

Remuneration Report

(Part of the Group Management 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, 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.

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. In addition to the statutory requirements of the Aktiengesetz (AktG – German Stock Corporation Act), the Supervisory Board took into account the recommendations of the German Corporate Governance Code (the Code) in the version dated February 7, 2017 in the existing remuneration system. In particular, the remuneration structure is focused on ensuring sustainable business development. The Supervisory Board revised the remuneration system for the members of the Board of Management in fiscal year 2020 and adopted the enhanced remuneration system on December 14, 2020 with effect from January 1, 2021. The enhanced remuneration system implements the requirements of the AktG as amended by the German Act on the Implementation of the Second Shareholders' Rights Directive (ARUG II – Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie) and takes into account the recommendations of the Code in the version dated December 19, 2019 (that took effect on March 20, 2020). The Supervisory Board will submit the revised remuneration system to the Annual General Meeting for approval in 2021 in line with the requirements of the AktG as amended by the ARUG II. For Board of Management members already appointed, sub-

stantial parts of the enhanced remuneration system will apply from January 1, 2021. The remainder of the enhanced remuneration system will apply from the time of reappointment and for first time appointees to the Board of Management. The enhanced remuneration system particularly implements environmental, social and governance targets (ESG targets), introduces penalty and clawback rules for variable remuneration components and extends the assessment period for performance share plans to four years.

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 chapter, we provide an overview of the Board of Management's remuneration system in the reporting year 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).

Board of Management members who also have duties as members of other corporate bodies within the Volkswagen Group generally do not receive separate remuneration for these.

Annual minimum remuneration of €3.5 million (sum of fixed remuneration, annual bonus, LTI and any special payments) was contractually agreed with Mr. Sommer. This applied pro rata for fiscal year 2020 due to his departure from the Board of Management.

Non-performance-related remuneration

The non-performance-related remuneration comprises fixed remuneration and fringe benefits. 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.

Mr. Duesmann received compensation of entitlements lost due to his change of employer in the amount of €7.3 million.

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). The components of performance-related/variable remuneration reflect both positive and negative 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.

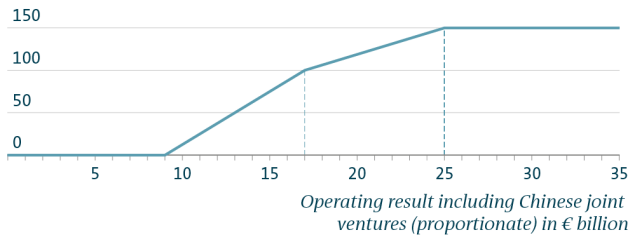
The payment amount for the annual bonus is capped at 180% of the target amount for the annual bonus. The cap arises from 150% of the maximum financial target achievement and a performance factor of a maximum of 1.2. For fiscal year 2020, the Supervisory Board has established the performance factor of 1.2 for existing Board of Management members. This was primarily due to the Board of Management members' outstanding pandemic management and the fact that complete attainment of the transformation target would have been expected under non-pandemic-related conditions.

The annual bonus is payable following approval of the consolidated financial statements for the respective financial year. Deferral is generally not allowed.

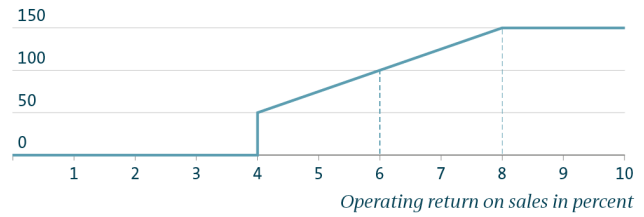
CALCULATION OF THE PAYMENT AMOUNT FOR THE ANNUAL BONUS

**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	2019	2020
Maximum threshold	25.0	25.0
100% level of target	17.0	17.0
Minimum threshold	9.0	9.0
Actual	21.4	13.3
Target achievement (in %)	127	53

