

## Declaration of compliance required by Secs. 289f and 315d German Commercial Code (HGB)

Pursuant to Secs. 289f and 315d HGB, listed stock corporations must issue a declaration of compliance in the management report and parent companies in the group management report. In accordance with the legal requirements (Sec. 289f (2) and Sec. 315d HGB), Porsche Automobil Holding SE makes the following disclosures:

### **I. Declaration on the German Corporate Governance Code (Sec. 161 AktG)**

Pursuant to Sec. 161 German Stock Corporation Act (AktG), Art. 9 (1) lit. c) ii) SE-VO, the executive and supervisory boards of a listed SE domiciled in Germany are obliged to make an annual declaration of compliance as to whether they have complied and are continuing to comply with the recommendations of the German Corporate Governance Code ("GCGC" or "Code") in the version valid at the time, or which of the recommendations contained in the Code have not been or are not applied, and why. In the event of changes during the year between two regular declarations, the declaration must be updated.

#### **Text of the declaration of Porsche Automobil Holding SE in accordance with Sec. 161 (1) AktG in the version from May 2018:**

The executive board and supervisory board of Porsche Automobil Holding SE declare in accordance with Sec. 161 (1) AktG that since the most recent declaration of compliance in May 2017 – as updated by updates to the declaration of compliance in March and May 2018 – the company has complied with and also in the future will comply with the recommendations of the Government Commission on the German Corporate Governance Code (GCGC or Code) announced by the Federal Ministry of Justice in the official part of the German

Federal Gazette in the respective valid version of the Code of 7 February 2017, published in the German Federal Gazette on 24 April 2017, with the exception of the following deviations:

The recommendation in Sec. 4.2.3 (2) Sentence 2 GCGC, according to which the monetary elements of the remuneration of executive board members should comprise both fixed and variable elements, has not been complied with regarding the chairman of the executive board Hans Dieter Pötsch and will not be complied with in the future. Mr. Pötsch receives only a fixed basic component from Porsche Automobil Holding SE. In light of Mr. Pötsch's activity and task structure, the supervisory board of Porsche Automobil Holding SE considers the current structure of his remuneration without any variable remuneration to be appropriate.

The recommendation in Sec. 4.2.3 (2) Sentence 2 GCGC was also not complied with in the past with regard to Dr. Döss and Mr. Müller, who has since left the executive board of Porsche Automobil Holding SE. The supervisory board previously considered it appropriate in light of the activity and task structure that Dr. Döss and Mr. Müller did not receive any variable remuneration at the level of Porsche Automobil Holding SE. Due to the activity of Dr. Döss, the supervisory board now considers variable remuneration to be suitable and appropriate. Effective immediately, Dr. Döss receives capped variable remuneration from Porsche Automobil Holding SE.

In addition, regarding executive board remuneration paid by Porsche Automobil Holding SE, the recommendation in Sec. 4.2.3 (2) Sentence 6 GCGC has not been and also will not be fully complied with in the future. There are no upper limits of maximum amounts of bonus payments to be made at the discretion of the supervisory board to executive board members for previously agreed targets or a subsequent bonus in recognition of

extraordinary performance. The same therefore also applies for compensation as a whole. The supervisory board does not consider this necessary because by exercising its discretion it can ensure that the requirement of reasonableness of Sec. 87 (1) AktG is complied with.

With respect to Sec. 4.2.3 (4) GCGC, it is declared that this recommendation was complied with in connection with the departure of Mr. Matthias Müller from the company's executive board. As a precaution, it is declared that Mr. Müller in connection with his departure has been granted benefits that do not constitute payments due to early termination of his board activity within the meaning of this recommendation.

The recommendation contained in Sec. 5.4.1 (2) GCGC on determining an age limit for members of the supervisory board and determining a regular limit for the term of office served on the supervisory board was not complied with, nor will it be in the future until further notice. The supervisory board is still of the opinion that the ability to monitor and advise the executive board in its management of the company does not cease upon reaching a certain age or a certain term of office. A fixed age limit can also come across as discriminatory.

