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Deutsche Börse: **VOW3**

ISIN: **DE0007664039**

MEETING DATE: 16 MAY 2025

RECORD DATE: 24 APRIL 2025

PUBLISH DATE: 29 APRIL 2025

INDEX MEMBERSHIP: DAX; S&P EUROPE 350

SECTOR: CONSUMER DISCRETIONARY

INDUSTRY: AUTOMOBILES

COUNTRY OF TRADE: GERMANY

COUNTRY OF INCORPORATION: GERMANY

VOTING IMPEDIMENT: NONE

COMPANY DESCRIPTION

Volkswagen AG manufactures and sells automobiles in Germany, other European countries, North America, South America, the Asia-Pacific, and internationally.

OWNERSHIP	COMPANY PROFILE	ESG PROFILE	REMUNERATION ANALYSIS	COMPANY UPDATES	PREVIOUS BOARD
VOTE RESULTS	COMPANY FEEDBACK	APPENDIX	SUSTAINALYTICS ESG	ESG BOOK PROFILE	BITSIGHT CYBER SECURITY

2025 ANNUAL MEETING

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Presentation of Accounts and Reports	NON-VOTING	NON-VOTING	
2.00	Allocation of Dividends	FOR	FOR	
3.00	Ratification of Management Board Acts	FOR	ABSTAIN	• Ongoing investigations
3.01	Ratify Oliver Blume	FOR	ABSTAIN	• Ongoing investigations
3.02	Ratify Arno Antlitz	FOR	ABSTAIN	• Ongoing investigations
3.03	Ratify Ralf Brandstätter	FOR	ABSTAIN	• Ongoing investigations
3.04	Ratify Gernot Döllner	FOR	ABSTAIN	• Ongoing investigations
3.05	Ratify Manfred Döss	FOR	ABSTAIN	• Ongoing investigations
3.06	Ratify Gunnar Kilian	FOR	ABSTAIN	• Ongoing investigations
3.07	Ratify Thomas Schäfer	FOR	ABSTAIN	• Ongoing investigations
3.08	Ratify Thomas Schmall-von Westerholt	FOR	ABSTAIN	• Ongoing investigations
3.09	Ratify Hauke Stars	FOR	ABSTAIN	• Ongoing investigations
4.00	Ratification of Supervisory Board Acts	FOR	AGAINST	• Board failed to represent shareholders
4.01	Ratify Hans Dieter Pötsch	FOR	AGAINST	• Board failed to represent shareholders
4.02	Ratify Jörg Hofmann	FOR	AGAINST	• Board failed to represent shareholders
4.03	Ratify Hessa Sultan Al Jaber	FOR	AGAINST	• Board failed to represent shareholders
4.04	Ratify Mansoor Ebrahim Al-Mahmoud	FOR	AGAINST	• Board failed to represent shareholders

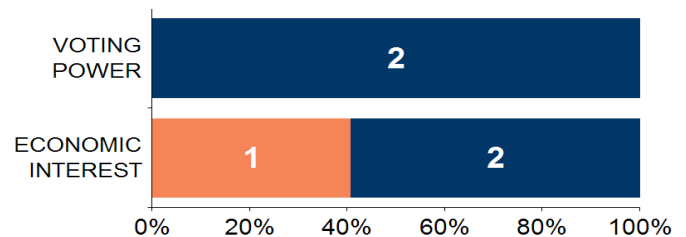
4.05	Ratify Rita Beck	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.06	Ratify Harald Buck	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.07	Ratify Matias Carnero Sojo	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.08	Ratify Daniella Cavallo	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.09	Ratify Julia Willie Hamburg	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.10	Ratify Marianne Heiß	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.11	Ratify Arno Homburg	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.12	Ratify Günther Horvath	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.13	Ratify Daniela Nowak	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.14	Ratify Hans Michel Piëch	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.15	Ratify Ferdinand Oliver Porsche	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.16	Ratify Wolfgang Porsche	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.17	Ratify Gerardo Scarpino	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.18	Ratify Karina Schnur	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.19	Ratify Conny Schönhardt	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
4.20	Ratify Stephan Weil	FOR	AGAINST	<ul style="list-style-type: none"> • Board failed to represent shareholders
5.00	Elect Mohammed Saif S.S. Al-Sowaidi to the Supervisory Board	FOR	AGAINST	<ul style="list-style-type: none"> • Board independence
6.00	Remuneration Report	FOR	AGAINST	<ul style="list-style-type: none"> • Timeline of pay disclosure • Target-setting process
7.00	Appointment of Auditor	FOR	FOR	

SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1	2
SHARE CLASS	Preferred Stock	Common Stock
SHARES OUTSTANDING	206.2 M	295.1 M
VOTES PER SHARE	0	1

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 24-APR-2025



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	Porsche Automobil Holding SE	31.40%	Germany	Public Company
2.	Qatar Holding LLC	10.01%	Qatar	VC/PE Firm
3.	Wissenschafts- Und Forschungsförderung Niedersachsen Ggmbh	6.03%	Germany	Private Company
4.	Lower Saxony (State of)	5.75%	Germany	Government Institution
5.	BlackRock, Inc.	2.26%	United States	Traditional Investment Manager
6.	The Vanguard Group, Inc.	1.72%	United States	Traditional Investment Manager
7.	Norges Bank Investment Management	0.64%	Norway	Sovereign Wealth Fund
8.	Deutsche Asset & Wealth Management	0.51%	United States	Traditional Investment Manager
9.	Dimensional Fund Advisors LP	0.40%	United States	Traditional Investment Manager
10.	T. Rowe Price Group, Inc.	0.35%	United States	Traditional Investment Manager
11.	Charles Schwab Investment Management, Inc.	0.34%	United States	Traditional Investment Manager
12.	Amundi Asset Management SAS	0.33%	France	Traditional Investment Manager
13.	Assenagon Asset Management S.A.	0.32%	Luxembourg	Traditional Investment Manager
14.	Geode Capital Management, LLC	0.29%	United States	Traditional Investment Manager
15.	Caisse de dépôt et placement du Québec	0.19%	Canada	Government Pension Plan Sponsor
16.	UBS Asset Management AG	0.18%	Switzerland	Traditional Investment Manager
17.	State Street Global Advisors, Inc.	0.17%	United States	Traditional Investment Manager
18.	Deka Investment GmbH	0.16%	Germany	Traditional Investment Manager
19.	Jupiter Fund Management Plc	0.15%	United Kingdom	Traditional Investment Manager
20.	Hartford Funds Management Company, LLC	0.13%	United States	Traditional Investment Manager

*COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 24-APR-2025

**CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD ¹
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	5.00% ²	5.00%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	5.00% ³	5.00%

¹N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.

²SHAREHOLDERS MUST OWN THE CORRESPONDING PERCENTAGE, UNLESS A LOWER THRESHOLD IS INDICATED IN A COMPANY'S STATUTES.

³SHAREHOLDERS MUST OWN THE CORRESPONDING PERCENTAGE OR SHARES WITH FACE VALUE OF AT LEAST €500,000. ANY SHAREHOLDERS MAY SUBMIT A COUNTERMOTION AS A SEPARATE VOTING ITEM, WHICH WILL NOT BE INCLUDED IN THE AGENDA.

COMPANY PROFILE

GENERAL	COUNTRY OF INCORPORATION	Germany		
	COUNTRY OF TRADE	Germany		
	STOCK EXCHANGE	Deutsche Börse		
	MEETING FORMAT	Virtual-only		
FINANCIALS		1 YR TSR	3 YR TSR AVG.	5 YR TSR AVG.
	VOW3	-13.9%	-10.6%	-5.3%
	FTSE Germany Index	11.3%	2.8%	5.3%
	MARKET CAPITALIZATION (MM EUR)	45,553		
	ENTERPRISE VALUE (MM EUR)	289,971		
	REVENUES (MM EUR)	324,656		
ANNUALIZED SHAREHOLDER RETURNS. *PEERS ARE BASED ON THE INDUSTRY SEGMENTATION OF THE GLOBAL INDUSTRIAL CLASSIFICATION SYSTEM (GICS). FIGURES AS OF 31-DEC-2024. SOURCE: CAPITAL IQ				
CORPORATE GOVERNANCE	CLASSIFIED BOARD	Yes	COMBINED CHAIR/CEO	No
	AVERAGE NED TENURE	10 years	BOARD OVERSIGHT OF ESG	Yes
SHARE STRUCTURE & RIGHTS	CONTROLLED COMPANY	Yes		
	MULTI-CLASS VOTING	Yes		
	RESTRICTION ON VOTING RIGHTS	No		
AUDITORS	AUDITOR: ERNST & YOUNG	AUDIT FEES: € 30,000,000 (85.7%)		
	FISCAL YEAR: 2024	AUDIT-RELATED FEES: € 4,000,000 (11.4%)		
	TENURE: 5 YEARS	TAX FEES: NONE		
	TOTAL FEES: € 35,000,000	OTHER FEES: € 1,000,000 (2.9%)		
Auditor data based on most recently available data provided by Company				
SASB MATERIALITY	PRIMARY SASB INDUSTRY: Automobiles			
	FINANCIALLY MATERIAL TOPICS:			
	• Product Safety		• Labor Practices	
	• Fuel Economy & Use-phase Emissions		• Materials Sourcing	
	• Materials Efficiency & Recycling			
COMPANY REPORTS TO SASB/EXTENT OF DISCLOSURE: Yes; Full Standard				

CURRENT AS OF APR 29, 2025

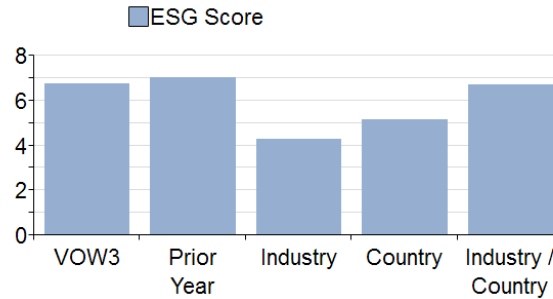
GLASS LEWIS ESG PROFILE

GLASS LEWIS ESG SCORE: 6.8 / 10

ESG SCORE SUMMARY

Board Accountability Score:	2.0 / 10	ESG Transparency Score:	10.0 / 10	Targets and Alignment Score:	9.2 / 10
Climate Risk Mitigation Score:	5.4 / 10	Biodiversity Score:	N/A		

SCORE BREAKDOWN



PRIOR YEAR ESG SCORE*	7.018
CHANGE IN ESG SCORE	-0.25
INDUSTRY	4.3 (2.49)
COUNTRY	5.1 (1.62)
INDUSTRY / COUNTRY	6.7 (0.07)

*As of our Proxy Paper for the Annual Meeting on 29-May-24

BOARD ACCOUNTABILITY (2.0 / 10)

Average NED Tenure	10 years	Percent Gender Diversity	45%
Director Independence	0%	Board Oversight of ESG	Yes
Board Oversight of Cyber	N/A	Board Oversight of Human Capital	N/A
Compensation Linked to E&S Metrics	Yes	Lowest Support for Directors in Prior Year*	98.5%
Prior Year Say on Pay Support*	98.6%	Annual Director Elections	No
Inequitable Voting Rights	Yes		

ESG TRANSPARENCY (10.0 / 10)

Comprehensive Sustainability Reporting	Yes	GRI-Indicated Report	Yes
Reporting Assurance	Yes	Reporting Aligns with TCFD/IFRS S2	Yes
Discloses Scope 1 & 2 Emissions	Yes	Discloses Scope 3 Emissions	Yes
Reports to SASB	Yes	Extent of SASB Reporting	Full Standard

ESG TARGETS AND ALIGNMENT (9.2 / 10)

Has Scope 1 and/or 2 GHG Reduction Targets	Yes	Has Scope 3 GHG Reduction Targets	Yes
Has Net Zero GHG Target	Yes	Reduction Target Certified by SBTi	Yes
SBTi Near-Term Target	1.5 Degrees	SBTi Long-Term Target	N/A
SBTi Net Zero Target	N/A	UNGC Participant or Signatory	Yes
Has Human Rights Policy	Yes	Human Rights Policy Aligns with ILO, UNGP, or UDHR	Yes
Has Human Rights Due Diligence Framework	No	Has Supplier Code of Conduct	Yes
Has Biodiversity Policy	Yes		

CLIMATE RISK MITIGATION (5.4 / 10)

