

VOLKSWAGEN

AKTIENGESELLSCHAFT

Group Policy 3: Volkswagen Group Whistleblower system

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1 Principles and objective

Integrity, together with compliance with laws and regulations, are the foundation of our corporate policy and are top priorities for the Volkswagen Group. They lay the foundation for the good reputation of the Group and its brands, for the trust of its customers and business partners, the well-being of its Employees as well as of sustainable economic success, which should not be undermined by the risk of significant financial losses from fines, seizure of profit and liability for damages, or criminal prosecution.

The Volkswagen Group instils trust in all of its Employees. They are expected to be guided by ethical values in their actions, particularly to behave in an honest way, to deal fairly with each other, with customers and business partners, to comply with the laws and the rules applicable in the Volkswagen Group (in particular the Code of Conduct) and to fulfil the obligations under their employment contracts. The Volkswagen Group expects its executives to act as role models.

Violations of regulations, in particular violations of the law or the Code of Conduct will not be tolerated. Such violations will be sanctioned and, if need be, brought to the attention of the relevant authorities. Sanctions stemming from Regulatory Violations follow the principle of proportionality and will take into account the severity of the violation as well as the previous accomplishments of the Employee, responsibilities within the Volkswagen Group, and the specific circumstances of the individual case.

In order to prevent violations, identify them as soon as possible, take corrective measures and impose sanctions, regularly scheduled training sessions on compliance with the applicable laws and internal regulations are required, in addition to a corporate culture based on integrity as well as the selection and development of personnel. This requires vigilance by all Employees, their willingness to report potential violations if reasonable suspicion exists, and timely, objective clarification of suspicious activity reports as well as sanctions by the Volkswagen Group for violations detected.

Whistleblowers must be protected against discrimination and retaliation. Employees will be treated fairly in the Investigation of violations. Until proven otherwise, they will be presumed innocent.

The Volkswagen Group has established a Compliance Organisation to prevent and detect any and all violations as well as to provide consulting services on compliance with laws and internal regulations. The Central Investigation Office was established, and Ombudspersons were appointed, to receive and process reports of Regulatory Violations affecting the Volkswagen Group. Regulatory Violations that are registered by the Central Investigation Office are monitored by the Central Investigation Office until these are settled.

This Group Policy and the policies simultaneously in effect at the investigating units comprise the investigative process, particularly in the case of Serious Regulatory Violations.

In the event that parts of this Group Policy cannot be implemented due to local laws, *Group Compliance* must be immediately informed in writing.

2 Scope

This Group Policy applies to all companies and Employees of the Volkswagen Group and must be implemented by all Group companies. It contains standards and general codes of practice for implementing, creating and enforcing whistleblower systems and conducting internal investigations within the Volkswagen Group and sets out the competencies, responsibilities and cooperation requirements to be established within the Volkswagen Group.

3 Terms and definitions as defined in this policy

Employee Representatives are the members of the Works Council pursuant to the Works Constitution Act (Betriebsverfassungsgesetz), the executive representative committees pursuant to the Representative Committee Act (Sprecherausschussgesetz), as well as comparable bodies.

Investigation Committee is the committee set up under the leadership of *Group Compliance* which is composed of the Heads of *Group Audit*, *Group Security*, *Group Legal* and *Group Compliance*.

Employees are the Employees of the Volkswagen Group, including senior managers and members of the governing bodies. Individuals, whose employment or contract of service is suspended, in particular because they have been appointed to a non-controlled associated company, are also Employees.

Persons Implicated are those Employees suspected of Regulatory Violations.

Disciplinary Committee is the committee set up under the leadership of *Group Compliance* which is composed of the Head of *Group Legal* and the Head of Top Management Personnel. The Head of *Group Audit* and the Head of *Group Security* as Investigating Units are non-voting members. Furthermore, the Head of *Group Audit* only participates in meetings concerning the final reports prepared by *Group Audit*. The Chairman of the Volkswagen Aktiengesellschaft *Group Works Council* is also a non-voting member of the Disciplinary Committee. In individual cases all members may appoint representatives and/or other members of their departments to attend the meetings.

Managers are those Employees from senior management (MK).

