260</b>

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

ANDREAS RENSCHLER						
Chairman of the Board of Management of TRATON SE, Truck & Bus brand group						
€	Benefits received		Benefits granted			
	2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Fringe benefits	259,755	246,305	246,305	259,755	259,755	259,755
<b>Total</b>	<b>1,609,755</b>	<b>1,596,305</b>	<b>1,596,305</b>	<b>1,609,755</b>	<b>1,609,755</b>	<b>1,609,755</b>
One-year performance-related remuneration	1,901,085	1,608,147	1,350,000	1,350,000	–	2,430,000
Multiyear performance-related remuneration	990,754	1,440,000	1,799,918	1,574,419	–	3,600,000
LTI (performance share plan 2017–2019)	–	–	–	–	–	–
LTI (performance share plan 2018–2020)	–	1,440,000	1,799,918	–	–	–
LTI (performance share plan 2019–2021)	–	–	–	1,574,419	–	3,600,000
Phantom shares	990,754	–	–	–	–	–
<b>Total</b>	<b>4,501,594</b>	<b>4,644,452</b>	<b>4,746,223</b>	<b>4,534,174</b>	<b>1,609,755</b>	<b>7,639,755</b>
Pension expense	5,025,570	5,249,526	5,249,526	5,025,570	5,025,570	5,025,570
<b>Total remuneration</b>	<b>9,527,164</b>	<b>9,893,978</b>	<b>9,995,749</b>	<b>9,559,744</b>	<b>6,635,325</b>	<b>12,665,325</b>

ABRAHAM SCHOT						
Chairman of the Board of Management of AUDI AG, Premium brand group						
Joined: January 1, 2019						
€	Benefits received		Benefits granted			
	2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration	1,350,000	–	–	1,350,000	1,350,000	1,350,000
Fringe benefits	460,079	–	–	460,079	460,079	460,079
<b>Total</b>	<b>1,810,079</b>	<b>–</b>	<b>–</b>	<b>1,810,079</b>	<b>1,810,079</b>	<b>1,810,079</b>
One-year performance-related remuneration	1,901,085	–	–	1,350,000	–	2,430,000
Multiyear performance-related remuneration	–	–	–	1,574,419	–	3,600,000
LTI (performance share plan 2019–2021)	–	–	–	1,574,419	–	3,600,000
<b>Total</b>	<b>3,711,164</b>	<b>–</b>	<b>–</b>	<b>4,734,498</b>	<b>1,810,079</b>	<b>7,840,079</b>
Pension expense	2,222,572	–	–	2,222,572	2,222,572	2,222,572
<b>Total remuneration</b>	<b>5,933,736</b>	<b>–</b>	<b>–</b>	<b>6,957,070</b>	<b>4,032,651</b>	<b>10,062,651</b>

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

STEFAN SOMMER						
Components & Procurement						
Joined: September 1, 2018						
€	Benefits received		Benefits granted			
	2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration	1,350,000	450,000	450,000	1,350,000	1,350,000	1,350,000
Fringe benefits	519,019	129,020	129,020	519,019	519,019	519,019
<b>Total</b>	<b>1,869,019</b>	<b>579,020</b>	<b>579,020</b>	<b>1,869,019</b>	<b>1,869,019</b>	<b>1,869,019</b>
One-year performance-related remuneration	1,901,085	536,049	450,000	1,350,000	–	2,430,000
Multiyear performance-related remuneration	–	–	488,446	1,574,419	–	3,600,000
LTI (performance share plan 2018–2020)	–	–	488,446	–	–	–
LTI (performance share plan 2019–2021)	–	–	–	1,574,419	–	3,600,000
<b>Total<sup>1</sup></b>	<b>4,019,019</b>	<b>1,295,687</b>	<b>1,517,466</b>	<b>4,793,438</b>	<b>4,019,019</b>	<b>7,899,019</b>
Pension expense	761,437	270,997	270,997	761,437	761,437	761,437
<b>Total remuneration</b>	<b>4,780,456</b>	<b>1,566,684</b>	<b>1,788,463</b>	<b>5,554,875</b>	<b>4,780,456</b>	<b>8,660,456</b>

1 Benefits received and the minimum amount for 2019 and benefits received for 2018 (prorated) include a top-up amount on the minimum remuneration of €3.5 million.