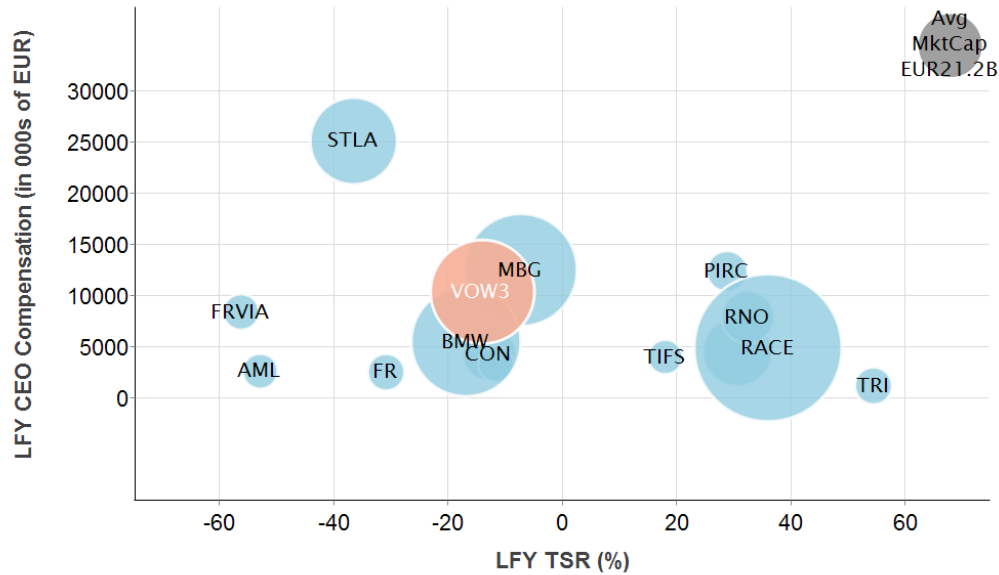
TPI Management Quality Score	4	Board Oversight of Climate	No
TPI Carbon Performance Score	Not Aligned	Has Interim GHG Targets	Yes
Just Transition Disclosure	No	Climate Lobbying Statement	Yes
Discloses Results of Scenario Analysis	Below 2 Degrees	Compensation Linked to Climate	Yes
Net Zero Target - Scope 1 & 2	Yes	Net Zero Target - Scope 3	Insufficient Disclosure
Climate Risk in Financial Statements	Yes	Quality of Climate Reporting	Good

*Note: Voting results above may reflect ordinary or subordinate voting share class if applicable and/or disclosed.

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REMUNERATION ANALYSIS



	Market Capitalization	Revenue	CEO Compensation	1Y TSR	3Y TSR	5Y TSR
VOW3 Percentile	80%ile	100%ile	80%ile	40%ile	40%ile	40%ile
VOW3	€45.6B	€324.7B	€10.3M	-13.9%	-10.5%	-5.3%
25th Percentile of Peers	€1.4B	€3.5B	€2.6M	-36.4%	-27.6%	-20.1%
50th Percentile of Peers	€8.8B	€24.2B	€4.7M	-9.4%	-0.8%	0.3%
75th Percentile of Peers	€23.2B	€39.7B	€7.8M	28.9%	7.0%	3.2%
Multiple of median	5.2x	13.4x	2.2x	N/A	N/A	N/A

Year	COMPENSATION		EPS		ROA		ROE	
	VOW3	Industry (Median)	VOW3	Industry (Median)	VOW3	Industry (Median)	VOW3	Industry (Median)
2024	€10.3M	€4.9M	€21.39	€1.86	2.3%	2.7%	6.4%	6.7%
2023	€9.7M	€4.4M	€31.81	€2.77	2.6%	3.8%	9.7%	9.0%
2022	€7.4M	€3.1M	€29.69	€1.16	2.6%	2.9%	9.8%	8.3%

	LIST OF COMPANIES
Glass Lewis Peer Group	Mercedes-Benz Group AG (MBG), Forvia SE (FRVIA), TI Fluid Systems plc (TIFS), Continental Aktiengesellschaft (CON), Aston Martin Lagonda Global Holdings plc (AML), Stellantis NV (STLA), Valeo SE (FR), OPmobility SE (POM), Compagnie Générale des Établissements Michelin Société en commandite par actions (ML), Renault SA (RNO), Bayerische Motoren Werke Aktiengesellschaft (BMW), Pirelli & C SpA (PIRC), Ferrari NV (RACE), Trigano SA (TRI)

Year	Salary (€)	Bonus (€)	Long Term Incentives - Cash (€)	Long Term Incentives - Equity (€)	Pension (€)	Other (€)	Total (€)
2024	2,320,000	3,336,116	2,714,879	0	1,149,709	824,973	10,345,677
2023	2,100,000	3,713,500	1,914,758	0	987,872	995,348	9,711,478
2022	1,691,667	3,138,685	1,392,872	0	977,063	186,181	7,386,468

For further information on the peers and methodology, or to submit feedback, please see our [FAQs](#).

The Remuneration Analysis for European companies uses compensation figures provided by companies in proxy materials. The financial data used is based on information provided by Capital IQ and the performance metrics used in the analysis are selected by Glass Lewis and standardized across companies by industry. For vested pay, equity awards are normalized using the vesting date share price or, when not disclosed by the company, using the year end share price.

COMPANY UPDATES

DIESEL SCANDAL

BACKGROUND

As discussed in detail in our Proxy Paper on the Company's 2016 annual meeting, in September 2015 it emerged that the Company had been issued with a notice of violation by the US Environmental Protection Agency ("EPA") alleging that vehicles which were sold by the Company and its Group company Audi in the U.S. had been fitted with software that circumvents emissions standards for certain air pollutants.

In the months that followed, there were drastic changes made to the composition of the management board and senior management of Group companies and an internal investigation was initiated by the Company. Simultaneously, regulators opened their own investigations, with some issuing fines. Multiple lawsuits and class action proceedings were also brought by consumers and other stakeholders and discussions were initiated regarding compensation for owners of affected vehicles.

In 2021, shareholders approved settlement agreements with Martin Winterkorn and Rupert Stadler and the Company's D&O insurance provider Zurich Insurance plc in relation to claims that existed on the basis of negligent breaches of duty committed in their capacities as management board members of the Company, and as management/supervisory board members of Company subsidiary Audi AG.

The Company discloses that it has spent approximately €32.2 billion in connection with the diesel issue (2021 Joint Report, p. 32).

The following is an overview of ongoing proceedings. For a detailed overview of the events surrounding the outbreak of the emission scandal as well as other developments up to March 2023, please refer to our Proxy Papers on the Company's previous eight annual meetings.

OVERVIEW OF ONGOING PROCEEDINGS

Administrative and Criminal Proceedings

The Company discloses that criminal proceedings against several individuals, in particular on the allegation of fraud, are ongoing at the regional courts of Braunschweig and Munich (Annual Report, p. 210).

In particular, the Company reports that criminal proceedings regarding alleged market manipulation related to the diesel issue against the former CEO, which had been provisionally terminated in 2021, were reopened in December 2023. In addition, the Company notes that certain proceedings of the Braunschweig Public Prosecutor against a number of employees and the Company were terminated upon payment of a court-set sum in FY2022 and FY2023. The Company states that the main trial proceedings, which commenced in the third quarter of 2024, were once again suspended shortly thereafter, and it remains uncertain when they will resume.

In June 2023, the Munich II Regional Court sentenced the former CEO of AUDI AG and two others to prison terms, suspended subject to probation. Appeals have been filed by all three defendants and the Office of the Public Prosecutor. Additionally, in April 2023, proceedings against another defendant were terminated upon payment of a court-set sum (Annual Report, p. 211).

In addition, we note that the European Court of Justice ("ECJ") issued a ruling pursuant to which thermal windows are classified as defeat devices. In July and October 2023, the Kraftfahrt-Bundesamt (KBA – German Federal Motor Transport Authority) issued two administrative rulings against AUDI AG, stating that the thermal window version in some vehicles did not meet the ECJ's new vehicle engineering criterion. AUDI AG has appealed these rulings. Similar rulings were issued against Porsche AG in December 2023 and the Company in January 2024, both of which have been appealed. The Company has already started implementing software updates to align with the ECJ's criterion and will continue to do so (Annual Report, pp. 211-212).

Product-related lawsuits

The Company is subject to a number of lawsuits and actions by customers and environmental organizations in various jurisdictions. The Company discloses that there are pending actions in Belgium, Brazil, England and Wales, France, Italy, the Netherlands, Portugal, South Africa, and Germany, and warns that further lawsuits may still be filed (Annual Report, p. 212).

In particular, the Belgian consumer organization Test Aankoop VZW filed a class action seeking repayment or damages for vehicles with type EA 189 engines purchased after September 1, 2014. In December 2024, Volkswagen AG settled a class action with Test Aankoop VZW, agreeing not to appeal a 2023 judgment that required 5% compensation to eligible buyers of EA 189 engine vehicles under specific conditions (Annual Report, p. 212).

Lawsuits initially filed in 2021 against the Company and affiliated companies in England, Wales, and Scotland progressed in 2024, with preliminary claims served in England and Wales in September 2024 and class action motions formally filed in Scotland starting in October 2024. The details of the complaints remain unclear (Annual Report, p. 213).

In May 2024, the Company reached a settlement in Italy with Altroconsumo, resolving claims for 60,000 customers who purchased affected VW, Audi, Škoda, or SEAT vehicles with EA 189 engines (2009-2015). Both sides agreed not to appeal the Venice appeals court's ruling, ending the case. Volkswagen allocated around €50 million for the settlement (Annual Report, p. 213).

Additionally, individual lawsuits and similar proceedings against the Company and other group companies are ongoing in several countries, mainly seeking damages or contract rescission.

The Company notes that it "estimates the likelihood that the plaintiffs will prevail to be 50% or less in the majority of cases". The Company further notes that most of the pending proceedings are at an early stage and that the risk exposure cannot yet be estimated.

Investor lawsuits

The Company is subject to a number of investor lawsuits filed by German and international investors alleging that they suffered losses in connection with alleged misconduct in capital market communications. The Company states that model case proceedings to determine common questions of law and fact in these lawsuits have been initiated at the Higher Regional Court in Braunschweig and at the Stuttgart Regional Court.

In July 2023, the Braunschweig Higher Regional Court issued an order to commence taking evidence and in September 2023 started to take testimonies. In March 2023, in a model case proceeding against Porsche SE, the Stuttgart Higher Regional Court determined that the relevant lawsuits would need to be dismissed; the judgment is not final. The involved parties have petitioned the German Federal Court for review of certain aspects of the law (Annual Report, p. 214).

With regard to the financial impact, the Company states that about €8.7 billion worth of investor claims in connection with the diesel issue, excluding the United States and Canada, are currently pending (Annual Report, p. 215).

Proceedings in the USA/Canada

The Company is subject to various lawsuits by customers, investors, and various government agencies in Canada and the US, including the Securities and Exchange Commission.

In particular, the Company states that in September 2022 the relevant court agreed to the termination of two content decrees between the Company and the Department of Justice and EPA and with the California Attorney General and CARB.

Furthermore, in November 2023, the Company reached a settlement agreement addressing environmental claims from the Attorney General of Texas and Texas municipalities, as well as claims from municipalities in Florida and Utah. The settlement agreements were finalized in January 2024 and November 2023, respectively, after court approval (Annual Report, p. 215).

In March 2019, the SEC filed a lawsuit against the Company, VWGoAF, and VW Credit, Inc., over alleged misstatements related to bonds and asset-backed securities. In March 2024, VWGoAF agreed to a final judgment, paying USD 49 million, and in April 2024, the court resolved all claims, dismissing those against VWAG and a former board chair (Annual Report, p. 215).

SPECIAL AUDITS AND MEASURES

While as noted above, two Third Partial Consent Decrees with U.S. authorities in connection with the emission fraud had been completed and terminated, the Company discloses that further proceedings and/or requests in connection with special audits are ongoing in Germany (Annual Report, p. 215).

We further note that the "Accounting treatment of the risk provisions for the diesel issue" has been a key audit matter for the Company's statutory auditor. According to the auditor's report, "[the auditor's] procedures did not lead to any reservations relating to the accounting treatment of the risk provisions for the diesel issue" (Annual Report, p. 649). Please refer to the auditor's report on the consolidated financial statements for further details on the auditor's procedures in that assessment.

OTHER LEGAL AND REGULATORY RISK

In addition to the diesel scandal, the Company discloses that it is involved in a number of other ongoing legal and regulatory proceedings, including lawsuits filed by investors. Details of these proceedings are provided on pages 216-219 of the annual report.