Hints refer to detailed information concerning Regulatory Violations, including those coming in via whistleblower channels such as telephone, e-mail, post, oral communication and Ombudspersons.

Categorisation is the classification of a Hints by the Central Investigation Office after completion of the plausibility check.

Group-relevant is a Hints that is so severe that it can have consequences across the entire Volkswagen Group.

Brand Investigation Offices are the offices created according to this Group Policy in the Group companies AUDI AG, Volkswagen Truck & Bus GmbH and Dr. Ing. h.c. F. Porsche AG.

The **Need-to-know-Principle** is the principle for processing of Hints and the Investigation and punishment of Regulatory Violations, accordingly, the group of persons informed about a Hint, the Persons Implicated, its processing and results, as well as the information provided to them, is limited to the absolutely necessary, unless provided for otherwise in this Group Policy or any applicable law.

Ombudspersons are appointed external lawyers who are obliged to maintain professional secrecy and who receive Hints of potential Regulatory Violations.

HR Coordinator is the person appointed by the Volkswagen Aktiengesellschaft Board of management member responsible for *Personnel and Organisation* who performs the tasks of the Human Resources department centrally according to this Group Policy and who can also act through a representative. Analogous arrangements must be made in the Group companies.

Regulatory Violations are all statutory and internal violations of regulations (especially violations of the Code of Conduct or employment contractual obligations) by Employees committed in connection with, or based upon, their employment by the Volkswagen Group. For the Investigation and punishment of violations, a distinction is made between Serious and Other Regulatory Violations.

Serious Regulatory Violations include offences that significantly violate the ethical values of the company, or non-compliant behaviour that can result in a high level of financial loss for the Volkswagen Group or one of its Group companies, so that the interests of the Volkswagen Group or one of its subsidiaries are severely adversely affected. Every case requires a specific individual analysis.

Strong indicators of a Serious Regulatory Violation in particular include:

- Substantial Violations committed by Employees from the level of upper management and above
- Expected company sanctions (for example, substantial fines due to violations of money laundering measures and prevention of terrorism financing, ban on business transactions with the authorities, suspension of licences for business operations)
- Significant and long-term impairment of the company's reputation
- Criminal offences, in particular, economic, corruption, tax and

- environmental crimes
- Financial losses for the company exceeding €5,000,000
- Organised conspiracy to commit a violation involving several people
- Systematic exploitation of existing company structures to repeatedly commit a violation of the law
- Breach of duty in cooperation with public officials and authorities
- Violations of human rights (UN Human Rights Charter, prohibition of child labour)

The following cases, independent of the individual case, are always processed as reports of Serious Regulatory Violations:

- Violations of regulations prohibiting the discrimination of whistleblowers
- Failure to fulfil the obligation to report, e.g. to the Investigation Office, in the event of proven knowledge of the aforementioned Regulatory Violations
- Violations of US environmental regulations

An **Other Regulatory Violation** is any Regulatory Violation that is not a Serious Regulatory Violation. Confirmed Other Regulatory Violations may also be sanctioned appropriately and may lead to termination of employment.

Substantiated Hints exists when the respective facts, if necessary upon further inquiry, contain sufficient evidence of a Regulatory Violation.

Investigation is the internal clarification of potential Regulatory Violations.

Investigating Units are *Group Audit, Group Security and Group Legal*.

The **Four-eye-Principle** should be applied in decisions related to Investigations and requires that at least a second person is involved in the decision-making.

Central Investigation Office is the central office established by *Group Compliance*, pursuant to this Group Policy.

4. **Involvement of Employee Representatives**

The Persons Implicated can consult with the relevant Employee Representatives for support or mediation during Investigations. Existing rights of participation of Employee Representatives are guaranteed throughout the entire procedure.

5 **Reporting violations**

5.1 Employees should report indications of Regulatory Violations.

5.2 Managers are obliged to report information concerning Serious Regulatory Violations to the Central Investigation Office, the responsible Brand Investigation Office or the Ombudspersons.

6 Procedural principles and safeguards

The following procedural principles and safeguards apply to all Investigations (see section 8) within the Group:

6.1 Procedural fairness

The principle of procedural fairness applies to all Investigations. Only information acquired legally may be used for investigative purposes, including subsequent authorizations. The Persons Implicated in the suspected wrongdoing must be treated fairly and with respect.