HILTRUD DOROTHEA WERNER						
Integrity & Legal Affairs						
€	Benefits received		Benefits granted			
	2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Fringe benefits	115,159	172,095	172,095	115,159	115,159	115,159
<b>Total</b>	<b>1,465,159</b>	<b>1,522,095</b>	<b>1,522,095</b>	<b>1,465,159</b>	<b>1,465,159</b>	<b>1,465,159</b>
One-year performance-related remuneration	1,901,085	1,608,147	1,350,000	1,350,000	–	2,430,000
Multiyear performance-related remuneration	–	–	1,799,918	1,574,419	–	3,600,000
LTI (performance share plan 2017–2019)	–	–	–	–	–	–
LTI (performance share plan 2018–2020)	–	–	1,799,918	–	–	–
LTI (performance share plan 2019–2021)	–	–	–	1,574,419	–	3,600,000
<b>Total</b>	<b>3,366,244</b>	<b>3,130,242</b>	<b>4,672,013</b>	<b>4,389,578</b>	<b>1,465,159</b>	<b>7,495,159</b>
Pension expense	956,364	953,404	953,404	956,364	956,364	956,364
<b>Total remuneration</b>	<b>4,322,608</b>	<b>4,083,646</b>	<b>5,625,417</b>	<b>5,345,942</b>	<b>2,421,523</b>	<b>8,451,523</b>

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

		FRANK WITTER					
		Finance & IT					
		Benefits received		Benefits granted			
€		2019	2018	2018	2019	2019 (minimum)	2019 (maximum)
Fixed remuneration		1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Fringe benefits		62,781	63,363	63,363	62,781	62,781	62,781
<b>Total</b>		<b>1,412,781</b>	<b>1,413,363</b>	<b>1,413,363</b>	<b>1,412,781</b>	<b>1,412,781</b>	<b>1,412,781</b>
One-year performance-related remuneration		1,901,085	1,608,147	1,350,000	1,350,000	–	2,430,000
Multiyear performance-related remuneration		249,128	1,440,000	1,799,918	1,574,419	–	3,600,000
LTI (performance share plan 2017–2019)		–	–	–	–	–	–
LTI (performance share plan 2018–2020)		–	1,440,000	1,799,918	–	–	–
LTI (performance share plan 2019–2021)		–	–	–	1,574,419	–	3,600,000
Phanton shares		249,128	–	–	–	–	–
<b>Total</b>		<b>3,562,994</b>	<b>4,461,510</b>	<b>4,563,281</b>	<b>4,337,200</b>	<b>1,412,781</b>	<b>7,442,781</b>
Pension expense		886,120	849,556	849,556	886,120	886,120	886,120
<b>Total remuneration</b>		<b>4,449,114</b>	<b>5,311,066</b>	<b>5,412,837</b>	<b>5,223,320</b>	<b>2,298,901</b>	<b>8,328,901</b>

#### POST-EMPLOYMENT BENEFITS

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. As a departure from this principle, Mr. Renschler is able to start drawing his pension when he reaches the age of 62.

The retirement provision for members of the Board of Management with a pension commitment based on final remuneration is calculated as a percentage of the fixed remuneration, starting from 50%. For Mr. Heizmann and Mr. Renschler the individual percentages rise by two percentage points for every year of service. In specific cases, credit is given for previous employment periods and retirement pensions earned. In a departure from this rule, a retirement pension entitlement of 62% of the fixed level of remuneration was set for Mr. Renschler on his appointment. The Supervisory Board has capped the percentage at 70%. These benefits are not broken down any further into performance-related components and long-term incentive components. Mr. Renschler reached a retirement pension entitlement of 70% of his fixed level of remuneration at the end of 2019. The increase in the fixed remuneration as a consequence of the remuneration system in place from fiscal year 2017 is therefore not taken into account for Mr. Heizmann and Mr. Renschler because their final salary pension commitment is based on a previous pension scheme. Current pensions are index-linked in accordance with the index-linking of the highest collectively agreed salary insofar as the application of section 16 of the Gesetz zur Verbesserung der betrieblichen Altersversorgung (BetrAVG – German Company Pension Act) does not lead to a larger increase.