We believe the following issue is of particular shareholder interest:

- **EU Antitrust Investigation "Emissions"**: On April 5, 2019, the European Commission disclosed that it had sent a Statement of Objections to a group of German automakers, including the Company, on the basis of a preliminary view that they have breached EU antitrust rules from 2006 to 2014 by colluding to restrict competition on the development of technology to clean the emissions of petrol and diesel passenger cars. The Company reached a settlement agreement with the European Commission pursuant to which the Company accepted a fine of approximately €502 million.
 - In February 2023, the Korean competition authority announced its intention to issue an administrative fine within the same context as the European Commission. In April 2023, the Korean competition authority issued a fine of below €3 million to Audi AG, while the Company and Porsche AG did not receive a fine (Annual Report, p. 218).
- **EU Antitrust Investigation "Trucks"**: In 2011, the European Commission (the "Commission") opened antitrust proceedings against a group of European truck manufacturers, including Company subsidiaries MAN and Scania AB. The Company discloses that, as a result of these proceedings, Scania AB has received a fine of €0.88 billion, which it appealed. In February 2024, the European Court of Justice rejected Scania's appeal against a judgment from April 2022. Antitrust lawsuits seeking damages have been filed by customers, potentially leading to further lawsuits. Provisions totalling €89 million have been recognised for legal disputes where the payment of damages by MAN or Scania appears likely. Contingent liabilities, particularly those in early stages or undergoing expert assessment, have not been disclosed due to difficulty in quantification (Annual Report, p. 217).
- **EU Antitrust Investigation "End of Life Vehicles"**: The European Commission in collaboration with the UK Competition and Markets Authority has initiated investigations of various automotive manufacturers with respect to a possible collusion in relation to the collection, treatment and recovery of end-of-life vehicles and commercial vehicles. In June 2024, the Company received a request for information from Chinese competition authorities, while the Korean competition authority, KFTC, conducted a search of Volkswagen Group Korea in relation to the same matter.

■ FORCED LABOUR ALLEGATIONS IN CHINA

Over the past few years, the Company has faced allegations of employing forced Uyghur labour in its joint venture with China's state-owned SAIC Motor. Reportedly, the Company has faced frequent accusations that, in 2019, SAIC Volkswagen Automotive compelled Uyghur workers to participate in constructing a test track in Turpan, Xinjiang (D. Heide, M. Murphy, S. Scheuer. [New allegations against VW in Xinjiang](#)". *Handelsblatt*. February, 14, 2024).

Reportedly, the Company has engaged in discussions with its joint venture partner SAIC-Volkswagen regarding the future course of business operations in Xinjiang province. The Company said this test track could not be inspected due to ownership complexities. According to news reports, the scrutiny intensified after MSCI flagged concerns about forced Uyghur labour in November 2022, prompting a comprehensive audit. Consequently, Deka Investments, a significant investor, excluded the Company from its sustainable product portfolio in March last year. Although MSCI has eased its stance, there's concern about further reputational damage following recent accusations (Monica Raymunt. ["VW Reviewing Xinjiang Presence After New Forced-Labor Claim"](#)". *Bloomberg*. February 14, 2024).

The Company [provides](#) further disclosure that an ESG audit conducted by Loening – Human Rights & Responsible Business GmbH, using the SA8000 Audit Standard, assessed adherence to ILO Conventions C029, C111, and C155 at the Urumqi plant. The audit, executed by a Shenzhen law firm with experience in social audits and labour law, found no violations of these conventions and no evidence of forced labour among the employees.

In February 2024, the Company [published](#) a formal statement on the SAIC test centre in Turpan; later, it [published](#) a response to allegations about business human rights.

According to news reports, in November 2024, the Company announced the sale of its joint venture plant in Urumqi, Xinjiang, to Shanghai Motor Vehicle Inspection Certification, a subsidiary of Shanghai Lingang Development Group ("[Volkswagen Sells Controversial Xinjiang Factory in China](#)". *The Wall Street Journal*. November 27, 2024). Despite the sale, on November 27, 2024, the Company [released](#) a statement on the extension of the contract with SAIC Motor until 2040.

1.00: PRESENTATION OF ACCOUNTS AND REPORTS

NON-VOTING

PROPOSAL REQUEST:	Presentation of accounts and reports	RECOMMENDATIONS & CONCERNS:
PRIOR YEAR VOTE RESULT (FOR):	N/A	NON-VOTING- No material concerns
BINDING/ADVISORY:	Non-voting	
REQUIRED TO APPROVE:	N/A	
AUDITOR OPINION:	Unqualified	

■ PROPOSAL SUMMARY

The Company's financial statements, consolidated financial statements, and management and supervisory board reports for the past fiscal year, will be presented at the meeting. The Company's consolidated financial statements combine the activities of the Company, as well as the activities of its subsidiaries.

In accordance with Article 172 of the German Stock Corporations Act, a company's audited financial statements must be approved by either the supervisory board or the company's shareholders. In most cases, however, the supervisory board approves the financial statements and subsequently presents them to the annual meeting of shareholders. Typically, shareholders are only asked to approve a company's audited financial statements in cases where the supervisory board has not done so.

■ GLASS LEWIS ANALYSIS

It is customary at annual meetings in Germany for the supervisory board chair and the auditor to present an overview of the Company's performance during the last fiscal year.

We further note that all of the necessary financial statements and reports are present in the Company's annual report. We note that in the opinion of the Company's statutory auditor, the financial statements have been properly prepared in accordance with relevant accounting standards.

Under implementation of CSRD, certain companies are required to prepare a sustainability report, and obtain auditor certification of the non-financial information. The sustainability report is not subject to shareholder approval. However, we will illustrate any concern identified by the auditor in this proposal. Shareholders should be aware that in the assurance reports on the sustainability reporting of European companies, auditors are commonly including a paragraph on the preparation of the non-financial statement to highlight matters that are common to most companies, such as the lack of comparable historical information and evolving regulation and standards. Having examined the assurance report, we have found that the auditor has not raised any material concerns regarding matters that are specific to the Company.

Further, the statutory auditor has issued an unqualified opinion on the Company's consolidated financial statements for the past fiscal year.

This is a non-voting proposal.

2.00: ALLOCATION OF DIVIDENDS

FOR

PROPOSAL REQUEST:	Approve the allocation of net results for the past fiscal year	RECOMMENDATIONS & CONCERNS:
PRIOR YEAR VOTE RESULT (FOR):	100%	FOR- No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	Majority	

PROPOSAL SUMMARY

In accordance with company law in Germany, shareholders are asked to approve the appropriation of net income for the past fiscal year and the payment of a dividend. For the past fiscal year, the Company proposes the following dividend payment:

ORDINARY SHARES

in €	FY 2024	FY 2023
Proposed Dividend Per Share	6.30	9.00
Interim Dividend	0.00	0.00
TOTAL DIVIDENDS PER SHARE	6.30	9.00
Earnings per Share	21.36	31.92
DIVIDEND PAYOUT RATIO	29%	28%

PREFERENCE SHARES

in €	FY 2024	FY 2023
Proposed Dividend Per Share	6.36	9.06
Interim Dividend	0.00	0.00
TOTAL DIVIDENDS PER SHARE	6.36	9.06
Earnings per Share	21.42	31.98
DIVIDEND PAYOUT RATIO	29%	28%

GLASS LEWIS ANALYSIS

With limited exceptions, Glass Lewis will generally support the profit distribution policy proposed by a company. Here, we find that the dividend payout is reasonable and we do not see any cause for concern in terms of the board's process in making this determination.

We recommend that shareholders vote **FOR** this proposal.

3.00: RATIFICATION OF MANAGEMENT BOARD ACTS

ABSTAIN

PROPOSAL REQUEST:	Ratification of the acts of the management board for the past fiscal year	RECOMMENDATIONS & CONCERNS:
PRIOR YEAR VOTE RESULT (FOR):	N/A	ABSTAIN- Ongoing investigations
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	Majority	
DISCHARGES DIRECTORS FROM LIABILITY:	No	

■ PROPOSAL SUMMARY

This proposal seeks shareholder approval to ratify the acts of members of the management board that served in the past fiscal year on an individual basis.

■ BACKGROUND

LEGAL BACKGROUND

§120 of the German Stock Corporation Act (*Aktiengesetz* or "AktG") requires that publicly-listed companies provide the annual meeting with a vote on the ratification of management board members that served in the previous fiscal year. While such ratification legally constitutes "approval by the annual meeting of the administration of a company" in the past year, it "shall not constitute a waiver of claims for damages."

Prevailing legal opinion and case law in Germany suggests that ratification should be considered simply as an expression of trust in the management board rather than an official vote of confidence. A positive vote does not release management board members from potential liability for their actions, and support for the proposal by an individual shareholder will not influence any future claims that such a shareholder may choose to bring against the management board.

A failed vote also does not necessitate organisational changes; in Germany, the supervisory board is solely responsible for the composition of the management board. However, §84(3) AktG provides shareholders with the ability to conduct a vote of no confidence in the management board, or individual members thereof. Such a proposal can be added to the agenda during the course of a general meeting if there is sufficient shareholder support, with a passed vote serving as a clear indication that would be very difficult for the supervisory board to ignore.

However, a failed ratification vote does not necessitate a vote of no confidence in the management board, and this is an extremely rare occurrence in Germany. In practice, low shareholder support of a ratification vote is a source of embarrassment for a company and can lead to reputational damage to members of the management board.

As shareholders of German companies should not be concerned with the potential legal or organisational consequences of supporting or not supporting a ratification vote, this proposal is often used by shareholders to provide a show of support to the management board, or to send a clear and public signal that the management board has not satisfactorily performed its duty in the past year.

INDIVIDUAL RATIFICATION

While German companies generally propose that shareholders ratify the acts of the management board on an aggregate basis, it may be decided following an application of a shareholder at the annual meeting, or following a decision taken by the supervisory board in advance of the meeting, to enable shareholders to vote on the ratification of each member separately.

Such a decision is usually taken to enable shareholders to provide feedback on individual management board members. Some companies regularly provide for individual ratification in order to improve shareholder rights and transparency of shareholders' views on management board performance. The decision to offer individual ratification is however often taken on a one-off basis in cases where a shareholder has indicated concerns with an individual member of the management board or where there have been substantial changes to the composition of the management board in the past year.

■ GLASS LEWIS ANALYSIS

LEGAL, REGULATORY ESG RISK

As detailed in the Company Updates section of this Proxy Paper, we maintain significant concerns regarding the Company's exposure to legal, regulatory, and ESG risks, including forced labor allegations. Despite several settlements reached by the Company in recent years, it remains exposed to considerable legal and regulatory risks related to the diesel matter and allegations could have consequences.

Nevertheless, the aforementioned notwithstanding and despite the mentioned factors and despite the absence of clear evidence indicating the management board's failure to fulfill its duty to shareholders in the previous fiscal year, due to the ongoing significant legal proceedings against the company, we believe that shareholders currently lack adequate information to determine whether approving the management board's actions for the past fiscal year is beneficial for them at this time.

While abstain votes at the Company's general meeting are not considered valid votes, they are still documented in the meeting minutes.

Given that shareholder dissent will be recorded, but given that our concerns in this regard are, in our view, not substantial enough to warrant a vote against this proposal, we recommend that shareholders abstain from voting on the individual proposals to ratify management board members for the past fiscal year.

We note that our caution in this regard is based on the ongoing nature of proceedings rather than any specific indication that members of the management board have failed to satisfactorily discharge their duties in the past year.

We recommend that shareholders **ABSTAIN** from voting on this proposal.

Do not redistribute

4.00: RATIFICATION OF SUPERVISORY BOARD ACTS

AGAINST

PROPOSAL REQUEST:	Ratification of the acts of the supervisory board for the past fiscal year	RECOMMENDATIONS & CONCERNS:
PRIOR YEAR VOTE RESULT (FOR):	N/A	AGAINST- Board failed to act in interests of shareholders
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	Majority	
DISCHARGES DIRECTORS FROM LIABILITY:	No	

PROPOSAL SUMMARY

This proposal seeks shareholder approval to ratify the acts of members of the supervisory board that served in the past fiscal year on an individual basis.

BACKGROUND

LEGAL BACKGROUND

§120 of the German Stock Corporation Act (*Aktiengesetz* or "AktG") requires that publicly-listed companies provide the annual meeting with a vote on the ratification of supervisory board members that served in the previous fiscal year. While such ratification legally constitutes "approval by the annual meeting of the administration of a company" in the past year, it "shall not constitute a waiver of claims for damages."

Prevailing legal opinion and case law in Germany suggests that ratification should be considered simply as an expression of trust in the supervisory board rather than an official vote of confidence. A positive vote does not release supervisory board members from potential liability for their actions, and support for the proposal by an individual shareholder will not influence any future claims that such a shareholder may choose to bring against the supervisory board. A failed vote also does not necessitate organisational changes; §103 AktG specifies that the removal of supervisory board members requires specific approval by the general meeting in a separate proposal.

In practice, low shareholder support of a ratification vote is a source of embarrassment for a company and can lead to reputational damage to members of the supervisory board.

As shareholders of German companies should not be concerned with the potential legal or organisational consequences of supporting or not supporting a ratification vote, this proposal is often used by shareholders to provide a show of support to the supervisory board, or to send a clear and public signal that the supervisory board has not satisfactorily performed its duty in the past year.