6.2 Presumption of innocence

Investigations must be conducted in a neutral and objective manner in accordance with the presumption of innocence. In addition to incriminating evidence, potentially exonerating evidence must also be examined.

6.3 Whistleblower protection

6.3.1 Whistleblowers will be protected. Statements made by the whistleblower are handled confidentially. Their identity will not be disclosed, if so desired and legally permissible. Whistleblowers who are disadvantaged as a result of their report should contact the Central Investigation Office.

6.3.2 Discrimination or hostilities towards whistleblowers, as well as retaliation against whistleblowers, will not be tolerated and will be investigated and possibly sanctioned under this Group Policy.

6.3.3 Whistleblowers should disclose their identity to allow inquiries that might be helpful to the Investigations. Provided they do not wish to have their identity revealed to other offices or departments of the Volkswagen Group, this is ensured. Anonymous reports are also possible – unless expressly prohibited by applicable law. The Central Investigation Office and the Ombudspersons will likewise receive and process such anonymous reports.

6.3.4 In principle, the whistleblower, if not kept anonymous, is always informed as to whether a Regulatory Violation has been identified.

6.3.5. Anyone who falsely accuses another of a Regulatory Violation is committing a Regulatory Violation, which will in turn be investigated pursuant to this Group Policy and, if necessary, sanctioned.

6.4 Reasonableness

Investigations are limited in framework to the subject of the Investigation. Investigations will only be conducted on the basis of reasonable suspicion. Investigative measures must observe the principle of reasonableness, i.e. they must be suitable, necessary and appropriate to satisfy the purpose of the Investigation.

- 6.5. **Conducting Investigations**
During Investigations, policies and work instructions of the investigating units or the appropriate office apply. Regulatory Violations handled directly by the investigating units or the appropriate office, must be reported to the Investigation Office, if there is suspicion before or during the Investigation that a Serious Regulatory Violation could have occurred.
- 6.6 **Applicable laws and data protection**
When processing Hints and carrying out Investigations, all applicable laws, including relevant data protection laws shall be complied with, in addition to internal group regulations.
- 6.7 **Right to be heard, informing the Persons Implicated**
- 6.7.1 Persons Implicated will be informed that they are under investigation as soon as possible, and as far possible, without jeopardizing the purpose of the Investigation.
- 6.7.2. Persons Implicated shall be given the opportunity, at the latest before the end of the Investigation, to make a statement on the allegations. This statement will be taken into account.
- 6.7.3 If it becomes clear at an early stage in the Investigation that a Regulatory Violation has not occurred, the obligation to inform the Person Implicated and that person's right to make a statement may be disregarded, as far as this is allowed under data protection rules.
- 6.7.4 In the context of the Need-to-know-Principle, the managers of the Person Implicated will only be informed during an Investigation insofar as this is necessary to clarify the facts.
- 6.7.5 Once the findings have been set down in the final report (section 8.5.5), the HR Coordinator or the responsible department in HR ensures that the Persons Implicated in having committed a Regulatory Violation are properly informed of the facts.
- 6.8 **Right to counsel**
Persons Implicated have the right to be advised by a member of the Employee Representatives or a legal counsel at any time during the Investigation, and to be accompanied in interviews. This does not affect the right of the Volkswagen Group to set a timeline for the Investigation. In principle, the Person Implicated bears the costs of his/her legal counsel.
- 6.9 **Confidentiality and secrecy**
The Employees responsible for handling the Hints and the Investigations must, in principle, treat the information obtained as confidential and may not disclose it to other parties. This applies in particular to personal data. They may only inform other

persons on a strictly need-to-know basis, or if it is expressly provided for in this Group Policy.

6.10 Principle of legality

There is no discretionary authority as to whether Hints are processed and Investigations carried out and whether sanctions are imposed in the event of a finding of a Regulatory Violation.