For the members of the Board of Management of Volkswagen AG appointed before February 24, 2017 with a defined contribution pension scheme, a contribution rate of 50% of the fixed remuneration applies. For the members of the Board of Management of Volkswagen AG appointed after February 24, 2017 with a defined contribution pension scheme, a contribution rate of 40% of the fixed remuneration applies. The resulting amount will be credited to the pension account.

Ms. Werner, Mr. Blume, Mr. Diess, Mr. Kilian, Mr. Schot, Mr. Sommer and Mr. Witter 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 fixed level of remuneration for Ms. Werner, Mr. Diess and Mr. Witter and in the amount of 40% of the fixed level of remuneration for Mr. Blume, Mr. Kilian, Mr. Schott and Mr. Sommer 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 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 – currently 63 at the earliest. Volkswagen AG has assumed responsibility for pension entitlements due to Mr. Witter from the time before his service with the Company, although these cannot be claimed before he reaches the age of 60.

On December 31, 2019, the pension obligations for members of the Board of Management in accordance with IAS 19 amounted to €60.5 (55.8) million. €13.7 (11.9) million was added to the provision in the reporting period in accordance with IAS 19. Other benefits such as surviving dependents' pensions and the use of company cars are also factored into the measurement of pension provisions. The pension obligations measured in accordance with German GAAP amounted to €44.8 (45.9) million. Measured in accordance with German GAAP, €14.5 (9.5) million was added to the provision in the reporting period.

Retired members of the Board of Management and their surviving dependents received €32.7 (44.0) million, or €32.7 (44.0) million measured in accordance with German GAAP, in the past year. Obligations for pensions for this group of persons measured in accordance with IAS 19 amounted to €373.7 (324.0) million, or €300.5 (276.2) million measured in accordance with German GAAP.

The following general rule applies to contracts for the first term of office of members of the Board of Management entered into after August 5, 2009: the retirement pension to be granted after a member of the Board of Management leaves the Company is payable when the member reaches the age of 63.

**EARLY TERMINATION BENEFITS**

If the appointment to the Board of Management is terminated for cause through no fault of the Board of Management member, the claims under Board of Management contracts entered into since November 20, 2009 are limited to a maximum of two years' remuneration, in accordance with the recommendation in section 4.2.3(4) of the Code (severance payment cap).

No severance payment is made if the appointment to the Board of Management is terminated for good reason for which the Board of Management member is responsible.

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.

Please refer to notes 43 and 46 to the consolidated financial statements and the notes to the annual financial statements of Volkswagen AG for more detailed individual disclosures relating to members of the Board of Management who left the Company in fiscal year 2019.

**PENSIONS OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN 2019 (PRIOR-YEAR FIGURES IN BRACKETS)**

€	Pension expense	Present values as of December 31 <sup>1</sup>
Herbert Diess	1,354,053 (850,620)	5,592,969 (3,410,933)
Oliver Blume (since April 13, 2018)	808,544 (588,354)	1,743,034 (588,354)
Jochem Heizmann (until January 10, 2019)	– –	– (18,098,438)
Gunnar Kilian (since April 13, 2018)	886,559 (703,228)	2,102,717 (703,228)
Andreas Renschler	5,025,570 (5,249,526)	29,609,167 (20,109,236)
Abraham Schot (since January 1, 2019)	2,222,572 –	2,222,572 –
Stefan Sommer (since September 1, 2018)	761,437 (270,997)	1,228,940 (270,997)
Hiltrud Dorothea Werner	956,364 (953,404)	3,482,194 (1,872,035)
Frank Witter	886,120 (849,556)	14,474,204 (10,765,942)
Members of the Board of Management who left in the previous year	– (1,053,684)	– –
<b>Total</b>	<b>12,901,219</b> <b>(10,519,369)</b>	<b>60,455,797</b> <b>(55,819,163)</b>

1. The amount is reported in the total amount for defined benefit plans recognized in the balance sheet (see note 29 to the consolidated financial statements).



