

ANNUAL GENERAL MEETING OF VOLKSWAGEN AG | MAY 29, 2024

SPEECH BY HANS DIETER PÖTSCH

Chair of the Supervisory Board of Volkswagen Aktiengesellschaft

**Report of the Supervisory Board**

- THE SPOKEN WORD SHALL PREVAIL -

Ladies and Gentlemen,

I'll start by discussing the Supervisory Board report.

Since the end of last year's Annual General Meeting, there have been two changes on the Supervisory Board of Volkswagen Aktiengesellschaft.

Ms. Simone Mahler, Chair of the joint Works Council of Volkswagen Financial Services AG and Volkswagen Bank GmbH, resigned from the Supervisory Board of Volkswagen Aktiengesellschaft with effect from May 31, 2023. Ms. Mahler had acted as an employee representative on the Supervisory Board since May 12, 2022. Ms. Karina Schnur, Chair of the General and Group Works Councils of MAN Truck & Bus SE, was appointed by the court as her successor with effect from July 11, 2023.

Effective from December 31, 2023, Mr. Peter Mosch, Chair of the General Works Council of AUDI AG, resigned from the Supervisory Board of Volkswagen Aktiengesellschaft. Mr. Mosch had been an employee representative on the Supervisory Board since January 18, 2006. Ms. Rita Beck, Deputy Chair of the General Works Council of AUDI AG, was appointed by the court as his successor with effect from January 9, 2024.

I would also like to take this opportunity to welcome the new Supervisory Board members once more. On behalf of all members of the Supervisory Board, I would again like to thank the members who have stepped down for being such an asset to the Board.

The term of office of three members of the Supervisory Board also ends at the close of today's AGM:

- Dr. Hessa Sultan Al Jaber;
- Dr. Hans Michel Piëch; and
- Dr. Ferdinand Oliver Porsche.

As you have seen from the agenda, the Supervisory Board is proposing to the Annual General Meeting that Dr. Al Jaber, Dr. Piëch and Dr. Porsche each be re-elected to the Supervisory Board for a full term of office with effect from the close of today's AGM.

After detailed deliberation, the Supervisory Board has decided to propose Dr. Piëch for re-election to the Supervisory Board notwithstanding the fact that he will already have exceeded the maximum age of 75 years permitted under the Supervisory Board's rules of procedure on the date of the election. Dr. Piëch is indirectly one of the largest individual shareholders of Volkswagen Aktiengesellschaft and, with his many years of experience for numerous other companies within the Volkswagen Group, possesses particular experience and knowledge of the Company's business which the Supervisory Board is convinced he will continue to contribute in the Company's best interests and for its benefit.

In other respects, the Supervisory Board retains the specified standard age limit for Supervisory Board members. For reasons of legal prudence, the Supervisory Board and the Board of Management have nevertheless declared a precautionary deviation from the recommendation of the German Corporate Governance Code to specify an age limit for members of the Supervisory Board.

The resumes of Dr. Al Jaber, Dr. Piëch and Dr. Porsche as well as further information on the election proposals are attached to the agenda. All three have already declared that they are willing to assume office if elected today.

Since the close of last year's AGM, there has been one change on the Board of Management.

Effective from September 1, 2023, the Supervisory Board appointed Dr. Gernot Döllner as a member of the Board of Management of Volkswagen Aktiengesellschaft. Mr. Döllner took over the Progressive brand group Board function, succeeding Markus Duesmann, who stepped down from the Board of Management by mutual agreement with effect from the close of August 31, 2023.

So much for the changes on the Supervisory Board and Board of Management.

Ladies and Gentlemen,

The work of the Supervisory Board and its committees in fiscal year 2023 focused on the Volkswagen Group's strategic alignment, with the spotlight on the China strategy and the transformation.

The Supervisory Board regularly deliberated on the Company's position and development in the reporting period. We supervised and supported the Board of Management in its running of the business and advised it on issues relating to the management of the Company, and particularly on sustainability issues, in accordance with our duties under the law, the Articles of Association and the rules of procedure. The Supervisory Board was directly involved in all decisions of fundamental importance to the Group. Additionally, we discussed strategic considerations with the Board of Management at regular intervals.

The Board of Management complied with its disclosure obligations, which are set out in the information policy adopted by the Supervisory Board. The Board of Management provided us with information regularly, promptly and comprehensively both in writing and orally, particularly on all matters of relevance to the Company relating to its strategy, business development and the Company's planning and position. This also included the risk situation and risk management.

In this respect, the Board of Management also informed the Supervisory Board of further improvements to the internal control system and the risk and compliance management systems. In addition, the Supervisory Board received information about compliance and other topical issues from the Board of Management on an ongoing basis.

We received the documents relevant to our decisions in good time for our meetings. At regular intervals, we also received a detailed report from the Board of Management on the current business position and the forecast for the current year.