6.11 Timely Investigation

Hints will be processed without undue delay and upon receipt will be classified according to their importance into one of three priority categories. In principle, all incoming Hints should be processed and categorised at the latest within a maximum of 20 working days. Hints that contain clues of a Serious Regulatory Violation should be processed respectively categorized at the latest within a maximum of 40 working days. If there is a backlog of Hints that have not been passed on to the Investigating Units or appropriate offices after 20 respectively 40 working days, the Group Chief Compliance Officer is to be informed until the end of the month. He is to define effective measures for processing the backlog and to inform the responsible member of the Board of Management.

6.12 Rehabilitation

If the result of the Investigation concludes that no Regulatory Violation has occurred, the Person Implicated may be supported – if so desired – by the Investigation Office in charge or another department chosen by him to clarify this in an appropriate manner in the person's working environment, to avoid any reputational damage. The Person Implicated may especially decide in such cases whether his/her supervisor should be informed, insofar as they have not yet been informed. At the request of the Person Implicated, the supervisor or other managerial authority may clarify that the Person Implicated was wrongly accused.

6.13 Obligations to cooperate

6.13.1 All Group companies and Employees are obliged to fully support Investigations. This includes in particular making documents and data available in their entirety and providing comprehensive and truthful information.

6.13.2 The impairing or hindering of Investigations, in particular influencing witnesses and suppressing or manipulating documents, is not permitted and will also be investigated as a Regulatory Violation and sanctioned, if applicable.

7 Responsibilities

- 7.1 The Central Investigation Office is responsible for processing those Hints for which no Brand Investigation Office is responsible. It monitors and coordinates the Brand Investigation Offices and receives the investigation reports from the Investigating Units. The Investigating Units are also able to consult the Central Investigation Office during the Investigation.
- 7.2 The Central Investigation Office is also responsible for the Group-wide documentation of Hints of Serious Regulatory Violations and their processing as well as for the Group-wide statistical recording of Hints of Other Regulatory Violations and their processing.
- 7.3 The Brand Investigation Offices are responsible for processing those Hints that concern their companies and subsidiaries.
- 7.4 If Hints are received by the Central Investigation Office or a Brand Investigation Office that do not fall within their areas of responsibility, they shall be passed on to the responsible Investigation Office immediately.
- 7.5 Information concerning certain Employees
- 7.5.1. Any Hints that raise suspicions against Volkswagen Aktiengesellschaft Board members and that are not querulous, clearly inaccurate or lacking in substance, must be submitted without delay by the Central Investigation Office to the Chairman of the Audit Committee of the Supervisory Board of Volkswagen Aktiengesellschaft, who shall decide on further actions. The member of the Board of Management responsible for *Integrity and Legal Affairs* shall be simultaneously informed about this, as long as the member is not themselves affected by the Hint.
- 7.5.2 Any Hints that are not manifestly inaccurate, querulatory or insubstantial and raise suspicions against members of the Board of Management or Managing Directors of Group companies, if they are members of top management or higher, shall immediately be reported following a plausibility check and categorisation by the Central Investigation Office to the respective supervisory body of the company who shall decide on further actions. The Volkswagen AG Board of Management member responsible for Integrity and Legal Affairs shall be simultaneously informed about this, as long as the member is not themselves affected by the Hint. If the business area *China* is affected, the responsible Board member of Volkswagen Aktiengesellschaft must also be informed at the same time, as long as the member is not themselves affected by the Hint.
- 7.5.3 Any Hints that raise suspicions against Employees of the *Office of the Corporate Secretary* of Volkswagen Aktiengesellschaft, must immediately be submitted following a plausibility check and categorisation by the Central Investigation Office to the Chief Compliance Office of the Volkswagen Group and to the member of the Board of

Management responsible for *Integrity and Legal Affairs*. They have to decide on further actions.