By resolution dated 9 October 2017, the supervisory board set initial concrete objectives regarding its composition and developed a profile of skills and expertise for the entire board pursuant to Sec. 5.4.1 (2) GCGC. For its composition within the framework of the specific situation of the company, it thereby took the international activities of the company, potential conflicts of interest as well as the number of independent supervisory board members within the meaning of Sec. 5.4.2 GCGC into consideration appropriately. Since then, the recommendations of Sec. 5.4.1 (2) GCGC have been complied with to the extent mentioned above and will be complied with in the future. The targets do not currently include guidance on diversity on

the supervisory board, nor will this be the case in the future until further notice. With regard to its composition, the supervisory board also observes the diversity of the board and is open to the respective targets pursued by the Code. However, from today's perspective, specific requirements would make it difficult to provide a board with suitable flexibility, particularly in light of the shareholder structure. In terms of the disclosures on diversity, the recommendation under Sec. 5.4.1 (2) GCGC was not complied with and will not be complied with in the future until such targets have been adopted.

Before the targets for the composition of the supervisory board have been set and the profile of skills and expertise has been prepared, the recommendations of Sec. 5.4.1 (2) GCGC have not been complied with overall. Decisions on proposed candidates a case-by-case basis in the light of the male or female candidates available at that time. This should provide the greatest possible flexibility and avoid self-imposed restrictions, all in the best interest of the company.

Due to a previously extensive deviation from the recommendations of Sec. 5.4.1 (2) GCGC, the recommendation of Sec. 5.4.1 (4) Sentence 1 GCGC was also not complied with. Since setting specific targets for the composition of the supervisory board as well as preparing a profile of skills and expertise, Sec. 5.4.1 (4) Sentence 1 GCGC was complied with in particular regarding the supervisory board's election recommendations to the company's 2018 annual general meeting and will also be complied with in the future provided that Sec. 5.4.1 (2) is complied with.

As regards the recommendation under Sec. 5.4.1 (6) GCGC regarding the disclosure of certain matters in the supervisory board's election recommendations to the annual general meeting, non-compliance has been declared as a precaution. The requirements of the Code are imprecise and

their boundaries and scope unclear. The supervisory board has endeavored in the past and will continue to endeavor in the future to meet the requirements of Sec. 5.4.1 (6) GCGC, although, in light of the imprecision, unclear scope and boundaries of the recommendation, it cannot rule out that this recommendation was not fully complied with in the past or will not be fully complied with in the future.

As long as the supervisory board of Porsche Automobil Holding SE comprised 12 members (6 shareholder representatives and 6 employee representatives), the supervisory board could not – taking into account the ownership structure – uphold its opinion with sufficient legal certainty that due to the membership of Prof. Dr. Ulrich Lehner it had an appropriate number of independent members. As a precaution, it therefore is declared that the recommendation pursuant to Sec. 5.4.2 Sentence 1 GCGC has not been complied with. Since the supervisory board was reduced to six members as shareholder representatives in June 2017, the recommendation of Sec. 5.4.2 Sentence 1 GCGC has been complied with. The recommendation will also be complied with in the future. This also applies for the period after the resolution passed by the 2018 annual general meeting to enlarge the supervisory board to 10 members comes into effect.

Due to the previous performance-related remuneration of the supervisory board based on the respective precedent fiscal year as well as the previous three fiscal years, it was declared that the recommendation of Sec. 5.4.6 (2) GCGC on the sustainability of performance-related remuneration had not been complied with. In light of the supervisory board's predominantly supervisory activities, which in the shared opinion of the executive board and the supervisory board give rise to a limited risk of short-term action, the current performance-related compensation includes an adequate sustainability component. The 2018 annual general meeting resolved to change the

remuneration of the supervisory board to purely fixed remuneration and to amend the articles of association accordingly. The amendment is expected to be applicable for the period as of 1 January 2018. When the amendments to the articles of association come into effect, the recommendation of 5.4.6 (2) GCGC will be complied with in the future without restriction as there will no longer be any performance-related remuneration.