#### SUPERVISORY BOARD REMUNERATION

Following its regular review of Supervisory Board remuneration, the Supervisory Board proposed a reorganization of the system of Supervisory Board remuneration to the 2017 Annual General Meeting, which was approved on May 10, 2017 with 99.98% 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 in part to comprise a mix of non-performance-related and performance-related components.

The following applies to members of the Supervisory Board of Volkswagen AG with effect from January 1, 2017:

- > Members of the Supervisory Board receive fixed remuneration of €100,000 per fiscal year.
- > The Chairman of the Supervisory Board receives fixed remuneration of €300,000, while the Deputy Chairman receives 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 per fiscal year provided the committee met at least once per 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 chairpersons receive double this amount, while deputy chairpersons receive one-and-a-half times the committee remuneration listed previously.
- > Membership of no more than two committees is taken into account, whereby the two functions with the highest remuneration are counted if this maximum number is exceeded.
- > Supervisory Board members who belonged to the Supervisory Board or one of its committees for only part of the fiscal year receive proportionate remuneration.
- > 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 are held on one day, the attendance fee is paid only once.
- > The remuneration and attendance fees are each payable after the end of the fiscal year.

In fiscal year 2019, the members of the Supervisory Board received €5,327,155 (4,538,986). Of this figure, €2,290,833 related to the work of the Supervisory Board and €944,444 related to the work in the committees.

## REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

€	FIXED	WORK IN THE	OTHER <sup>1</sup>	TOTAL	TOTAL
	REMUNERA- TION	COMMITTEES		2019	2018
Hans Dieter Pötsch	300,000	100,000	525,500	925,500	584,500
Jörg Hofmann <sup>2</sup>	200,000	75,000	14,000	289,000	294,000
Hussain Ali Al Abdulla	100,000	–	5,000	105,000	108,000
Hessa Sultan Al Jaber	100,000	–	7,000	107,000	111,000
Bernd Althusmann <sup>3</sup>	100,000	50,000	7,000	157,000	155,194
Birgit Dietze <sup>2</sup> (until May 31, 2019)	41,667	20,833	5,000	67,500	167,000
Hans-Peter Fischer <sup>2</sup>	100,000	–	7,000	107,000	114,000
Marianne Heiß (since February 14, 2018)	100,000	50,000	100,500	250,500	198,300
Uwe Hück <sup>2</sup> (until February 8, 2019)	10,278	–	4,596	14,874	184,500
Johan Järvklo <sup>2</sup>	100,000	–	7,000	107,000	114,000
Ulrike Jakob <sup>2</sup>	100,000	–	6,000	106,000	112,000
Louise Kiesling	100,000	–	7,000	107,000	111,000
Peter Mosch <sup>2</sup>	100,000	100,000	190,500	390,500	346,589
Bertina Murkovic <sup>2</sup>	100,000	50,000	7,000	157,000	164,000
Bernd Osterloh <sup>2</sup>	100,000	125,000	162,000	387,000	264,233
Hans Michel Piëch	100,000	–	189,000	289,000	272,000
Ferdinand Oliver Porsche	100,000	150,000	185,000	435,000	412,500
Wolfgang Porsche	100,000	150,000	183,500	433,500	422,500
Conny Schönhardt <sup>2</sup> (since June 21, 2019)	52,778	23,611	5,000	81,389	–
Athanasios Stimoniaris <sup>2</sup>	100,000	–	382,040	482,040	230,225
Stephan Weil <sup>3</sup>	100,000	50,000	13,000	163,000	164,000
Werner Weresch <sup>2</sup> (since February 21, 2019)	86,111	–	79,241	165,352	–
Members of the Supervisory Board who left in the previous year	9,444	–	–	–	9,444
<b>Total</b>	<b>2,290,833</b>	<b>944,444</b>	<b>2,091,877</b>	<b>5,327,155</b>	<b>4,538,985</b>

1 Attendance fees, membership of other Group bodies (non-performance-related: €790,810; performance-related: €779,967).

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

3 Under section 5(3) of the Niedersächsisches 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.