- 7.5.4 Any Hints which raise suspicions against Central Investigation Office Employees must immediately be submitted to the Chief Compliance Office of the Volkswagen Group and the Head of Group Audit, as well as to the member of the Board of Management responsible for *Integrity and Legal Affairs*. They have to decide on further actions.
- 7.5.5 Any Hints that raise suspicions against members of the Volkswagen Aktiengesellschaft's Supervisory Board must be immediately submitted without delay following a plausibility check and categorisation by the Central Investigation Office to the Chairman of the Board of Management of Volkswagen Aktiengesellschaft, who shall decide on further actions. The member of the Board of Management responsible for *Integrity and Legal Affairs* shall also be immediately informed.
- 7.5.6. Any Hints that raise suspicions against members of the Supervisory Board of Group companies, whose Board of Management members or Managing Director are at the level of top management or higher, must be immediately submitted following a plausibility check and categorisation by the Central Investigation Office to the Managing Director of the respective company.
At the same time, the Chairman of the Board of Management of Volkswagen Aktiengesellschaft shall be informed. The Chairman of the Board of Management of the Managing Director of the respective company shall decide on further actions. The Board member responsible for *Integrity and Legal Affairs* shall also be immediately informed. If the member of the Supervisory Board of the Group company is also a member of the Management Board of Volkswagen Aktiengesellschaft, Hints shall be submitted following a plausibility check and categorisation by the Central Investigation Office exclusively to the Chairman of the Audit Committee of the Supervisory Board of Volkswagen AG, who shall decide on further actions.

8 Investigation process

8.1 Receipt and recordings

- 8.1.1 The Central Investigation Office receives, records and documents Hints regarding Regulatory Violations from all available channels, including the Ombudspersons.
- 8.1.2 Hints, for which a receiving Investigation Office is not responsible, shall be forwarded to the competent Investigation Office pursuant to section 7.4.
- 8.1.3 The Central Investigation Office accepts Hints in German and English, as well as in other official languages of the countries concerned. If translations are required, confidentiality is ensured through agreements with the translation offices.

8.2 Plausibility check

In preparation for categorisation, the Central Investigation Office reviews the Hints for substantiated information. This comprises the preliminary investigation of the Regulatory Violation described in the Hint so as to determine whether there are sufficient facts to denote a Regulatory Violation. Wherever possible and necessary, the Central Investigation Office will ask the whistleblower to provide additional information for the categorisation. In order to conduct an efficient preliminary investigation, the Central Investigation Office may involve investigating units.

8.3 Categorisation

After checking for plausibility, the Central Investigation Office allocates Hints to one of the following categories:

- Unsubstantiated/unfounded (also includes obviously incorrect, querulatory and insubstantial Hints)
- Suspicion of Other Regulatory Violations
- Suspicion of Serious Regulatory Violations

8.4. Initiation of the Investigation

8.4.1 In cases of suspicion of Serious Regulatory Violations, the Central Investigation Office issues an investigation mandate and recommends the case to an Investigating Unit or an appropriate law firm, auditing company, or other company suitable for carrying out internal investigations. The Investigation Unit has to confirm acceptance of the investigation mandate. In the event that a law firm should take on the case, *Group Legal* is responsible for the selection and commissioning of that firm.

8.4.2 In the event of disagreement between the Central Investigation Office and the Investigating Unit, the Central Investigation Office shall immediately call on the Investigation Committee, which shall then determine the Investigating Unit. Details are provided in the rules of procedure for the Investigation Committee. If none of the Investigating Units can carry out an investigation mandate due to restrictions regarding content or capacity, the investigation mandate will be handed over to a suitable party (law firm, audit firm etc.).

8.4.3 The investigation mandate describes the results of the plausibility check, including an examination of data protection requirements and the subject of the Investigation, including the Persons Implicated. It provides the Investigating Unit with information already available information and documentation that is necessary.

8.4.4 Suspicions of Other Regulatory Violations shall be sent by the Central Investigation Office to a suitable body of the Volkswagen Group for the purposes of an independent investigation and to suspend and sanction confirmed Regulatory Violations. The Central Investigation Office shall select a suitable body at the Group company in question. In cases of Other Regulatory Violations, the Central Investigation Office can also suggest

that one of the Investigating Units take over the case. For Other Regulatory Violations no investigation mandate is issued.