COMPONENT 2: OPERATING RETURN ON SALES

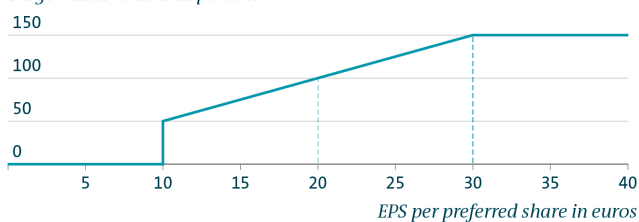
%	2019	2020
Maximum threshold	8.0	8.0
100% level of target	6.0	6.0
Minimum threshold	4.0	4.0
Actual	6.7	4.3
Target achievement (in %)	118	58

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	2020
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	23.63	26.66	16.66
Target achievement (in %)	118	133	83

PERFORMANCE PERIOD 2019–2021

€	2019	2020
Maximum threshold	30.0	30.0
100% level of target	20.0	20.0
Minimum threshold	10.0	10.0
Actual	26.66	16.66
Target achievement (in %)	133	83

PERFORMANCE PERIOD 2020–2022

€	2020
Maximum threshold	30.0
100% level of target	20.0
Minimum threshold	10.0
Actual	16.66
Target achievement (in %)	83

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.

The performance share plan is focused exclusively on cash payment. Stock options are not part of the Volkswagen AG remuneration system. Consequently, there is no obligation to hold shares for members of the Board of Management.

	PERFORMANCE-PERIOD			
	2017 – 2019	2018 – 2020	2019 – 2021	2020 – 2022
Initial reference price	127.84	169.42	147.08	177.44
Closing reference price	177.44	149.14	– ¹	– ¹
Dividend equivalent				
2017	2.06	–	–	–
2018	3.96	3.96	–	–
2019	4.86	4.86	4.86	–
2020	–	4.86	4.86	4.86

¹ Determined at the end of the performance period.

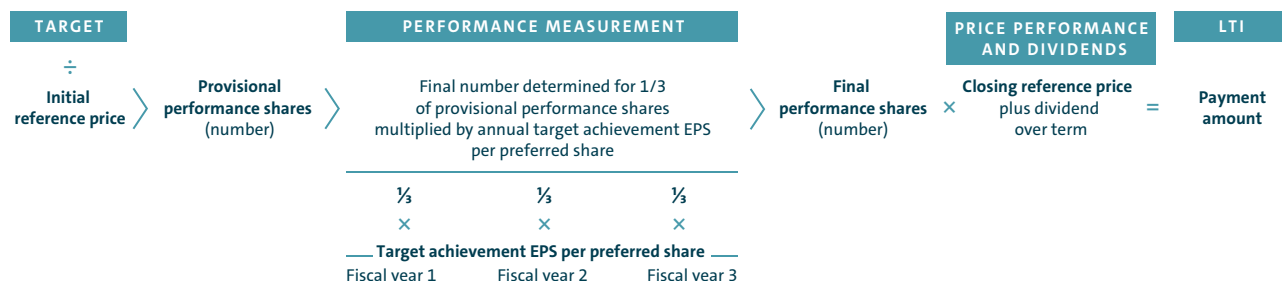
The payment amount under the performance share plan is limited to 200% of the target amount. The payment amount is reduced by 20% if the average ratio of capex to sales revenue or the R&D ratio in the Automotive Division of the last three years is smaller than 5%. The Supervisory Board may cap the LTI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

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 non-vested 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 to 2020 performance period onwards. In connection with the reappointment of Mr. Witter, the expiry rule applies from the 2020 to 2022 performance period onwards.