Any deviations in performance from the plans and targets previously drawn up were explained in detail by the Board of Management, either in person or in writing. Together with the Board of Management we analyzed the reasons for the deviations and determined corresponding countermeasures.

In addition, the Board of Management continued to report on the situation related to the Russia-Ukraine conflict and discussed corresponding action with the Supervisory Board.

I regularly met with the chairman of the Board of Management to discuss issues of vital and immediate interest. These included the Group's strategy and planning, its business development, and the risk situation and risk management, including integrity and compliance issues in the Volkswagen Group.

However, the Supervisory Board not only worked very closely with the Board of Management, but also engaged in dialogue with our stakeholders. I regularly talked to investors about topics specific to the Supervisory Board and – in consultation with the Management Board – also about topics that are not specific to the Supervisory Board. One of the focuses of debate was corporate governance and ESG issues. I informed the Supervisory Board of such discussions with investors after they had taken place.

The Supervisory Board held a total of eight meetings in fiscal year 2023. Six of the meetings were held face to face and two as video or conference calls.

Calculated for all meetings held during the fiscal year and for all Supervisory Board members in office, the attendance rate was 92%.

Supervisory Board members who did not attend a meeting were able to engage with the meeting topics using the preparatory documents and could participate in the resolutions by means of a written vote.

Particularly urgent matters were decided in writing or using electronic means of communication.

You can find an overview of meeting attendance by the individual Supervisory Board members on page 13 of the Annual Report.

The Executive Committee met 12 times in the reporting period. The Nomination Committee held one meeting. The Audit Committee held four meetings. The Mediation Committee did not need to be convened in 2023.

You can find detailed information on the meetings of the Supervisory Board and its committees in the Report of the Supervisory Board on pages 11 to 13 of the Annual Report.

Ladies and gentlemen,

On November 17, 2023, the Board of Management and the Supervisory Board submitted the annual declaration of conformity with the recommendations of the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act. Further statements were added to the declaration of conformity on March 1, 2024 and April 9, 2024.

The declaration of conformity and its supplements are available in the Corporate Governance section of our website under Investors. Explanations of all departures from the recommendations are presented there.

Further information on the implementation of the recommendations and suggestions in the German Corporate Governance Code can be found in the Corporate Governance chapter starting on page 40 and in the notes to the consolidated financial statements on page 441 of the Annual Report.

In 2020, the Audit Committee agreed on a suitable procedure with the Board of Management for continuous monitoring of the Volkswagen Group's related party transactions. In the reporting year, there were no cases in which a requirement to provide consent and a disclosure obligation arose based on the rules for related party transactions.

The dependent company report presented by the Board of Management was audited by EY. The Supervisory Board also reviewed this report and stated that upon completion of its examination, there were no objections to be raised to the concluding declaration by the Board of Management in the dependent company report.

The Supervisory Board also commissioned EY to conduct an external limited assurance review of the content of the combined separate non-financial report for 2023. The primary aim of the report is to create greater transparency of environmental and social aspects at EU companies. Upon completion of its own independent examination of the combined separate nonfinancial report for 2023, taking the findings of the audit conducted by EY into account, the Supervisory Board did not have any objections.

We also resolved that, together with the Board of Management, we would prepare the remuneration report for fiscal year 2023. In addition to the statutory examination of completeness, EY also reviewed the content of the remuneration report and issued an unqualified audit opinion.

This ends my oral report. Please also refer to the written report of the Supervisory Board, which starts on page 10 of the Annual Report.

Ladies and Gentlemen,

I will now say a few words about the proposed amendment to the remuneration system for the members of the Board of Management.

In order to serve the interests of the capital market in particular, the Supervisory Board has resolved to reflect the key financial indicator of "Net cash flow in the Automotive Division" in the calculation of the remuneration of the members of the Board of Management. To this end, in the annual bonus for members of the Board of Management, the existing financial performance target of "Operating result including Chinese joint ventures (proportionate)" will be replaced by the financial performance target of "Net cash flow in the Automotive Division". Net cash flow in the Automotive Division is a key performance indicator that is a benchmark in particular for profitability and the ability to make investments and pay dividends, and therefore highly relevant to the capital market.

Under the existing remuneration system, the ESG factor for the social subtarget also includes the sentiment rating criterion as part of the annual bonus. The sentiment rating measures the mood among the workforce by means of the Stimmungsbarometer (opinion survey). This method of determining the sentiment will now be changed. Until a new method to ascertain the mood is introduced, the sentiment rating will be suspended. The remuneration system will therefore also be amended to facilitate this suspension.

The Supervisory Board based the annual bonus for 2024 on the sentiment rating that was still based on the opinion survey and set specific target values for it. If the Annual General Meeting approves the amended remuneration system, the sentiment rating criterion within the social subtarget is expected to be suspended for the 2024 and 2025 fiscal years. As a result, the diversity index criterion will be weighted at 100%. You can find more information on this in the supplement to the declaration of conformity dated April 9, 2024.

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