- 8.4.5 If a case has been categorised as unsubstantiated/unfounded, the case shall be closed.
- 8.5 Investigation of Serious Regulatory Violations
- 8.5.1 Investigation mandates are to be processed by the Investigating Unit directly and as comprehensively as possible. In addition to this Group Policy, the internal rules of the Investigating Unit shall apply. It may ask other bodies within the Group for specific support and subcontract tasks to its own decentralised divisions. The Investigating Unit, however, maintains responsibility for the Investigation as a whole. If during the Investigation, participation rights of Employee Representations exist, the Investigating Unit shall involve the relevant departments.
- 8.5.2 The Investigating Units must inform the Central Investigation Office on the status of Investigations upon request. When necessary, the Central Investigation Office shall advise the Investigating Unit in the Investigation of Serious Regulatory Violations and with the consent of the Investigating Units can participate in interviews with witnesses and Persons Implicated or, in exceptional circumstances, receive access to the drafts of the investigation report.
- 8.5.3 If, during the Investigation, accidental discoveries are made which indicate Regulatory Violations beyond the investigation mandate, this shall be communicated to the Central Investigation Office at the latest together with the Investigation Report so that the existing Investigation mandate can either be expanded or a new case can be opened.
- 8.5.4 Upon completion of the Investigation, the Investigating Unit shall prepare an Investigation Report. If necessary, the format of the Investigation Reports of the Investigating Units shall be laid down in a separate procedural instruction.
- 8.5.5 The Central Investigation Office shall accept the Investigation Report and the findings of the Investigation, and checks that the investigation mandate has been completed comprehensively. The Central Investigation Office may ask an Investigating Unit for supplementary investigation measures. If the Investigating Unit cannot carry out the additional investigation mandate for substantive or capacity reasons, the investigation mandate will be handed over to a suitably entity (law firm, accounting firm etc.).
- 8.5.6 This Group Policy does not limit the independence of *Group Audit* in respect of their direct reporting rights to the Management Board and the Audit Committee of the Supervisory Board of Volkswagen AG and the Investigations to be carried out to this effect.
- 8.5.7 The Central Investigation Office decides on the investigation report and in the event of confirmed Regulatory Violations recommends appropriate personnel measures. It

shall see to it that appropriate personnel measures (including salary reductions and claiming damages) are adopted by the competent company committees. It shall submit the investigation report, together with its recommendation of appropriate personnel measures, to the HR Coordinator.

- 8.5.8 If the investigation report (also) confirms that Other Regulatory Violations have occurred, this Other Regulatory Violation will be processed in line with this Group Policy.
- 8.5.9 The HR Coordinator shall, within the limits of his or her possibilities, implement the recommended measures personally or via a Human Resources department without delay taking section 6.10 of this Policy as well as company regulations into consideration. The HR Coordinator shall then report to the Central Investigation Office regarding implementation. If the implementation differs from the recommended sanction of the Central Investigation Office, the HR Coordinator or the HR department commissioned with the implementation must provide a reasoned explanation. In the latter case, the HR Coordinator coordinates the explanation provided by the commissioned department.
- 8.5.10 If a Regulatory Violation has been confirmed, the HR Coordinator or the responsible department in HR shall, in the context of the implementation of the recommended sanction, also inform the supervisor of the Person Implicated, unless there are substantial grounds for not doing so.
- 8.5.11 The Central Investigation Office assesses whether and to what extent implemented personnel measures resulting from generally preventive considerations – taking section 6.6 into account – shall be communicated within the company. The Central Investigation Office assesses and regularly checks the implementation of recommended sanctions for tendencies and potential objections with regard to subject, location and level of the Persons Implicated.
- 8.6 Investigation of Other Regulatory Violations
 - 8.6.1 The office commissioned with processing a suspected case of Other Regulatory Violations is obliged to clarify the issue independently, comprehensively and in a timely manner, as well as to suspend and sanction any confirmed cases of Regulatory Violations. Where necessary assistance shall be provided by the other offices within the Group.
 - 8.6.2 Upon completion of the Investigation of a suspicion of Other Regulatory Violations, the commissioned office shall prepare a final report documenting the course of the Investigation and the findings, and the result for each Person Implicated (Regulatory Violation confirmed or not) as well as any adopted measures (in particular, reprimand, warning or separation).