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 receives corresponding advances for the performance periods 2018 to 2020 (proportionate) and 2019 to 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		PERFORMANCE-PERIOD 2020 – 2022	
	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	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	19,212	26,040	3,350,046	21,585	3,584,837
Oliver Blume	–	7,614	12,238	1,574,419	10,144	1,684,716
Markus Duesmann (since April 1, 2020)	–	–	–	–	7,608	1,088,933
Gunnar Kilian	–	7,614	12,238	1,574,419	10,144	1,684,716
Andreas Renschler (until July 15, 2020)	14,080	10,624	12,238	1,574,419	5,495	912,610
Abraham Schot (until March 31, 2020)	–	–	12,238	1,574,419	2,536	421,179
Stefan Sommer (until June 30, 2020)	–	3,541	12,238	1,574,419	–	–
Hiltrud Dorothea Werner	12,907	10,624	12,238	1,574,419	10,144	1,684,716
Frank Witter	14,080	10,624	12,238	1,574,419	10,144	1,684,716
Total	55,147	69,853	111,706	14,370,977	77,800	12,746,420

€	Provision as of Dec. 31, 2020	Intrinsic value as of Dec. 31, 2020	Comprehensive income 2020 arising from performance shares	Provision as of Dec. 31, 2019	Intrinsic value as of Dec. 31, 2019	Comprehensive income 2019 arising from performance shares
	Herbert Diess	6,019,320	2,060,142	4,300,115	3,504,374	3,687,200
Oliver Blume	775,860	355,226	1,231,600	984,260	–	1,614,937
Markus Duesmann (since April 1, 2020)	321,159	–	321,159	–	–	–
Gunnar Kilian	3,247,860	1,387,226	1,231,600	2,016,260	–	1,614,937
Andreas Renschler (until July 15, 2020)	3,351,992	3,351,992	–235,112	5,572,774	3,879,394	1,713,961
Abraham Schot (until March 31, 2020)	2,398,671	2,398,671	110,408	3,925,694	–	3,925,694
Stefan Sommer (until June 30, 2020)	–	–	–707,720	1,415,440	–	1,317,674
Hiltrud Dorothea Werner	4,025,798	1,935,604	1,963,018	5,019,403	2,782,969	2,852,956
Frank Witter	3,550,948	2,501,995	–1,644,971	6,981,087	3,879,394	2,054,256
Total	23,691,608	13,990,856	6,570,097	29,419,292	14,228,957	18,585,127

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 the amount of the obligation, the provisional performance shares determined or allocated for the performance periods 2018 to 2020, 2019 to 2021 and 2020 to 2022 were taken into account. The intrinsic value of the obligation 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, 2020. 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, 2020, 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 2020 is recorded in "Comprehensive income 2020 arising from performance shares" according to the IFRSs. Those members who left during the year were shown pro rata.

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. In fiscal year 2019, changes in the value of the phantom shares led to the recognition of expenses of €0.1 million.

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 in the version dated February 7, 2017, 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, 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 uses an appropriate peer group of other companies to assess how customary the Board of Management members' specific total remuneration is when measured against other businesses. 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, PSA Groupe, Nissan Motor Corporation, Toyota, BYD, Tesla (excluding CEO), hp, IBM, Uber, SAP, Samsung, General Electric, Siemens, Hitachi and Boeing.

Other agreements

Members of the Board of Management are entitled to payment of their normal remuneration for six months in the event of illness. In the event of disability, they are entitled to the retirement pension.

Surviving dependents receive a widow's pension of 66 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.

Members of the Board of Management and the Supervisory Board generally have the opportunity to obtain loans from Group companies.

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

€	2020			2019	
	Non-performance-related component	Performance-related component	Long-term incentive component	Total remuneration	Total remuneration
Herbert Diess	2,322,725	2,027,285	3,584,837	7,934,847	9,850,742
Oliver Blume	1,420,701	1,038,796 ¹	1,684,716	4,144,213	4,894,440
Markus Duesmann (since April 1, 2020)	8,475,236 ²	674,097	1,088,933	10,238,266	–
Gunnar Kilian	1,435,899	898,796	1,684,716	4,019,411	4,938,205
Andreas Renschler (until July 15, 2020)	802,746	466,563	912,610	2,181,919	5,085,259
Abraham Schot (until March 31, 2020)	417,122	–	421,179	838,301	5,285,583
Stefan Sommer (until June 30, 2020)	809,815	–	–	809,815	5,344,523
Hiltrud Dorothea Werner	1,472,776	898,796	1,684,716	4,056,288	4,940,663
Frank Witter	1,421,549	898,796	1,684,716	4,005,061	4,888,285
Members of the Board of Management who left in the previous year	–	–	–	–	166,574
Total	18,578,569	6,903,129	12,746,420	38,228,118	45,394,272