INDIVIDUAL RATIFICATION

While German companies generally propose that shareholders ratify the acts of the supervisory board on an aggregate basis, it may be decided following an application of a shareholder at the annual meeting, or following a decision taken by the supervisory board in advance of the meeting, to enable shareholders to vote on the ratification of each member separately.

Such a decision is usually taken to enable shareholders to provide feedback on individual supervisory board members. Some companies regularly provide for individual ratification in order to improve shareholder rights and transparency of shareholders' views on supervisory board performance, particularly in cases where supervisory board members are not up for re-election at the meeting. The decision to offer individual ratification is however often taken on a one-off basis in cases where a shareholder has indicated concerns with an individual member of the supervisory board or where there have been substantial changes to the composition of the supervisory board in the past year.

GLASS LEWIS ANALYSIS

LEGAL, REGULATORY, ESG RISK

As detailed in the Company Updates section of this Proxy Paper, we maintain significant concerns regarding the Company's exposure to legal, regulatory, and ESG risks, including forced labor allegations. Despite several settlements reached by the Company in recent years, it remains exposed to considerable legal and regulatory risks related to the diesel matter and allegations could have consequences.

Additionally, as previously discussed in our past Proxy Papers concerning the Company's annual meetings, we maintain the opinion that shareholders would continue to be warranted to question the absence of independent representation on the supervisory board. Despite acknowledging the low free-float of the Company's voting shares, we still believe that shareholders are justified in questioning why the supervisory board has not taken steps to nominate any shareholder representatives without significant ties to the Company or its major shareholders.

We acknowledge that the Company has now established and disclosed board-level oversight of ESG matters, representing an improvement in its governance framework compared to the previous year. However, we continue to have concerns regarding the effectiveness of this oversight, particularly given the aforementioned concerns about the absence of independent directors.

In this case, given the Company's ongoing substantial exposure to legal, regulatory and ESG risks, we believe that shareholders may reasonably question whether the ratification of the supervisory board for the past fiscal year is in their best interests.

We recommend that shareholders vote **AGAINST** this proposal.

Do not redistribute

5.00: ELECT MOHAMMED SAIF S.S. AL-SOWAIDI TO THE SUPERVISORY BOARD

AGAINST
PROPOSAL REQUEST: Election of one supervisory board member

ELECTION METHOD: Majority

RECOMMENDATIONS & CONCERNS:
AGAINST: M. Al-Sowaidi (Board is not sufficiently independent)

NOT UP: H. Al-Jaber ; J. Hamburg ; M. Heiß ; G. Horvath ; H. Piëch (Affiliate/Insider on compensation committee, Board is not sufficiently independent, Affiliate/Insider on nominating/governance committee) ; F. Porsche (Affiliate/Insider on audit committee, Board is not sufficiently independent) ; W. Porsche (Affiliate/Insider on compensation committee, Affiliate/Insider on nominating/governance committee) ; H. Pötsch (Affiliate/Insider on compensation committee, Responsible for lack of board independence) ; S. Weil ; R. Beck ; C. Benner ; H. Buck ; D. Cavallo ; A. Homburg ; D. Nowak ; G. Scarpino ; K. Schnur ; C. Schönhardt ; M. Sojo

PROPOSAL SUMMARY

One candidate is up for election as a member of the supervisory board to serve a five-year term.

SUPERVISORY BOARD

UP	NAME	AGE	GENDER	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWN**	COMMITTEES				TERM START	TERM END	YEARS ON BOARD
							AUDIT	COMP	NOM	E&S ^A			
	Hessa Sultan Al-Jaber	65	F	Affiliated 1	Independent	17%					2016	2029	9
❑ ✓	Mohammed Saif S.S. Al-Sowaidi	43	M	Affiliated 2	Not Disclosed	17%					-	-	-
	Julia Willie Hamburg	38	F	Affiliated 3	Independent	20%					2022	2028	3
	Marianne Heiß	52	F	Affiliated 4	Independent	Yes	✓x			✓	2018	2028	7
	Günther Horvath	72	M	Affiliated 5	Not Independent	53%					2023	2028	2
	Hans Michel Piëch	83	M	Affiliated 6	Not Independent	53%		✓	✓		2009	2029	16
	Ferdinand Oliver Porsche	64	M	Affiliated 7	Not Independent	53%	✓x			✓	2009	2029	16
	Wolfgang Porsche	82	M	Affiliated 8	Not Independent	53%		✓	✓		2008	2028	17
	Hans Dieter Pötsch* Chair	74	M	Affiliated 9	Not Independent	53%		C	C	C	2015	2026	10
	Stephan Weil	66	M	Affiliated 10	Independent	20%		✓	✓		2013	2028	12
	Rita Beck	54	F	Employee Rep	Employee Rep	N/D		✓			2024	2027	1
	Christiane Benner	57	F	Employee Rep	Employee Rep	N/D					2025	2027	0
	Harald Buck	63	M	Employee Rep	Employee Rep	53%					2022	2027	3
	Daniela Cavallo	50	F	Employee Rep	Employee Rep	N/D	✓x	✓		✓	2021	2027	4
	Arno Homburg	56	M	Employee Rep	Employee Rep	N/D					2022	2027	3
	Daniela Nowak	54	F	Employee Rep	Employee Rep	N/D					2022	2027	3
	Gerardo Scarpino	63	M	Employee Rep	Employee Rep	N/D	✓x	✓		✓	2023	2027	2
	Karina Schnur	48	F	Employee Rep	Employee Rep	N/D					2023	2027	2
	Conny Schönhardt	47	F	Employee Rep	Employee Rep	53%	✓x			✓	2019	2027	6
	Matias Carnero Sojo	57	M	Employee Rep	Employee Rep	N/D					2021	2027	4

C = Chair, * = Public Company Executive, X = Audit Financial Expert, ❑ = Withhold or Against Recommendation

1. Represents Qatar Holding LLC, which beneficially owns 17% of the Company's total voting rights.
2. CEO of Qatar Investment Authority, which beneficially owns approximately 17% of the Company's issued share capital.
3. Minister of Education and Cultural Affairs for the state of Lower Saxony, which beneficially owns 20% of the Company's total voting rights. Directly appointed to the board by the state of Lower Saxony.
4. Former CEO of BBDO Group Germany GmbH (until April 2023), which is in a business relationship with the Company which represented approximately 7% of BBDO's total revenues in fiscal year 2022. Not considered independent by the Company.
5. Executive chair of the Ferdinand Porsche Family Private Foundation, which is affiliated with Porsche Automobil Holding SE, which beneficially

owns 53.3% of the Company's total voting rights.

6. Member of the Piëch-Porsche family. Has served on the board for more than 12 years.
7. Member of the Piëch-Porsche family. Has served on the board for more than 12 years.
8. Member of the Piëch-Porsche family. Has served on the board for more than 12 years.
9. Chair. CEO of Porsche Automobil Holding SE. Former Company CFO (until October 2015).
10. Prime minister of the state of Lower Saxony. Directly appointed to the board by the state of Lower Saxony.

****Direct, indirect or representational ownership of voting rights. Below 5% displays as Yes.**

^Indicates board oversight responsibility for environmental and social issues. If this column is empty it indicates that the Company has not provided explicit disclosure concerning the board's role in overseeing environmental and social issues.

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
Hessa Sultan Al-Jaber	Yes	No	(1) Meeza QSTP
Mohammed Saif S.S. Al-Sowaidi	N/A	No	(1) Ooredoo Q.S.C.
Julia Willie Hamburg	Yes	No	None
Marianne Heiß	Yes	No	(2) Porsche Automobil Holding SE ; Paysafe Group plc
Günther Horvath	Yes	No	(1) Porsche Automobil Holding SE
Hans Michel Piëch	Yes	No	(2) Porsche Automobil Holding SE ; Dr. Ing. h.c. F. Porsche AG
Ferdinand Oliver Porsche	Yes	No	(2) Porsche Automobil Holding SE ; Dr. Ing. h.c. F. Porsche AG
Wolfgang Porsche	Yes	No	(2) Porsche Automobil Holding SE ^C ; Dr. Ing. h.c. F. Porsche AG ^C
Hans Dieter Pötsch	Yes	Yes	(2) Traton SE ^C ; Dr. Ing. h.c. F. Porsche AG
Stephan Weil	Yes	No	None
Rita Beck	Yes	No	None
Christiane Benner	N/A	No	(1) Continental AG
Harald Buck	Yes	No	(1) Dr. Ing. h.c. F. Porsche AG
Daniela Cavallo	Yes	No	(1) Traton SE
Arno Homburg	Yes	No	None
Daniela Nowak	Yes	No	None
Gerardo Scarpino	Yes	No	None
Karina Schnur	Yes	No	(1) Traton SE
Conny Schönhardt	Yes	No	(1) Dr. Ing. h.c. F. Porsche AG ;
Matias Carnero Sojo	Yes	No	None

C = Chair

MARKET PRACTICE

BOARD	REQUIREMENT	BEST PRACTICE	2023*	2024*	2025*
Independent Chair	N/A	Former executives in past two years should only serve as board chair in exceptional circumstances ²	No	No	No
Board Independence**	N/A	No more than two former management board members ³	0%	0%	0%
Gender Diversity	30% for companies subject to Co-Determination Act ¹	N/A	36.8%	40.0%	45.0%
COMMITTEES	REQUIREMENT	BEST PRACTICE	2023*	2024*	2025*
Audit Committee Independence**	N/A	N/A	0%	0%	0%
Independent Audit Chair	N/A	Independent chair; chair should not simultaneously serve as board chair ⁴	No	No	N/A
Compensation Committee Independence**	N/A	N/A	0%	0%	0%
Independent Compensation Chair	N/A	Independent chair ⁵	No	No	No
Nominating Committee Independence	N/A	N/A	0%	0%	0%

Independent Nominating Chair	N/A	N/A	No	No	No
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* Based on Glass Lewis classification

** Excludes employee reps

- | | |
|--|--|
| 1. German Stock Corporation Act; Article 96(2-3) | 3. German Corporate Governance Code; Recommendation C.11 |
| 2. German Stock Corporation Act; Article 100(2.4); German Corporate Governance Code; Recommendation C.10 | 4. DCGK Recommendation C.10 |
| | 5. German Corporate Governance Code; Recommendation C.10 |

German companies are governed by a two-tiered board, with a supervisory board that consists entirely of non-executive members charged with oversight of the management board, which is comprised solely of executive members. Certain companies are also subject to German co-determination laws, which require supervisory boards to consist of either one-third or one-half employee representatives, depending on the size of the company. Employee representatives are elected by employees of the company and relevant trade unions. Given that shareholders do not vote for these members, employee representatives are not taken into account when we assess the independence of the German companies' supervisory boards.

Best practices for supervisory boards in Germany are established by the German Corporate Governance Code ("Kodex"), which contains comply-or-explain recommendations as well as suggestions for publicly-listed companies in Germany.

While the Kodex recommends that the majority of shareholder representatives shall be independent from the company and the management board, the Kodex provides no specific recommendations on independence from major shareholders for non-controlled companies. For companies with a controlling shareholder, the Kodex recommends that at least two supervisory board members should be independent from this shareholder (or at least one where the supervisory board consists of six or fewer members).

The Kodex also recommends that every supervisory board form an audit committee and a nominating committee. While the nominating committee should be comprised entirely of shareholder representatives, the audit committee may include employee representatives. While compensation committees are common in other European markets, German law requires that the entire supervisory board approve management compensation, rendering compensation committees less effective than in other markets.

By law, supervisory board members are elected for terms that may not exceed five years. In practice, most companies propose nominees for a term of four years.

GLASS LEWIS ANALYSIS

We believe shareholders should be mindful of the following issues:

BOARD REFRESHMENT AND DIVERSITY

SUPERVISORY BOARD CHANGES

We note the following board changes, which have occurred since the publication of our previous Annual Meeting Proxy Paper:

DIRECTOR	BOARD ROLE	NOTES
Mansoor Ebrahim Al-Mahmoud	Former NED	Not standing for re-election at annual meeting
Mohammed Saif S.S. Al-Sowaidi	NED	New nominee

BOARD SKILLS AND DIVERSITY

Diversity of Skills and Expertise

According to recommendation C.1 of the Kodex, the supervisory boards of German companies are recommended to prepare a profile of skills and expertise for the entire supervisory board in the form of a qualification matrix, which should be taken into account in supervisory board election proposals. Further, German supervisory boards are recommended by the Kodex to undertake an independence classification of its members.

SKILLS AND EXPERTISE DISCLOSURE	
Independence classification disclosed	YES
Skills and expertise profile disclosed	YES (Annual Report, p. 37)

Gender Diversity

The German Stock Corporations Act requires the supervisory board to set and disclose target levels for the number of male and female directors on the supervisory and management boards.

In addition, since January 1, 2016, German companies with 2,000 or more employees are required to ensure that at least 30% of supervisory board seats are held by directors of each gender. Companies subject to this gender quota will be exempt from the requirement to set supervisory board composition targets.