- 8.6.3 If offices are commissioned within Volkswagen Aktiengesellschaft, the commissioned office shall send the final report to the Central Investigation Office. Other commissioned offices shall just share the date of the final report with the Central Investigation Office.
- 8.6.4 If the commissioned office identifies circumstances, indicating that a Serious Regulatory Violation has occurred, it shall inform the Central Investigation Office, which may re-categorize the case and process the case in line with this Group Policy.
- 8.6.5 The Central Investigation Office may prepare forms to be used in addition to the general framework for processing suspected cases of Other Regulatory Violations.

9 Other tasks of the Central Investigation Office

- 9.1 The Central Investigation Office operates an IT-based case management system, documents and archives, Group-wide, the Investigation of Hints that suspect incidences of Serious Regulatory Violations. On this basis, it provides meaningful statistics, which are included in the risk assessment of Group Compliance and taken into account for the further development of the Compliance Management System of the Volkswagen Group. Anonymized Statistics on confirmed cases of Regulatory Violations may be published internally within the company taking into account data protection law.
- 9.2 The Central Investigation Office reports directly to the Chief Compliance Officer of the Volkswagen Group and to the member of the Board of Management responsible for *Integrity and Legal Affairs*. The reports are to be provided on a regular basis and as needed. They are to include the aforementioned statistics as well as the results of the Investigations, personnel measures adopted and recommendations on any further measures to avoid future incidents of Regulatory Violations and to improve the Compliance Management System. These reports should also clarify the causes and planned countermeasures in the event that the processing time as defined in section 6.11 has been exceeded.
- 9.3 To avoid future incidents of Regulatory Violations and to improve the Compliance Management System, the Central Investigation Office shall inform the Compliance Officers of the Group companies about any closed relevant cases of Regulatory Violations in an anonymised form.

10 Investigation Committee

Group Compliance convenes and chairs the meetings of the Investigation Committee. The members of the Investigation Committee may be represented by their deputies. The Investigation Committee shall meet as warranted.

11 Disciplinary Committee

- 11.1 In confirmed cases of Serious Regulatory Violations by Employees from the level of top management or higher, the Disciplinary Committee decides on sanctions on the basis of

the investigation report and the sanction recommendation from the Central Investigation Office under consideration of section 6.10 of this Policy. Statutory powers of the Supervisory Board over members of the Board of Management and upper management remain unaffected.

- 11.2 The Disciplinary Committee shall submit its decisions to the HR Coordinator for implementation and simultaneously to the Central Investigation Office. For the rest of the procedure refer to sections 8.5.9 and 8.5.10.

12 The Ombudspersons

- 12.1 The Ombudspersons appointed by the Volkswagen Group are responsible for accepting Hints of potential Regulatory Violations committed by Employees, checking these for plausibility, consulting with the whistleblower, if necessary, and then forwarding the Hint to the Central Investigation Office in agreement with the whistleblower. This process is anonymous, if so desired by the whistleblower.

- 12.2 The Ombudspersons advise the whistleblower and ask questions if necessary. Apart from the collection of data, they do not undertake their own Investigations.

- 12.3 To protect the anonymity of a whistleblower, it is ensured that the Volkswagen Group does not have access to the data stored by the Ombudspersons.

- 12.4 The Ombudsperson shall immediately forward anonymous Hints to the Central Investigation Office without conducting their own review.

- 12.5 Hints that raise suspicions against members of the Board of Management of Volkswagen Aktiengesellschaft must be forwarded immediately and directly to the Chairman of the Audit Committee of Volkswagen Aktiengesellschaft's Supervisory Board by the Ombudsperson. Hints that raise suspicions against the Employees in the *Office of the Corporate Secretary* or in the Central Investigation Office, must be submitted without delay to the Chief Compliance Officer of Volkswagen Aktiengesellschaft, as well as to the member of the Board of Management responsible for *Integrity and Legal Affairs*. They will decide on further actions.

- 12.6 As external lawyers, the appointed Ombudspersons are obliged to maintain professional secrecy, in accordance with the law.

- 12.7 The Central Investigation Office appoints the Ombudspersons in agreement with the Chief Compliance Officer of the Volkswagen Group and the member of the Board of Management responsible for *Integrity and Legal Affairs*. It monitors their activities.