1 Includes a special bonus by Porsche AG in the amount of €140,000.

2 Includes compensation of entitlements lost due to a change of employer in the amount of €7.3 million.

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 tables in accordance with the Code in the version dated February 7, 2017 correspond, in principle, to the amounts paid out for the fiscal year in question.

In 2020, Mr. Blume received an advance on the target amount for the 2019 to 2021 performance period. In accordance with the Code, this was reported in the tables in 2019 as benefits for the fiscal year.

The amounts shown as “Benefits granted” in the Board of Management remuneration tables in accordance with the Code in the version dated February 7, 2017 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. In the case of the performance share plan, the respective tranches are only payable to the Board of Management members at the end of the respective performance period (except for the advance described above). It is not until this time that the tranches are available to the Board of Management members. However, the tranches are shown as “Benefits granted” in the fiscal year in which they are allocated.

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN THE VERSION DATED FEBRUARY 7, 2017

HERBERT DIESS						
Chairman of the Board of Management of Volkswagen AG, Chairman of the Brand Board of Management of Volkswagen Passenger Cars (until June 30, 2020), Volume brand group, China						
€	Benefits received		Benefits granted			
	2020	2019	2019	2020	2020 (minimum)	2020 (maximum)
Fixed remuneration	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000
Fringe benefits	197,725	87,694	87,694	197,725	197,725	197,725
Total	2,322,725	2,212,694	2,212,694	2,322,725	2,322,725	2,322,725
One-year performance-related remuneration	2,027,285	4,288,002	3,045,000	3,045,000	–	5,481,000
Multiyear performance-related remuneration	1,785,168	540,445	3,350,046	3,584,837	–	7,660,000
LTI (performance share plan 2017–2019)	1,785,168	–	–	–	–	–
LTI (performance share plan 2018–2020)	–	–	–	–	–	–
LTI (performance share plan 2019–2021)	–	–	3,350,046	–	–	–
LTI (performance share plan 2020–2022)	–	–	–	3,584,837	–	7,660,000
Phantom shares	–	540,445	–	–	–	–
Total	6,135,178	7,041,141	8,607,740	8,952,562	2,322,725	15,463,725
Pension expense	1,568,053	1,354,053	1,354,053	1,568,053	1,568,053	1,568,053
Total remuneration	7,703,231	8,395,194	9,961,793	10,520,615	3,890,778	17,031,778

OLIVER BLUME						
Chairman of the Board of Management of Dr. Ing. h.c. F. Porsche AG, Sport & Luxury brand group						
€	Benefits received		Benefits granted			
	2020	2019	2019	2020	2020 (minimum)	2020 (maximum)
Fixed remuneration	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Fringe benefits	70,701	68,936	68,936	70,701	70,701	70,701
Total	1,420,701	1,418,936	1,418,936	1,420,701	1,420,701	1,420,701
One-year performance-related remuneration ¹	1,038,796	1,901,085	1,500,000	1,350,000	–	2,430,000
Multiyear performance-related remuneration	–	1,440,000	1,574,419	1,684,716	–	7,200,000
LTI (performance share plan 2018–2020)	–	–	–	–	–	–
LTI (performance share plan 2019–2021)	–	1,440,000	1,574,419	–	–	3,600,000
LTI (performance share plan 2020–2022)	–	–	–	1,684,716	–	3,600,000
Total	2,459,497	4,760,021	4,493,355	4,455,417	1,420,701	11,050,701
Pension expense	997,938	808,544	808,544	997,938	997,938	997,938
Total remuneration	3,457,435	5,568,565	5,301,899	5,453,355	2,418,639	12,048,639