Further, following a revision of the law, since August 2022, German publicly-listed companies with 2,000 or more employees and with a management board comprising more than three members will be required to ensure the representation of at least one male and one female on the management board. Companies subject to this legislation are not required to immediately comply with the requirement; current ongoing management board mandates can be continued until their scheduled end.

We have assessed the Company's diversity performance (women or gender diverse representation) and reporting as follows:

LEVEL	MARKET GUIDANCE	2023 AGM	2024 AGM	2025 AGM	Numerical Targets
Board	Legal requirement 30% for companies subject to Co-Determination Act	37%	40%	45%	N/A
Executives	One male and one female member		10%	11%	In compliance with the law

* Data refers to gender diverse directors. Prior year data is only displayed for years in which it was recorded in Proxy Paper.

BOARD SKILLS

As discussed in greater detail in our Special Report, [Disclosure of Board Skills & Experience: Emerging Best Practice](#), Glass Lewis believes that depth and breadth of experience is crucial to a properly functioning board. We believe shareholders' interests are best served when committees proactively address a lack of diversity through targeted refreshment, linking organic succession planning with the skill-sets required to guide and challenge management as to its implementation of the board's strategy.

We have reviewed the non-executive directors' current mix of skills and experience as follows*:

BASIC INFORMATION			CORE SKILLS				SECTOR-SPECIFIC SKILLS		
DIRECTOR	AGE	NATIONALITY	CORE INDUSTRY	SENIOR EXEC.	FINANCE/AUDIT&RISK	LEGAL/PUB. POLICY	IT/CYBERSECURITY	ENVIRONMENTAL/SOCIAL	MANUFACTURING/SUPPLY CHAIN
Ferdinand Oliver Porsche	64	Austria	X		X	X			X
Hans Dieter Pötsch	74	Austria	X	X	X			X	X
Hans Michel Piëch	83	Austria	X	X		X			
Hessa Sultan Al-Jaber	65	Qatar				X	X	X	
Marianne Heiß	52	Austria		X	X		X	X	
Stephan Weil	66	Germany				X			
Wolfgang Porsche	82	Germany	X						X
Günther Horvath	72	Austria	X			X			
Julia Willie Hamburg	38	Germany				X		X	
Mohammed Saif S.S. Al-Sowaidi	43	Qatar		X	X				

Age Range: 38 to 83 years (average: 64); **Avg. Tenure:** 10 years; **Gender Breakdown:** (M/F): 70%/30%; **Director Skills Disclosure:** Matrix**

*Please note that the above information is for guidance only and has been compiled using the Company's most recent disclosure and/or additional public sources as necessary. It is not intended to be exhaustive. For further information, please refer to the Glass Lewis [Board Skills Appendix](#).

**Director skills disclosure reflects Glass Lewis' determination of whether the board discloses a single table which identifies each director's knowledge and proficiency in specified skills ('Matrix'); individual director biographies with standardised skills disclosure which could be tabulated into a single table ('Individual'); aggregated information that indicates how many directors have a particular skill ('Aggregate'); or, none of the aforementioned ('None').

BOARD PERFORMANCE

GOVERNANCE OVERVIEW AND GENERAL POLICIES

These tables summarize the Company's performance against certain governance best practices on which we have voting policies. Deviation from these typically lead to negative voting recommendations, unless company-specific circumstances or disclosure merit an exception. For a fuller appraisal of Glass Lewis' approach to these issues, please see our [Policy Guidelines](#). The below metrics reflect the most forward-looking information and the fiscal year in review, as applicable:

"-" = No deviation from best practice policy; Where concerns highlighted warrant a negative recommendation on a nominee, these are highlighted under "Recommendations" at end of page; Employee reps are excluded from the composition assessments.

CORPORATE GOVERNANCE	COMPANY	ANALYSIS
Ownership Structure	Controlled (<i>Porsche Automobil Holding SE</i> - 53% of voting stock)	Our assessment of each board's independence level takes into account the share ownership structure of the company.
Board Independence	0/10 (0%)	Despite the Company's share ownership structure, we feel that greater independence from the Company and its major shareholder(s) is needed on this board to protect the interests of other shareholders.
Board Leadership	Affiliated - former executive of the Company;	-
Maximum Term Length	5-year	Glass Lewis believes that electing members of the supervisory board for five-year terms decreases board members' accountability to shareholders and therefore runs contrary to shareholders' interest. We will continue to monitor the Company's practices in this regard and may recommend that shareholders take a stronger position at a future annual meeting should the Company's practices fall substantially behind its market cap peers.
Director Attendance	Disclosed	-
AUDIT AND INTERNAL CONTROLS	COMPANY	ANALYSIS
Audit Committee Meetings	Last year: 4	-
Committee Composition	Members: 5 Independence: 0%	We believe greater independence is required on this committee.
Committee Financial Expert	Yes (10)	Satisfactory level of financial expertise represented on the committee.
EXECUTIVE REMUNERATION	COMPANY	ANALYSIS
Committee Composition	Members: 7 Independence: 0% Committee chair: Affiliated	We believe greater independence is required on this committee.
DIVERSITY AND BOARD COMPOSITION	COMPANY	ANALYSIS
Committee Composition	Members: 4 Independence: 0%	We believe greater independence is required on this committee.
Board Size	Number of directors: 20	-
Gender Diversity	Female directors: 3 (30%)	Satisfactory gender diversity.
ESG Oversight	Oversight present: Yes Point of accountability: Hans Dieter Pötsch Governance Framework: Standard committee with E&S responsibilities	Glass Lewis understands the importance of ensuring the sustainability of companies' operations. We believe that an inattention to material environmental and social issues can present direct legal, financial, regulatory and reputational risks that could serve to harm shareholder interests.

BOARD INDEPENDENCE

We continue to express severe concern as to the level of independent representation on the supervisory board.

We note that all ten of the current and proposed shareholder-elected members of the supervisory board are affiliated with the Company. This raises concern about the objectivity and independence of the board and its ability to perform its proper oversight role. We prefer boards with a significantly lower percentage of affiliates. We note that Porsche Automobil Holding SE, a company belonging to the Piëch-Porsche family, beneficially owns 53.3% of the Company's total voting

rights. We further note that the State of Lower Saxony owns 20.0% of the Company's total voting rights, and Qatar Holding LLC owns 17.0% of the Company's voting rights.

While we believe that most free-float shareholders will understand the level of control that major shareholders have over the composition of the supervisory board, we believe that free-float shareholders can reasonably question why there is a lack of truly independent oversight at supervisory board level with none of the shareholder representatives be considered to be independent of the Company or its major shareholders. We further express concern that the board does not consist of sufficient independent directors to facilitate the formation of majority independent key board committees.

POTENTIAL OVERCOMMITMENT

We believe shareholders should be mindful of the following commitment levels:

DIRECTOR	ROLE AT THE COMPANY	ADDITIONAL DIRECTORSHIPS	ROLE
Hans Dieter Pötsch	Chair	Traton SE	Chair
		Dr. Ing. h.c. F. Porsche AG	NED
		Porsche Automobil Holding SE	Executive

We believe that a supervisory board member of a publicly-listed company should retain some spare capacity in case a crisis or other event escalates the demand on their time. As such, we believe that the time and other commitments of these other roles may, in certain circumstances, preclude a nominee or board member from devoting the required attention, priority and time to this Company's needs.

As indicated above, supervisory board member Pötsch serves as CEO of Porsche Automobil Holding SE and as a director on two public company boards and as chair of this Company. We normally recommend voting against supervisory board members who serve on this number of public company boards. However, taking into consideration the group structure of the companies, on which he serves as an executive or non-executive member, we do not believe this issue merits shareholder concern at this time.

CLIMATE ACTION 100+ COMPANY

The Company has been identified as a focus company by [Climate Action 100+](#), an investor-led initiative to ensure the world's largest corporate greenhouse gas ("GHG") emitters take necessary action on climate change. The Climate Action 100+, founded in 2017, currently represents 700 investors, responsible for over \$68 trillion in assets under management. The Company is one of 170 companies that comprise up to 80% of global corporate industrial GHG emissions and has been selected for engagement by the initiative.

NOT UP FOR ELECTION

The following directors are not up for election. Where we would otherwise recommend against, the issue of concern is indicated below.

Piëch H. (Affiliate/Insider on compensation committee, Board is not sufficiently independent, Affiliate/Insider on nominating/governance committee); **Porsche F.** (Affiliate/Insider on audit committee, Board is not sufficiently independent); **Porsche W.** (Affiliate/Insider on compensation committee, Affiliate/Insider on nominating/governance committee); **Pötsch H.** (Affiliate/Insider on compensation committee, Responsible for lack of board independence); **Al-Jaber H.**; **Hamburg J.**; **Heiß M.**; **Horvath G.**; **Weil S.**; **Beck R.**; **Benner C.**; **Buck H.**; **Cavallo D.**; **Homburg A.**; **Nowak D.**; **Scarpino G.**; **Schnur K.**; **Schönhardt C.**; and **Sojo M.**

RECOMMENDATIONS

Based on our concerns noted above, we recommend that shareholders vote as follows:

AGAINST

Al-Sowaidi M. - Board is not sufficiently independent

6.00: REMUNERATION REPORT

AGAINST

PROPOSAL REQUEST:	Approve remuneration report	RECOMMENDATION & CONCERNS:
PRIOR YEAR VOTE RESULT (FOR):	98.6%	AGAINST- Timeline of pay disclosure
BINDING/ADVISORY:	Advisory	Target-setting process
REQUIRED TO APPROVE:	Majority	
DISCLOSURE:	Fair	
STRUCTURE:	Fair	

PROPOSAL SUMMARY

According to the German corporation law as amended on December 12, 2019 (AktG Art. 120a), the Company is seeking shareholder approval of the 2024 remuneration report on an advisory basis.

SRD II IMPLEMENTATION

Following the implementation of the European Shareholders Rights Directive II ("SRD II"), German companies are required to hold an advisory vote on the remuneration policy of supervisory and management board members at least every four years or when material changes to the policy are made. Additionally, companies must hold an annual advisory vote on the remuneration report, focused on the implementation of the policy in the previous fiscal year.

EXECUTIVE SUMMARY

KEY AREAS OF FOCUS	SUMMARY ANALYSIS
<ul style="list-style-type: none"> Salary: No increase, 5% waiver for all executives STI: Payouts of 153.0% of salary (56.9% of max. opportunity) for FY2024 LTI: Awards vested at 135% of target in 2024 STI and LTI vested values disclosed in following year 	In light of the concerns raised in our analysis we do not believe this proposal to be supportable.
<p>Following shareholders' approval of the new remuneration policy, the board implemented the following changes as of January 1, 2024:</p> <ul style="list-style-type: none"> STI: Operating profit including Chinese joint ventures replaced with net cash flow in Automobile Division; STI: Discretion to suspend ESG criterion related to employee satisfaction for 2024 and 2025 financial years; Fringe Benefits: Accounting for special features in case of foreign matters. <p>Additionally, management board members voluntarily agreed to a remuneration waiver as follows:</p> <ul style="list-style-type: none"> FY2024: 5% of annual gross base salary. Five years from FY2025 onwards: 5% of annual base salary, realised annual bonus and realised long-term awards. 	

IMPLEMENTATION OF POLICY

REMUNERATION SUMMARY TABLE

NAME AND TITLE (EUR)	BASE SALARY	SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES	OTHER	BENEFITS	PENSION	TOTAL
Oliver Blume <i>CEO, CEO Porsche AG</i>	2,320,000	3,336,116	2,714,879	461,610	363,363	1,149,709	10,345,677
Arno Antlitz <i>CFO, COO</i>	1,425,000	1,716,000	-	-	186,852	624,360	3,952,212
Ralf Brandstätter <i>China, CEO (China) Investment Co. Ltd.</i>	1,425,000	1,716,000	-	-	594,635	604,090	4,339,725
Gernot Döllner <i>Progressive Brand, CEO Audi AG</i>	1,425,000	1,716,000	-	-	183,787	641,502	3,966,289
Manfred Döss <i>Integrity and Legal affairs</i>	1,068,750	1,287,000	-	-	134,957	445,500	2,936,207
Gunnar Kilian <i>HR, Trucks Brand</i>	1,425,000	1,716,000	2,551,270	-	183,648	649,229	6,525,147
Thomas Schäfer <i>Core Brand, CEO Passenger Cars Brand</i>	1,425,000	1,716,000	-	-	184,575	627,866	3,953,441
Thomas Schmall-von Westerholt <i>CTO, CEO Group Components</i>	1,425,000	1,716,000	-	-	185,558	613,113	3,939,671

Hauke Stars CITO	1,425,000	1,716,000	-	-	185,186	631,968	3,958,154
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¹ Oliver Blume's remuneration is paid 50% by the Company and 50% by Dr. Ing. h.c. F. Porsche AG ("Porsche AG"), excluding benefits (100% paid by the Company). Without accounting for remuneration paid by Porsche AG, the CEO's remuneration was:

- Base salary: €1,235,000;
- STI: €2,002,000;
- LTI: €2,714,879;
- Pension: €710,470.