13 Criminal and administrative investigations

- 13.1 The Central Investigation Office decides together with *Group Legal*, in cooperation with the Investigating Unit, on pressing charges or filing criminal complaints against Persons

Implicated and third parties as well as a disclosure of breaches of law to the competent authorities. Unless there is a legal obligation to report, the following shall be taken into account when deciding these issues:

- The interest of the Volkswagen Group; and
- The conduct of the Persons Implicated and third parties, especially their cooperation in the Investigation and their willingness to redress and provide compensation for damages.

In cases that are relevant to the Management Board, the member of the Board of Management of Volkswagen Aktiengesellschaft responsible for *Integrity and Legal Affairs* shall be included in the decision.

13.2 Under the leadership of *Group Legal*, the latter is responsible, together with the Central Investigation Office, for making contact with the public prosecutor's office and other investigating authorities.

14 Information of the Employee Representatives and Employees

The Central Investigation Office shall provide the *Group Works Council* and the Group Representative Committee with annual statistical information regarding Hints, the number of cases, the sites affected, the type of Regulatory Violations, the status and results of the Investigations.

15 Implementation of the Group Policy in the Group companies

15.1 Applicable standards and recording of Hints

This Group Policy provides standards that are to be implemented by the Group companies in their policies, ensuring the uniform processing of Hints and conducting of Investigations within the Volkswagen Group.

15.2 Reporting obligations and documentation

15.2.1 The Brand Investigation Offices must notify the Central Investigation Office without delay, and as far as legally possible, about suspicions of Serious Regulatory Violations, as well as the results of the Investigations and measures adopted, and also record this information in the Group-wide IT-Case-Management-System.

15.2.2 The Brand Investigations Offices must provide the Central Investigation Offices with statistical reports about Hints regarding Other Regulatory Violations and the Investigations thereof.

15.2.3 The details are to be established by the Central Investigation Office.

15.3 Organisation

- 15.3.1 AUDI AG, Dr. Ing. h.c. F. Porsche AG and Volkswagen Truck & Bus GmbH are each establishing a Brand Investigation Office for themselves and their subsidiaries. It is up to them to decide which functional areas they assign to the Brand Investigation Office. The competences and tasks of the Brand Investigation Office are essentially the same as those of the Central Investigation Office. A close cooperation between the Brand Investigation Office and the respective compliance organization and the Central Investigation Office must be ensured.
- 15.3.2 AUDI AG, Dr. Ing. h.c. F. Porsche AG and Volkswagen Truck & Bus GmbH will each establish a Brand Investigation Committee and a Brand Disciplinary Committee for themselves and their subsidiaries. Their composition, responsibilities and tasks are essentially the same as those of the Central Investigation Committee and the Central Disciplinary Committee.
- 15.3.3 All remaining Group companies are to designate an office responsible for processing cases of suspicion of Other Regulatory Violations and alert the Central Investigation Office. This may also be a decentralised office of the investigating unit.

16 Quality assurance

- 16.1 The Central Investigation Office can check the organisation, equipment and operation of the Brand Investigation Offices to ensure consistent quality of Investigations throughout the Group. This can be done, in particular, by sampling and on-site reviews.
- 16.2. If the Central Investigation Office determines that the Brand Investigation Office is handling Hints that are Group-relevant, it can decide to take them over. The same applies in the case of severe processing deficiencies.
- 16.3 In addition to section 8.6.2 (2), the Central Investigation Office may request explanations of the final statements from the offices responsible for processing in addition to the corresponding documentation insofar as this is legally permissible.

17. Entry into force of the Group Policy

- 17.1 This policy shall enter into force on 1/9/2018. At this time, the previous provisions on the Volkswagen Aktiengesellschaft whistleblower system, including the processes, committees and responsibilities specified therein, shall cease to be in force.
- 17.2 The Group companies must, without delay, issue organisational guidelines to ensure the implementation of this Group Policy. In the event that mandatory provisions of the national laws make amendments necessary, the mandatory provisions are to be presented to the Central Investigation Office in writing and the required amendments are to be approved in coordination with the Central Investigation Office.

- 17.3 The Group companies must inform Group Organisational Development (K-SO) on a regular basis about the status of implementation of the guidelines contained in this Group Policy.

Board of Management