1 In 2019, Mr. Blume was granted a performance-related bonus payment by Porsche AG up to an amount of €150,000, which led to benefits received of €140,000 in 2020. The bonus payment was 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 IN THE VERSION DATED FEBRUARY 7, 2017

MARKUS DUESMANN						
Chairman of the Board of Management of AUDI AG, Premium brand group						
Joined: April 1, 2020						
€	Benefits received		Benefits granted			
	2020	2019	2019	2020	2019 (minimum)	2019 (maximum)
Fixed remuneration	8,277,583 ¹	–	–	8,277,583	8,277,583	8,277,583
Fringe benefits	197,653	–	–	197,653	197,653	197,653
Total	8,475,236	–	–	8,475,236	8,475,236	8,475,236
One-year performance-related remuneration	674,097	–	–	1,012,500	–	1,822,500
Multiyear performance-related remuneration	–	–	–	1,088,933	–	2,700,000
LTI (performance share plan 2020–2022)	–	–	–	1,088,933	–	2,700,000
Total	9,149,333	–	–	10,576,669	8,475,236	12,997,736
Pension expense	849,934	–	–	849,934	849,934	849,934
Total remuneration	9,999,267	–	–	11,426,603	9,325,170	13,847,670

1. Includes compensation for entitlements lost due to a change of employer in the amount of €7.3 million, which is not taken into consideration in the total remuneration cap.

GUNNAR KILIAN						
Human Resources and Truck & Bus (since July 15, 2020)						
€	Benefits received		Benefits granted			
	2020	2019	2019	2020	2020 (minimum)	2020 (maximum)
Fixed remuneration	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Fringe benefits	85,899	112,701	112,701	85,899	85,899	85,899
Total	1,435,899	1,462,701	1,462,701	1,435,899	1,435,899	1,435,899
One-year performance-related remuneration	898,796	1,901,085	1,350,000	1,350,000	–	2,430,000
Multiyear performance-related remuneration	–	–	1,574,419	1,684,716	–	3,600,000
LTI (performance share plan 2018–2020)	–	–	–	–	–	–
LTI (performance share plan 2019–2021)	–	–	1,574,419	–	–	–
LTI (performance share plan 2020–2022)	–	–	–	1,684,716	–	3,600,000
Total	2,334,695	3,363,786	4,387,120	4,470,615	1,435,899	7,465,899
Pension expense	1,170,535	886,559	886,559	1,170,535	1,170,535	1,170,535
Total remuneration	3,505,230	4,250,345	5,273,679	5,641,150	2,606,434	8,636,434

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN THE VERSION DATED FEBRUARY 7, 2017

ANDREAS RENSCHLER						
Chairman of the Board of Management of TRATON SE, Truck & Bus brand group						
Left: July 15, 2020						
€	Benefits received		Benefits granted			
	2020	2019	2019	2020	2020 (minimum)	2020 (maximum)
Fixed remuneration	731,250	1,350,000	1,350,000	731,250	731,250	731,250
Fringe benefits	71,496	259,755	259,755	71,496	71,496	71,496
Total	802,746	1,609,755	1,609,755	802,746	802,746	802,746
One-year performance-related remuneration	466,563	1,901,085	1,350,000	731,250	–	1,316,250
Multiyear performance-related remuneration	1,785,168	990,754	1,574,419	912,610	–	1,950,000
LTI (performance share plan 2017–2019)	1,785,168	–	–	–	–	–
LTI (performance share plan 2018–2020)	–	–	–	–	–	–
LTI (performance share plan 2019–2021)	–	–	1,574,419	–	–	–
LTI (performance share plan 2020–2022)	–	–	–	912,610	–	1,950,000
Phanton shares	–	990,754	–	–	–	–
Total	3,054,477	4,501,594	4,534,174	2,446,606	802,746	4,068,996
Pension expense	–	5,025,570	5,025,570	–	–	–
Total remuneration	3,054,477	9,527,164	9,559,744	2,446,606	802,746	4,068,996