² Amounts under "Short-Term" reflect payments for the 2023 annual bonus; payments for the 2024 annual bonus are not disclosed.

³ Amounts under "Long-Term" reflect payments for LTI awards granted in 2021 and vested in 2023; payments for LTI awards vested in 2024 are not disclosed.

REMUNERATION FRAMEWORK

FIXED REMUNERATION

SALARY CHANGES

The base salary paid to the CEO by the Company did not increase during the past fiscal year. The base salary paid to the CEO by Porsche AG increased by 36%.

The CEO base salary displayed above stems from special agreements with Oliver Blume. The regular CEO base salary set by the Company would be equal to €2,600,000.

In FY2024, all management board members waived 5% of their gross annual base salary.

CEO PAY RATIO

	FINANCIAL YEAR	CEO: Average Employee
RATIO	2024	+5.4:+2.9
	2023	+36.1:-14.6
	2022	N/A (CEO turnover)

COMPANY DISCLOSURE

According to the disclosure framework selected by the Company, the values for the CEO relate to awards paid in 2024 (2024 base salary and variable remuneration vested for 2023).

Ratio calculated using the figures disclosed by the Company in the table containing a multi-year comparison of performance and employee pay, as per Art. 9b.1.b of SRD II.

SHORT-TERM INCENTIVES

ANNUAL BONUS PLAN

AWARD TYPE	Cash
TARGET OPPORTUNITY	134% of base salary for the CEO and 100% of base salary for other management board members
MAXIMUM OPPORTUNITY	269% of base salary for the CEO and 200% of base salary for other management board members
ACTUAL PAYOUT	153% of base salary for the CEO based on 114% target achievement for FY2024 (amount in table above relating to 2023 bonus outcome)
DISCRETION USED TO LOWER TARGETS OR INCREASE AWARDS	No
DEFERRAL PROVISIONS	No
RECOVERY PROVISIONS	Clawback and malus
TARGETS DISCLOSED	Yes

Financial Metrics

Target achievement for each metric may range from 0% to 175%. For the operative ROS, the threshold vesting is 50%.

Metric Adjustment

For 2024, the supervisory board increased target achievement for net cash flow of automotive from 100% to 135% to account for the outflow corresponding to the establishment of the joint venture between the Company and Rivian Automotive, LLC. (€1.022 billion).

ESG Multiplier

The award outcome can be affected by up to +/-30% by the ESG factor, which in FY2024 comprised the following:

NOTES

- Emissions of CO2 and CO2 equivalents by the passenger car- and light commercial vehicle-producing brands over the entire lifecycle (50%):
 - Threshold: 47.1 tCO2e/vehicle;
 - Target: 44.3 tCO2e/vehicle;
 - Maximum: 42.5 tCO2e/vehicle;
 - Actual: 46.4 tCO2e/vehicle (0.78 factor).
- Diversity index (women in management; internationalisation of top management) (50%)
 - Threshold: 143;
 - Target: 150;
 - Maximum: 157;
 - Actual: 168 (1.30 factor).

	CONDITIONS	WEIGHTING	TARGET	ACTUAL	PAYOUT*
	Financial	100%			
			Threshold: €3.5bn		
METRICS AND OUTCOMES	Adjusted Net Cash Flow in the Automotive Division	50%	Target: €5bn	€5bn	135%
			Maximum: €7.25bn		
	Operating Return on Sales	50%	Threshold: 4.5%		
			Target: 6.5%	5.9%	85%
			Maximum: 9.5%		
	*Payout as of target				

LONG-TERM INCENTIVES

LONG TERM INCENTIVE PLAN

AWARD TYPE	Phantom shares
TARGET OPPORTUNITY	227% of base salary for the CEO and 167% of base salary for other management board members
MAXIMUM OPPORTUNITY	567% of base salary for the CEO and 417% of base salary for other management board members
FY2024 GRANT	26,617 phantom shares for the CEO and 174,817 phantom shares for the other executives in aggregate
PERFORMANCE PERIOD	4 1 year periods, for each quarter of the grant
VESTING PERIOD	4 years
POST-VESTING HOLDING PERIOD	0 years
VESTED AWARDS	<p>Awards granted in 2021 vested at 138% of target as estimated based on:</p> <ul style="list-style-type: none"> • FY2021: 148% target achievement (EPS of €29.65 against target of €20); • FY2022: 148% target achievement (EPS of €29.69 against target of €20); • FY2023: 150% target achievement (EPS of €31.85 against target of €20); • FY2024: 107% target achievement (EPS of €21.42 against target of €20). <p>Additional effects not accounted for in percentage above:</p> <ul style="list-style-type: none"> • Share price development: €175.75 to €84.13; • Dividends: €4.86 in 2021, €7.56 in 2022, €27.82 in 2023, €9.06 in 2024.
AUTOMATIC VESTING IN A CHANGE OF CONTROL	No
DISCRETION USED TO LOWER TARGETS OR INCREASE AWARDS	No

PEER GROUP	N/A
RECOVERY PROVISIONS	Clawback and malus
TARGETS DISCLOSED	Yes
NOTES	Payouts include the value of dividend equivalents accrued during the vesting period.

METRICS FY2024	CONDITIONS	WEIGHTING	THRESHOLD TARGET MAXIMUM		
	Financial	100%			
	Earnings Per Share	100%	Vesting Performance	50% €18	100% €27 175% €40.5

OTHER FEATURES & AWARDS

STRUCTURAL FEATURES	
REMUNERATION BENCHMARK	Yes; BMW, Mercedes-Benz-Group, Ford, General Motors, Stellantis, Nissan Motor Corporation, Toyota, BYD, Tesla (excluding CEO), hp, IBM, Uber, SAP, Samsung, General Electric, Siemens, Hitachi, Boeing.
E&S METRIC	Yes; STI - Diversity; Climate
SHAREHOLDING REQUIREMENT	No
OTHER PAYMENTS & AWARDS	
ONE-OFF PAYMENTS	No
NON-LIKE-FOR-LIKE RECRUITMENT AWARDS	No
OTHER RECRUITMENT AWARDS	No
EXCESSIVE SEVERANCE PAYMENTS	No
OTHER SEVERANCE PAYMENTS	No; in FY2024, the Company paid a total of €9 million to former board of management members and their surviving dependents.

NON-EXECUTIVE BOARD REMUNERATION

REMUNERATION FORM	Cash
TOTAL FEES PAID	€ 5,288,902
EXTRAORDINARY PAYMENTS / ADJUSTMENTS	None
NOTES	None

MARKET COMPARISON

		COMPANY	DAX
GENERAL	Last Fiscal Year Support	98.6%	89.5%
	Shareholding Guidelines	No	71.1%

	Annualised CEO Salary	€2,600,000	€1,529,384
SHORT-TERM INCENTIVES	Incentive Limit	269% of base salary	185% of base salary
	Recovery Provisions	Yes	97.2%
	Mandatory Deferral*	No	22.2%
	Percentage Deferred**	N/A	46.4%
LONG-TERM INCENTIVES	LTIP Present	Yes	97.4%
	LTIP Targets Disclosed	Yes	73.0%
	Recovery Provisions	Yes	97.3%
	LTIP Performance Period (Years)	4 years	3.6 years
	Additional Holding/Vesting Period***	None	0.6 years

*Only applies to plans that include mandatory bonus deferral, or deferral above a threshold. **Only applies to plans that require a portion of awards to be compulsorily deferred/held for a period after the performance period has finished. ***Percentages and average years calculated over/for total companies employing an LTI plan. Partial disclosure of targets counted as 0.5. Additional holding period counted as 0 years when absent. Performance and holding/vesting periods calculated as weighted average of target opportunity when multiple LTI plans are present.

GLASS LEWIS ANALYSIS

Glass Lewis expects firms to fully disclose and explain all aspects of their executives' remuneration in such a way that shareholders can comprehend and analyse the company's policies and procedures. In completing our assessment, we consider, among other factors, the appropriateness of performance targets and metrics, the peer group against which the Company believes it is competing, whether incentive schemes encourage prudent risk management and the board's adherence to market best practices. Furthermore, we also evaluate the extent to which the Company links executive pay with performance.

Having assessed the Company's overall remuneration framework, we believe shareholders should be mindful of the following:

INCENTIVE PLANS

- LTIP - Vesting based on a single, absolute performance metric

For further information on the above issues, please refer to our market-specific [Remuneration Appendix](#).

AREAS OF FOCUS

Timeline of Variable Pay Disclosure

Policy Perspective: Following the transposition of SRD II into German law and the amendment of the German Corporate Governance Code, German-listed companies have adhered to two different potential interpretations of the requirements for the individual disclosure of management board remuneration. Generally, the disagreement centres on whether the law requires companies to disclose variable pay for the year in which it was earned (i.e. bonus earned for performance year 2023 and paid out in 2024 to be disclosed in the 2023 remuneration report) or the year in which it was paid (i.e. bonus earned for performance year 2023 and paid out in 2024 to be disclosed in the 2024 remuneration report). Despite the lack of clarity in the market, the vast majority of German listed companies have provided both types of disclosure, stating that either one is being presented on a voluntary basis. This solution ensures compliance with prevalent international disclosure standards and shareholders' expectations, as we strongly believe disclosure of variable pay earned for the performance year under review allows for a more meaningful assessment of a company's alignment with the pay-for-performance principle.

Analyst Comment: The Company only provides disclosure of the variable pay amounts earned for performance year 2023 (annual bonus 2023 and LTI 2021-2023). This disclosure appears to contrast with the Company's decision to disclose the performance hurdles and actual performance results and target achievement levels for the 2024 bonus. Similarly, while the final vesting level of LTI awards vested in 2024 was not provided, the target achievement for EPS hurdles for the period 2021-2024 is disclosed. The data provided by the Company on target achievement for both plans somewhat mitigates our concerns; however, at the same time, we question the board's rationale in not disclosing vested amounts, even in the form of estimates. Given the size and scope of the Company, we find this decision represents a significant deviation from best practice.

Excessive CEO Base Salary

Policy Perspective: As shown in our market comparison table, the base salary set by the Company for the CEO position significantly exceeds local peers. Glass Lewis views high fixed pay levels with scepticism, as such remuneration is not directly linked to performance and may serve as a crutch when performance has fallen below expectations. Further, we note that a large base salary has a compounding effect on the amount of short- and long-term incentives granted to an executive, since such awards are often granted as a fixed percentage of base salary.

Analyst Comment: Here, we note that the CEO's actual salary adds up to €2.3 million, rather than the theoretical amount of €2.6 million, due to the specific arrangement the Company has with the current CEO, who is also CEO of Dr. Ing. h.c. F. Porsche AG. While the total base salary exceeds peers, we recognise that it is the result of the sum of €1.3 million as the salary paid by the Company and €800,000 as the salary paid by Porsche AG, somewhat mitigating our concerns on this issue. Furthermore, we are mindful that all management board members, including the CEO, have waived 5% of their base salary for FY2024, and will waive 5% of base salary and realised variable pay for the next five years.

With regard to the theoretical CEO salary level set by the Company, we note that the Company includes several U.S.-based competitors in its remuneration benchmark. We recognise the U.S. is an important market for the Company, as North America figures as the second most important region for the Company in terms of sales, after "Europe/Other Markets", with Asia-Pacific sliding into third place.

Unchallenging Performance Targets

Analyst Comment: As mentioned in last year's Proxy Paper, we have some concerns about the level at which performance hurdles under both incentive plans are set by the supervisory board, and question whether these hurdles are sufficiently challenging.

For the 2024 annual bonus, operating result (including Chinese joint venture) was replaced with adjusted net cash flow in the automotive division. This change was approved in the remuneration policy at the 2024 AGM and was motivated by the fact that this cash flow indicator is a key metric for the capital market. Both these metrics significantly declined over the prior year; however, net cash flow was adjusted to exclude the impact of the joint venture concluded with Rivian Automotive, as described above, leading to an increase in target achievement from 100% to 135%. While it is common to adjust metrics based on material M&A effects, in this case the impact of the adjustment on the final vesting outcome appears particularly significant.

The target for operating ROS was set at 6.5% (FY2023: 6.5%; FY2022: 6%; FY2021: 6%) despite a result of 7% in FY2023 (FY2022: 7.9%; FY2021: 7.7%). In this case, the metric yielded a vesting below target (85%), mitigating our concerns.