## **II. Relevant information on corporate governance practices that exceed the legal requirements**

In the context of responsible corporate governance at Porsche Automobil Holding SE, compliance with the relevant legal requirements has the highest priority. In addition, Porsche Automobil Holding SE follows the recommendations of the German Corporate Governance Code both relating to the individual entity and those relating to the group to the extent set out in the declaration on the German Corporate Governance Code and any updates. Moreover, the executive board of Porsche Automobil Holding SE has issued guidelines, on “data protection”, “handling insider information and financial instruments to which insider information relates”, “dealing with gifts and other benefits”, “correspondence and signing authority”, “procurement, including signing rules”, “internal audit”, “group communication”, “identification, acquisition and management of investments”, “risk management”, “advice concerning labor and social law”, “company law, capital market law and compliance”, “travel expenses and fringe benefits” as well as on financial issues such as “controlling”, “corporate finance”, “accounting and commercial financial statements”, “preparation, review, approval and administration of specification documents”, “handling services of audit firms and audit networks”, “taxes”, “group financial reporting” and

“handling legal disputes and court proceedings”. This is because the reputation of Porsche Automobil Holding SE is shaped to a great extent by the image, conduct and actions of every individual in the company.

The managers of Porsche Automobil Holding SE are largely responsible for ensuring that the guidelines and rules within the company are systematically observed and complied with. In day-to-day business, every manager must continuously strive to ensure employees have the greatest possible freedom of action, without ignoring the fundamental principles of good corporate governance. To ensure this is the case, Porsche Automobil Holding SE provides its managers and employees with training that focuses on the content of its internal guidelines.

The managers of Porsche Automobil Holding SE also ensure that the foregoing corporate governance practices are complied with at its fully consolidated subsidiaries to the extent applicable there. As Porsche Automobil Holding SE’s most important investment, Volkswagen Aktiengesellschaft is responsible for making its own decisions on the corporate governance practices to be applied within the Volkswagen Group and reports on them in its management report and group management report.

### **III. Description of the mode of operation of the executive board and supervisory board, and the composition and mode of operation of their committees**

The main basis for the corporate statutes of Porsche SE is formed by the European SE provisions, the German SE Implementation Act (SEAG), the Act on the participation of employees in a European Company (SEBG), the German Stock

Corporation Act (AktG) as well as the provisions of the articles of association and the provisions of the current version of the German Corporate Governance Code. Like other German stock corporations, Porsche Automobil Holding SE applies the dual management system, with strict separation of the executive board and supervisory board. The executive board and supervisory board work hand in hand in the interest of the company.

#### **Executive board**

The executive board of Porsche Automobil Holding SE comprises at least two persons. The supervisory board may specify a larger number of members of the executive board.

The executive board has sole responsibility for the management of Porsche Automobil Holding SE and the Porsche Automobil Holding SE Group in the interests of the company and represents the company in transactions with third parties. Its main tasks pertain to the strategic orientation and management of the Porsche Automobil Holding SE as well as compliance with and monitoring of an efficient risk management system. The activities of the executive board are specified in more detail in rules of procedure issued by the supervisory board.

The executive board of Porsche Automobil Holding SE consists of three persons: Mr. Hans Dieter Pötsch (chairman), Dr. Manfred Döss and Mr. Philipp von Hagen. Mr. Pötsch is also chairman of the supervisory board of Volkswagen AG. Dr. Döss also heads the legal department of Volkswagen AG.

The former member of the executive board Mr. Matthias Müller resigned from his position on the executive board in agreement with Porsche SE’s supervisory board effective 30 April 2018. There were no other personnel changes within the company’s executive board in the fiscal year 2018.