ABRAHAM SCHOT						
Chairman of the Board of Management of AUDI AG, Premium brand group						
Left: March 31, 2020						
€	Benefits received		Benefits granted			
	2020	2019	2019	2020	2020 (minimum)	2020 (maximum)
Fixed remuneration	337,500	1,350,000	1,350,000	337,500	337,500	337,500
Fringe benefits	79,622	460,079	460,079	79,622	79,622	79,622
Total	417,122	1,810,079	1,810,079	417,122	417,122	417,122
One-year performance-related remuneration	–	1,901,085	1,350,000	–	–	–
Multiyear performance-related remuneration	–	–	1,574,419	421,179	–	900,000
LTI (performance share plan 2019–2021)	–	–	1,574,419	–	–	–
LTI (performance share plan 2020–2022)	–	–	–	421,179	–	900,000
Total	417,122	3,711,164	4,734,498	838,301	417,122	1,317,122
Pension expense	56,049	2,222,572	2,222,572	56,049	56,049	56,049
Total remuneration	473,171	5,933,736	6,957,070	894,350	473,171	1,373,171

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN THE VERSION DATED FEBRUARY 7, 2017

€	STEFAN SOMMER					
	Components and Procurement					
	Left: June 30, 2020					
	Benefits received		Benefits granted			
2020	2019	2019	2020	2020 (minimum)	2020 (maximum)	
Fixed remuneration	675,000	1,350,000	1,350,000	675,000	675,000	675,000
Fringe benefits	134,815	519,019	519,019	134,815	134,815	134,815
Total	809,815	1,869,019	1,869,019	809,815	809,815	809,815
One-year performance-related remuneration	–	1,901,085	1,350,000	–	–	–
Multiyear performance-related remuneration	–	–	1,574,419	–	–	–
LTI (performance share plan 2018–2020)	–	–	–	–	–	–
LTI (performance share plan 2019–2021)	–	–	1,574,419	–	–	–
LTI (performance share plan 2020–2022)	–	–	–	–	–	–
Total¹	809,815	4,019,019	4,793,438	809,815	809,815	809,815
Pension expense	447,742	761,437	761,437	447,742	447,742	447,742
Total remuneration	1,257,557	4,780,456	5,554,875	1,257,557	1,257,557	1,257,557

1. Benefits received for 2019 included a top-up amount on the minimum remuneration of €3.5 million.

€	HILTRUD DOROTHEA WERNER					
	Integrity and Legal Affairs					
	Benefits received		Benefits granted			
	2020	2019	2019	2020	2020 (minimum)	2020 (maximum)
Fixed remuneration	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Fringe benefits	122,776	115,159	115,159	122,776	122,776	122,776
Total	1,472,776	1,465,159	1,465,159	1,472,776	1,472,776	1,472,776
One-year performance-related remuneration	898,796	1,901,085	1,350,000	1,350,000	–	2,430,000
Multiyear performance-related remuneration	2,956,624	–	1,574,419	1,684,716	–	3,600,000
LTI (performance share plan 2017–2019)	2,956,624	–	–	–	–	–
LTI (performance share plan 2018–2020)	–	–	–	–	–	–
LTI (performance share plan 2019–2021)	–	–	1,574,419	–	–	–
LTI (performance share plan 2020–2022)	–	–	–	1,684,716	–	3,600,000
Total	5,328,196	3,366,244	4,389,578	4,507,492	1,472,776	7,502,776
Pension expense	1,149,571	956,364	956,364	1,149,571	1,149,571	1,149,571
Total remuneration	6,477,767	4,322,608	5,345,942	5,657,063	2,622,347	8,652,347