With regard to the long-term incentive, we note that the EPS hurdles were raised for 2023 grants, after having remained constant from 2020 to 2022. While the new target of €27 is below the actual EPS reached in FY2023 (€31.98), at least the stretching hurdle of €40.5 exceeds this figure. The hurdles set for FY2023 remain applicable also for awards granted in FY2024. Nonetheless, the former targets allowed for maximum or near-maximum vesting for awards vested in 2023 and 2024 (without accounting for share price effects and dividends). Finally, we note that dividends are accounted for in the year in which they are paid, rather than for the year in which they are generated.

Multiple, Short Performance Periods

Policy Perspective: In accordance with international best practice, a minimum performance period of three years for long-term incentive plans should be utilised unless a cogent justification is disclosed. Furthermore, we believe that long-term incentives should encourage executives to achieve steady and sustainable growth, and performance should be measured against forward-looking targets over the entire performance period, to ensure that executives are being incentivised for long-term growth and not temporary spikes in performance.

Analyst Comment: In this case, we note that performance under the long-term incentive plan is evaluated over four, one-year periods, with award size in each period measured independently of the others. Therefore, stellar or dismal performance in a single period will not affect awards accrued in another.

RECOMMENDATION

The remuneration report provides reasonable disclosure of the Company's executive pay system, which generally appear to align with market practice. However, we are troubled by the supervisory board's decision to only disclose variable payouts for awards vested in 2023, rather than 2024. While this type of disclosure is one of the accepted interpretations of German law, we find additional voluntary disclosure detailing the value of awards vested in the year under review would allow investors to better understand and assess the appropriateness of the link between pay and performance. Especially given the size and scope of the Company, we find this represents a departure from best practice.

Further, as expressed in prior years, we have some concerns about the supervisory board's approach to the target-setting

process under both incentive plans. In particular, the structure of the long-term incentive functions based on annual testing of the same performance hurdle for a single, absolute metric - EPS - over each of the four years of the vesting period.

As such, at this time, we continue expressing some reservations about recommending shareholders to support this proposal.

We recommend that shareholders vote **AGAINST** this proposal.

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7.00: APPOINTMENT OF AUDITOR

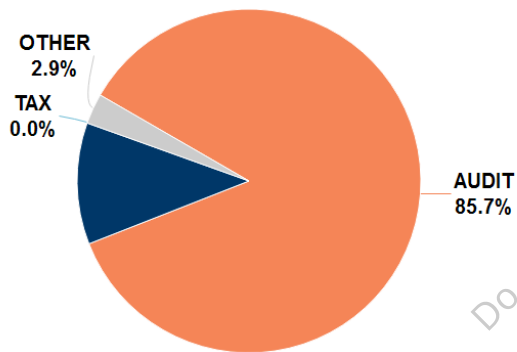
FOR

PROPOSAL REQUEST:	Ratification of Ernst & Young
PRIOR YEAR VOTE RESULT (FOR):	100%
BINDING/ADVISORY:	Binding
REQUIRED TO APPROVE:	Majority
AUDITOR OPINION:	Unqualified

RECOMMENDATIONS & CONCERNS:
FOR- No material concerns

PROPOSAL SUMMARY

If approved, the board will be authorised to ratify the reappointment of Ernst & Young as the Company's independent auditor for the 2025 fiscal year.



AUDITOR FEES

	2024	2023	2022
Audit Fees:	€30,000,000	€35,000,000	€26,000,000
Audit-Related Fees:	€4,000,000	€2,000,000	€6,000,000
Tax Fees:	€ 0	€ 0	€ 0
All Other Fees:	€1,000,000	€1,000,000	€2,000,000
Total Fees:	€35,000,000	€38,000,000	€34,000,000
Auditor:	Ernst & Young	Ernst & Young	Ernst & Young
1-Year Total Fees Change:		-7.9%	
2-Year Total Fees Change:		2.9%	
2024 Fees as % of Revenue*:		0.011%	

* Annual revenue as of most recently reported fiscal year end date. Source: Capital IQ

Years Serving Company:	5
Restatement in Past 12 Months:	No
Lead Audit Partner:	Martin Matischiok
Years Since Audit Partner Rotation:	5

GLASS LEWIS ANALYSIS

We will generally support a proposal regarding the selection of the Company's auditor, except in cases where we believe the independence of the auditor or the integrity of the audit is compromised. We have found no evidence that either has been compromised.

We believe the fees paid for non-audit-related services are reasonable and that the Company has a track record of disclosing the appropriate information about these services in its filings.

RECOMMENDATION

We recommend that shareholders vote **FOR** this proposal.

VOTE RESULTS FROM LAST ANNUAL MEETING MAY 29, 2024

Source: Company's website (other) dated May 29, 2024

RESULTS

NO.	PROPOSAL	FOR	AGAINST	ABSTAIN	OTHER/ WITHHELD	GLC REC
2.0	Allocation of Profits/Dividends	99.99%	0.01%	0.00%	0.00%	For
3.0	Ratification of Management Board Acts	99.94%	0.06%	0.00%	0.00%	Abstain
3.1	Ratify Oliver Blume	99.94%	0.06%	0.00%	0.00%	Abstain
3.2	Ratify Arno Antlitz	99.94%	0.06%	0.00%	0.00%	Abstain
3.3	Ratify Ralf Brandstaetter	99.94%	0.06%	0.00%	0.00%	Abstain
3.4	Ratify Gernot Doellner	99.94%	0.06%	0.00%	0.00%	Abstain
3.5	Ratify Manfred Doess	99.94%	0.06%	0.00%	0.00%	Abstain
3.6	Ratify Markus Duesmann	99.94%	0.06%	0.00%	0.00%	Abstain
3.7	Ratify Gunnar Kilian	99.94%	0.06%	0.00%	0.00%	Abstain
3.8	Ratify Thomas Schaefer	99.94%	0.06%	0.00%	0.00%	Abstain
3.9	Ratify Thomas Schmall von Westerholt	99.94%	0.06%	0.00%	0.00%	Abstain
3.10	Ratify Hauke Stars	99.94%	0.06%	0.00%	0.00%	Abstain
4.0	Ratification of Supervisory Board Acts	99.27%	0.73%	0.00%	0.00%	Against
4.1	Ratify Hans Dieter Poetsch	99.01%	0.99%	0.00%	0.00%	Against
4.2	Ratify Jörg Hofmann	99.27%	0.73%	0.00%	0.00%	Against
4.3	Ratify Hessa Sultan Al Jaber	99.27%	0.73%	0.00%	0.00%	Against
4.4	Ratify Mansoor Ebrahim Al-Mahmoud	99.21%	0.79%	0.00%	0.00%	Against
4.5	Ratify Harald Buck	99.27%	0.73%	0.00%	0.00%	Against
4.6	Ratify Matias Carnero	99.27%	0.73%	0.00%	0.00%	Against
4.7	Ratify Daniella Cavallo	99.27%	0.73%	0.00%	0.00%	Against
4.8	Ratify Julia Willie Hamburg	99.27%	0.73%	0.00%	0.00%	Against
4.9	Ratify Marianne Heiss	99.21%	0.79%	0.00%	0.00%	Against
4.10	Ratify Arno Homburg	99.27%	0.73%	0.00%	0.00%	Against
4.11	Ratify Günther Horvath	99.27%	0.73%	0.00%	0.00%	Against
4.12	Ratify Simone Mahler	99.27%	0.73%	0.00%	0.00%	Against
4.13	Ratify Peter Mosch	99.27%	0.73%	0.00%	0.00%	Against
4.14	Ratify Daniela Nowak	99.27%	0.73%	0.00%	0.00%	Against
4.15	Ratify Hans Michel Piech	99.07%	0.93%	0.00%	0.00%	Against
4.16	Ratify Ferdinand Oliver Porsche	99.26%	0.74%	0.00%	0.00%	Against
4.17	Ratify Wolfgang Porsche	99.02%	0.98%	0.00%	0.00%	Against
4.18	Ratify Jens Rothe	99.27%	0.73%	0.00%	0.00%	Against
4.19	Ratify Gerardo Scarpino	99.27%	0.73%	0.00%	0.00%	Against
4.20	Ratify Karino Schnur	99.27%	0.73%	0.00%	0.00%	Against
4.21	Ratify Conny Schoenhardt	99.27%	0.73%	0.00%	0.00%	Against
4.22	Ratify Stephan Weil	99.20%	0.80%	0.00%	0.00%	Against
5.1	Elect Hessa Sultan Al-Jaber	99.03%	0.97%	0.00%	0.00%	For
5.2	Elect Hans Michel Piëch	98.51%	1.49%	0.00%	0.00%	Against
5.3	Elect Ferdinand Oliver Porsche	98.55%	1.45%	0.00%	0.00%	Against
6.0	Amendments to Articles (Record Date)	100.00%	0.00%	0.00%	0.00%	For
7.0	Amendments to Articles (Resignation Terms Supervisory Board Members)	100.00%	0.00%	0.00%	0.00%	For
8.0	Remuneration Report	98.59%	1.41%	0.00%	0.00%	Against

9.0	Management Board Remuneration Policy	99.48%	0.52%	0.00%	0.00%	For
10.0	Appointment of Auditor	99.96%	0.04%	0.00%	0.00%	For

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APPENDIX

QUESTIONS

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/public-company-overview/ for information and contact directions.

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PARTNER INSIGHTS

The pages following this appendix are included with this Proxy Paper report for informational purposes only. They contain data and insights produced by Glass Lewis' strategic business partners and none of the information included therein is a factor in Glass Lewis' analyses or vote recommendations.

About ESG Book

ESG Book is a global leader in sustainability data and technology. Launched in 2018, the company offers a wide range of sustainability-related data, scoring, and technology products that are used by many of the world's leading investors and companies. Covering over 35,000 companies, ESG Book's product offering includes ESG raw data, company-level and portfolio-level scores and ratings, analytics tools, and a SaaS data management and disclosure platform. ESG Book's solutions cover the full spectrum of sustainable investing including ESG, climate, net-zero, regulatory, and impact products. Read more on: www.esgbook.com.

SUSTAINALYTICS ESG PROFILE

ESG Risk Rating

Negligible Low **Med** High Severe

All data and ratings provided by:

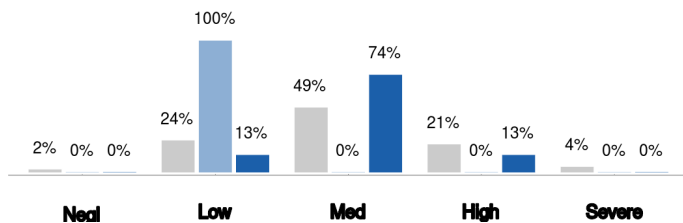


Data Received On: **March 17, 2025**

Rating Overview

The company is at medium risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. The company is noted for its strong stakeholder governance performance, which is reducing its overall risk. Despite its strong management policies and programmes, the company has experienced a high level of controversies.

ESG Risk Rating Distribution



Relative Performance

	Rank*	Percentile*
Global Universe	8391 of 15067	56th
Automobiles (Industry Group)	48 of 88	54th
Automobiles (Subindustry)	36 of 76	47th

* 1st = lowest risk

Exposure to ESG Risk

Low **Medium** High

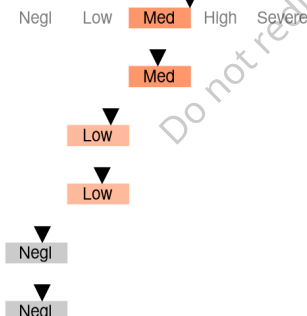
Management of ESG Risk

Strong Average Weak

Top Material Issues

- Carbon - Products and Services
- Business Ethics
- Product Governance
- Human Capital
- Human Rights - Supply Chain
- Water Use - Supply Chain

ESG Risk Rating



▲ = Noteworthy Controversy Level



Risk Details

Exposure		
Company Exposure		The company's sensitivity or vulnerability to ESG risks.
Management		
Manageable Risk		Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk		Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap		Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk		Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating		
Overall Unmanaged Risk		Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

NOTEWORTHY CONTROVERSIES

SEVERE

The Event has a severe impact on the environment and society, posing serious business risks to the company. This category represents exceptional egregious corporate behavior, high frequency of recurrence of incidents, very poor management of ESG risks, and a demonstrated lack of willingness by the company to address such risks.

- No severe controversies

HIGH

The Event has a high impact on the environment and society, posing high business risks to the company. This rating level represents systemic and/or structural problems within the company, weak management systems and company response, and a recurrence of incidents.

- No high controversies

SIGNIFICANT

The Event has a significant impact on the environment and society, posing significant business risks to the company. This rating level represents evidence of structural problems in the company due to recurrence of incidents and inadequate implementation of management systems or the lack of.

- Business Ethics
- Environmental Impact of Products
- Quality and Safety

PRODUCT INVOLVEMENT*



Alcoholic Beverages

Range: 0-4.9%

The company derives revenues from the distribution and/or retail sale of alcoholic beverages.

NO PRODUCT INVOLVEMENT



Oil Sands



Arctic Drilling



Genetically Modified Plants & Seeds



Pesticides



Adult Entertainment



Gambling



Tobacco



Controversial Weapons



Thermal Coal

* Range values represent the percentage of the Company's revenue. N/A is shown where Sustainalytics captures only whether or not the Company is involved in the product.

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All data and ratings provided by:



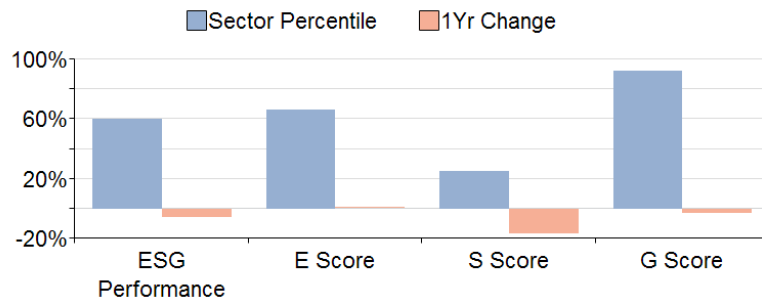
SUSTAINALYTICS

<https://www.sustainalytics.com/>

ESG BOOK PROFILE

Summary of ESG Performance Score

All data and ratings provided by:



esgbook

www.esgbook.com

Country:	Germany
Sector:	Consumer Durables
Industry:	Motor Vehicles
Data Received:	2025-03-04

ESG Performance Score Details

The ESG Performance Score provides investors and corporates with a systematic and comprehensive sustainability assessment of corporate entities. The score measures company performance relative to salient sustainability issues across the spectrum of environmental, social and governance. The score is driven by a sector-specific scoring model that emphasises financially material issues, where the definition of financial materiality is inspired by the Sustainability Accounting Standards Board (SASB). For more detail please see the [ESG Performance Score methodology here](#).

ESG Performance Score		Environmental	Social	Governance
Absolute Score	56.7	Score 61.7	44.5	65.4
Sector Percentile	60.3%	Weight 45.1%	34.1%	20.9%
1 Year Change	-5.6%	Sector Percentile 66.6%	25.6%	92.7%
2 Year Change	-3.3%	1 Year Change 0.5%	-16.9%	-2.8%
3 Year Change	-3.3%			

Risk Score Details

The Risk Score provided by ESG Book assesses company exposures relative to universal principles of corporate conduct defined by the UN's Global Compact. The score is accompanied by a transparent methodology and full data disclosure, enabling users to comprehend performance drivers, explain score changes, and explore associated raw data. Tailored for both investors and corporates, it serves as a universe selection tool for investors identifying companies more exposed to critical sustainability issues, while corporates can use it to assess their exposures, conduct peer comparisons, and pinpoint disclosure gaps. For more detail please see the [risk score methodology user guide here](#).

Risk Score		Human Rights	Labour Rights	Environment	Anti-corruption
Absolute Score	68.8	Score 53.5	73.1	88.7	59.6
Sector Percentile	93.1%	Weight 25.0%	25.0%	25.0%	25.0%
1 Year Change	-2.3%	Sector Percentile 58.7%	84.2%	99.4%	82.6%
2 Year Change	0.6%	1 Year Change 0.1%	-3.5%	7.1%	-14.0%
3 Year Change	-0.5%				

Business Involvements - Over a 5% Revenue Threshold

ESG Book has not found any business involvements for the Company that exceed a 5% revenue threshold.

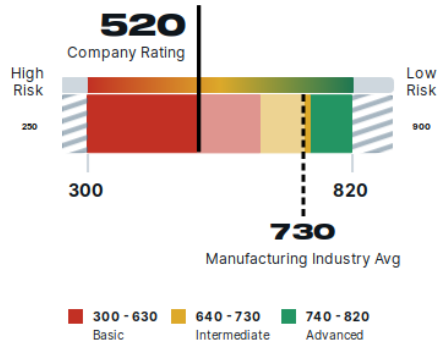
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BITSIGHT CYBERSECURITY RATING PROFILE

Volkswagen Group of Companies

COMPARATIVE INDUSTRY:
Manufacturing

Bitsight Security Rating



Risk of Ransomware

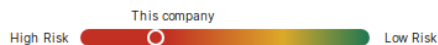
This company is **6.4x more vulnerable to ransomware** than companies rated 750+



Source: [Link to Research](#)

Risk of Security Incidents

This company is **3.2x more vulnerable to security incidents** than companies rated 750+



Source: [Link to Research](#)

What is a BitSight Security Rating?

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations.

EXECUTIVE REPORT

All data and ratings provided by:

Data Received on: **Apr 24, 2025**

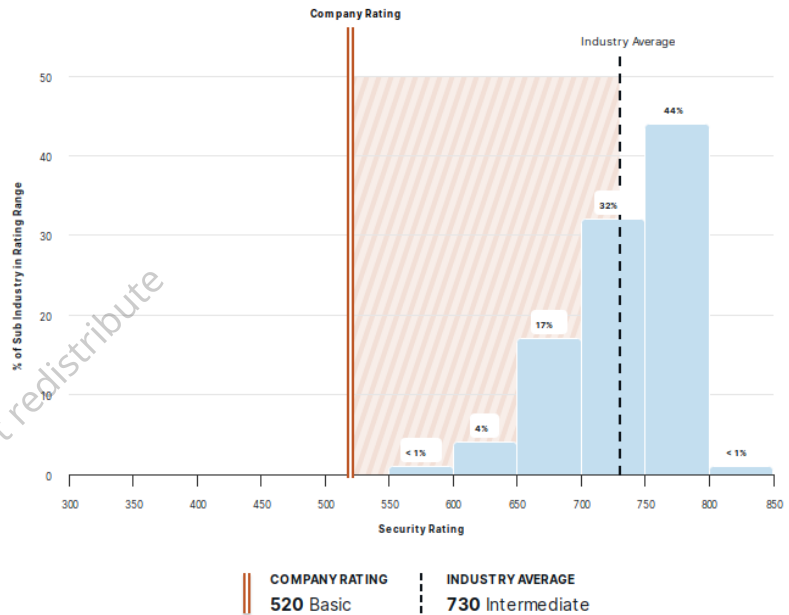
BITSIGHT

PEER ANALYTICS

This compares a company against its industry:

TOTAL COMPANIES
8,398

INDUSTRY RATING
Bottom 1% of the industry

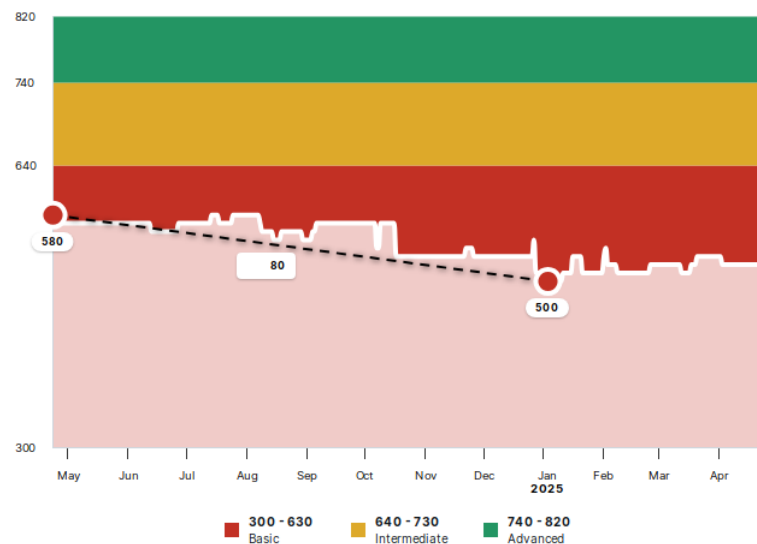


PERFORMANCE OVER THE LAST 12 MONTHS

This rating change graph includes all rating changes events, including but not limited to, publicly disclosed security events.

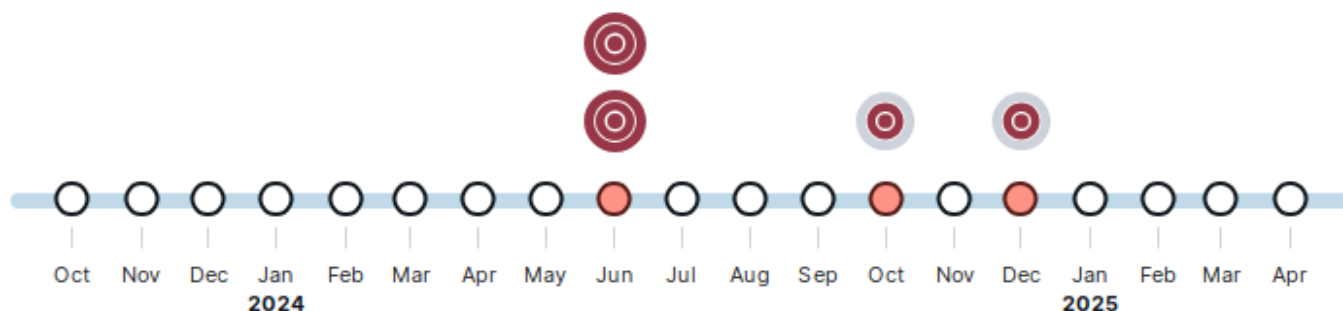
HIGHEST
580 on Apr 23, 2024

LOWEST
500 on Jan 03, 2025



PUBLICLY DISCLOSED SECURITY INCIDENTS THE LAST 18 MONTHS

Security incidents are publicly disclosed events of unauthorized access, often involving data loss or theft. These events are graded based on several factors, including the number of data records lost or exposed.



General Security Incident

Severity: Moderate 3/4

Public Discovery on Dec 27, 2024

CARIAD SE—a subsidiary of Volkswagen Group of Companies: Cariad left the information on 800,000 electric cars accessible on an unsecured database.

Breach Security Incident

Severity: Moderate 3/4

Public Discovery on Oct 16, 2024

Volkswagen AG—a subsidiary of Volkswagen Group of Companies: Volkswagen fell victim to a ransomware attack that compromised the availability of the systems.

General Security Incident

Severity: Severe 4/4

Public Discovery on Jun 19, 2024

AUDI AG—a subsidiary of Volkswagen Group of Companies: CDK Global fell victim to a ransomware attack that compromised the availability of the systems, and many of its customers.

General Security Incident

Severity: Severe 4/4

Public Discovery on Jun 19, 2024

Volkswagen Group of America, Inc. Innovation and Engineering Center California—a subsidiary of Volkswagen Group of Companies: CDK Global fell victim to a ransomware attack that compromised the availability of the systems, and many of its customers.

ADDITIONAL INFORMATION

Security Rating Overview

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations.

In some cases, a company may designate one or more subsidiaries, business units or locations as representative of the company's overall digital footprint. In these cases, BitSight flags those companies in its reports as a Primary Rating, meaning that the company has undertaken this optional step in further articulating its digital footprint.

Companies often use Primary Ratings to exclude parts of their digital infrastructure that may not be useful in describing their cyber risk and resulting security posture. As examples, Primary Ratings often exclude guest wireless networks, security test environments, or networks used for customer hosting. BitSight does not validate Primary Ratings or whether the digital assets organizations exclude in creating Primary Ratings are properly excluded, nor does it validate the predictive quality of Primary Ratings. Go to [this web page](#) for more information about Primary Ratings.

BitSight rates companies on a scale of 250 to 900, with 250 being the lowest measure of security performance and 900 being the highest. A portion of the upper and lower edge of this range is currently reserved for future use. The

Rating Algorithm Update (RAU)

BitSight periodically makes improvements to its ratings algorithm. These updates often include new observation capabilities, enhancements to reflect the rapidly changing threat landscape, and adjustments to further increase quality and correlation with business outcomes. BitSight's Rating and Methodology Governance Board governs these changes so that they adhere to BitSight's principles and policies. BitSight also has a Policy Review Board which reviews and arbitrates customer disputes associated with its ratings. More information about the Policy Review Board and its cases can be found [here](#). Additionally, BitSight provides a preview of ratings algorithm changes customers (and what the likely impact will be) well before they affect the live ratings, inviting comments and feedback on these changes.

Publicly Disclosed Security Incidents

The Security Incidents risk vector involves a broad range of events related to the unauthorized access of a company's data. BitSight collects information from a large number of verifiable sources such as news organizations and regulatory reports obtained via Freedom of Information Act requests or local analogs. This risk vector only impacts BitSight Security Ratings if a confirmed incident occurs. For more information about publicly disclosed security incidents and how BitSight ratings are calculated, [please go here](#).

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effective range as of this report's generation is 300-820. Go to [this web page](#) to learn more about how BitSight security ratings are calculated.

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