REMUNERATION OF THE MEMBERS OF THE BOARD OF MANAGEMENT (BENEFITS RECEIVED AND BENEFITS GRANTED) IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN THE VERSION DATED FEBRUARY 7, 2017

FRANK WITTER						
Finance and IT						
Components and Procurement (acting July 1, 2020 – December 31, 2020)						
€	Benefits received		Benefits granted			
	2020	2019	2019	2020	2020 (minimum)	2020 (maximum)
Fixed remuneration	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Fringe benefits	71,549	62,781	62,781	71,549	71,549	71,549
Total	1,421,549	1,412,781	1,412,781	1,421,549	1,421,549	1,421,549
One-year performance-related remuneration	898,796	1,901,085	1,350,000	1,350,000	–	2,430,000
Multiyear performance-related remuneration	1,785,168	249,128	1,574,419	1,684,716	–	3,600,000
LTI (performance share plan 2017–2019)	1,785,168	–	–	–	–	–
LTI (performance share plan 2018–2020)	–	–	–	–	–	–
LTI (performance share plan 2019–2021)	–	–	1,574,419	–	–	–
LTI (performance share plan 2020–2021)	–	–	–	1,684,716	–	3,600,000
Phanton shares	–	249,128	–	–	–	–
Total	4,105,513	3,562,994	4,337,200	4,456,265	1,421,549	7,451,549
Pension expense	1,008,664	886,120	886,120	1,008,664	1,008,664	1,008,664
Total remuneration	5,114,177	4,449,114	5,223,320	5,464,929	2,430,213	8,460,213

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, or in Mr. Duesmann's case when he reaches the age of 65. From July 16, 2022, Mr. Renschler is entitled to a pension of 70% of his fixed level of remuneration in 2017.

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. Duesmann, 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. Duesmann, Mr. Kilian, Mr. Schot 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.

On December 31, 2020, the pension obligations for members of the Board of Management in accordance with IAS 19 amounted to €36.6 (60.5) million. €7.7 (13.7) 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 €26.6 (44.8) million. €6.4 (14.5) million was added to the provision in the reporting year in accordance with German GAAP.

Retired members of the Board of Management and their surviving dependents received €35.9 (14.5) million in the year now ended. Obligations for pensions for this group of persons measured in accordance with IAS 19 amounted to €396.3 (373.7) million, or €317.8 (300.5) million measured in accordance with German GAAP.

A one-year post-contractual restraint on competition has been agreed with Mr. Duesmann. For the duration of this post-contractual restraint, Mr. Duesmann will receive compensation. The compensation will count towards current benefits from the pension scheme.

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 are limited to a maximum of two years' remuneration, in accordance with G.13 sentence 1 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.

The post-contractual restraint on competition agreed with Mr. Duesmann will also generally apply in the event of early termination. The compensation will count towards any settlement.

Under the termination agreement with Mr. Schot, he will participate in the 2019 to 2021, 2020 to 2022 and 2021 to 2023 performance periods without any pro rata reductions. It has been agreed with Mr. Renschler that the tranche for the 2020 to 2022 performance period will be reduced on a pro rata basis in line with the date of his departure (July 15, 2020) and that no bad-leaver case will apply. It has been agreed with Mr. Sommer that the performance shares allocated to him for the 2018 to 2020, 2019 to 2021 and 2020 to 2022 performance periods will expire.

Please refer to notes 46 and 48 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 2020.

PENSIONS OF THE MEMBERS OF THE BOARD OF MANAGEMENT IN 2020 (PRIOR-YEAR FIGURES IN BRACKETS)

€	Pension expense	Present values as of December 31 ¹
Herbert Diess	1,568,053	7,694,544
	(1,354,053)	(5,592,969)
Oliver Blume	997,938	3,023,360
	(808,544)	(1,743,034)
Markus Duesmann (since April 1, 2020)	849,934	849,934
	(–)	(–)
Gunnar Kilian	1,170,535	3,702,669
	(886,559)	(2,102,717)
Andreas Renschler (until July 15, 2020)	–	–
	(5,025,570)	(29,609,167)
Abraham Schot (until March 31, 2020)	56,049	–
	(2,222,572)	(2,222,572)
Stefan Sommer (until June 30, 2020)	447,742	–
	(761,437)	(1,228,940)
Hiltrud Dorothea Werner	1,149,571	5,071,366
	(956,364)	(3,482,194)
Frank Witter	1,008,664	16,277,467
	(886,120)	(14,474,204)
	–	–
Members of the Board of Management who left in the previous year	(–)	(–)
Total	7,248,486	36,619,340
	(12,901,219)	(60,455,797)

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 remuneration system for the members of the Supervisory Board to the 2017 Annual General Meeting, which was approved on May 10, 2017 with 99.98% of the votes cast. The Board of Management and Supervisory Board will submit the remuneration system for the members of the Supervisory Board to the Annual General Meeting for approval in 2021 in line with the requirements of the AktG as amended by the ARUG II. 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 comprise partly non-performance-related and partly performance-related components.

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

- > The members of the Supervisory Board will receive fixed remuneration of €100,000 per fiscal year.
- > The Chairman of the Supervisory Board will receive fixed remuneration of €300,000, and his deputy will receive remuneration of €200,000.
- > For their work in the Supervisory Board committees, the members of the Supervisory Board will 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.
- > The work on a maximum of two committees shall be included in calculating the remuneration. If this maximum is exceeded the two most highly remunerated functions shall be decisive for the respective remuneration.
- > 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.
- > 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.

In fiscal year 2020, the members of the Supervisory Board received €5,341,196 (5,327,155). Of this figure, €2,294,167 related to the work of the Supervisory Board and €1,008,889 related to the work in the committees.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

€	FIXED	WORK IN THE	OTHER ¹	TOTAL	TOTAL
	REMUNERA- TION	COMMITTEES		2020	2019
Hans Dieter Pötsch	300,000	100,000	500,000	900,000	925,500
Jörg Hofmann ²	200,000	75,000	24,000	299,000	289,000
Hussain Ali Al Abdulla	100,000	–	3,000	103,000	105,000
Hessa Sultan Al Jaber	100,000	–	9,000	109,000	107,000
Bernd Althusmann ³	100,000	50,000	13,000	163,000	157,000
Kai Bliesener ² (since June 20, 2020)	53,056	–	6,000	59,056	–
Hans-Peter Fischer ²	100,000	–	13,000	113,000	107,000
Marianne Heiß	100,000	50,000	89,500	239,500	250,500
Johan Järvklo ² (until February 29, 2020)	41,111	–	4,000	45,111	107,000
Ulrike Jakob ²	100,000	–	13,000	113,000	106,000
Louise Kiesling	100,000	–	13,000	113,000	107,000
Peter Mosch ²	100,000	100,000	168,500	368,500	390,500
Bertina Murkovic ²	100,000	79,444	21,000	200,444	157,000
Bernd Osterloh ²	100,000	125,000	172,000	397,000	387,000
Hans Michel Piëch	100,000	29,444	185,000	314,444	289,000
Ferdinand Oliver Porsche	100,000	150,000	164,000	414,000	435,000
Wolfgang Porsche	100,000	150,000	192,390	442,390	433,500
Conny Schönhardt ² (since June 21, 2019)	100,000	50,000	17,000	167,000	81,389
Athanasios Stimoniaris ²	100,000	–	324,250	424,250	482,040
Stephan Weil ³	100,000	50,000	20,000	170,000	163,000
Werner Weresch ² (since February 21, 2019)	100,000	–	86,500	186,500	165,352
Members of the Supervisory Board who left in the previous year	–	–	–	–	82,374
Total	2,294,167	1,008,889	2,038,140	5,341,196	5,327,155

1 Attendance fees, membership of other Group bodies (non-performance-related: €792,888; performance-related: €571,002).

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.