Corporate governance takes into consideration conflicts of interest that could have arisen or can arise, among other things, from membership in two boards (one at Porsche Automobil Holding SE and one at Volkswagen AG) and addresses these in the interest of Porsche Automobil Holding SE. For example, a member of the executive board who is also a member of the Volkswagen AG supervisory board does not, in principle, participate in any resolutions concerning issues relating to Volkswagen AG where there is a conflict of interest.

The members of the executive board are jointly responsible for all aspects of the management of the company. The executive board as a whole decides on all matters of material or fundamental importance. Notwithstanding this overall responsibility, each member of the executive board independently manages the business segment assigned to him as far as the respective decision does not – in matters of material or fundamental importance – fall within the area of responsibility of the entire executive board.

The executive board informs the supervisory board regularly, without delay and comprehensively about the strategy, planning, business development, risk situation and the risk management and compliance of the company and consults with the supervisory board on the strategic orientation. The chairman of the executive board is responsible for organizing and coordinating cooperation with the supervisory board and its members; he is responsible for ensuring that the supervisory board is informed in a timely, conscientious and comprehensive manner. In addition, he is responsible for ensuring the foundations for beneficial development of the Porsche Automobil Holding SE through ongoing personal contact with the chairman of the supervisory board and constant dialogue with him.

For certain types of transactions, the executive board requires the prior approval of the supervisory board. These include, in particular, the acquisition and sale of companies and equity investments, if the value of the individual transaction exceeds € 25 million; the foundation and dissolution of investment companies and the establishment and closure of plant locations, where the process in question is of significant importance for the company; the assumption of guarantees, acknowledgments of debt and warranties that do not form part of the company's ordinary business operations; and legal transactions with holders of ordinary shares, supervisory board members or family members of such persons outside the ordinary business operations of the company.

Executive board meetings are held regularly, generally every two weeks. Executive board meetings are convened by the chairman of the executive board. The chairman of the executive board is obliged to convene a meeting of the executive board at the request of a member of the executive board or the chairman of the supervisory board.

The executive board has a quorum if all members of the board have been invited and at least half of its members attend the meeting personally or via electronic media. Resolutions are passed with the votes of the majority of the participating board members. In derogation of Art. 50 (2) Sentence 1 SE-VO, the chairman does not cast the deciding vote in the event of a tied vote. The chairman of the executive board determines the type of vote. If no executive board member objects, decisions can also be taken by circularization.

### **Supervisory board**

The supervisory board appoints the members of the executive board and monitors and supervises management.

The size and composition of the supervisory board are determined according to the European SE provisions, a co-determination agreement entered into with representatives of the European Porsche employees in 2007, amended by agreement dated 1 February 2017 that defines the competencies of the employees, and the provisions of the articles of association.

The supervisory board comprises exclusively members appointed by the annual general meeting (shareholder representatives). Since the amendment to the articles of association resolved by the 2018 annual general meeting came into effect on 4 July 2018, it comprises ten shareholder representatives according to the articles of association; it had previously comprised six shareholder representatives. The supervisory board currently comprises nine members, who are listed on our website at

<http://www.porsche-se.com/en/company/supervisory-board/>

Hon.-Prof. Dr. Ferdinand K. Piëch stepped down from his position on the supervisory board effective end of 8 December 2017. Dr. Günther Horvath was appointed by court order as new member of the supervisory board as of 20 March 2018. Dr. Günther Horvath was subsequently reappointed to the supervisory board in the annual general meeting on 15 May 2018. Mag. Marianne Heiß was also appointed member of the supervisory board. Mr. Hans-Peter Porsche stepped down from his position on the supervisory board effective as of the end of the annual general meeting on 15 May 2018. The 2018 annual general meeting appointed new members Mag. Josef Michael Ahorner, Dr. Stefan Piëch und Mr. Peter Daniell Porsche to

the supervisory board, which had been enlarged to ten members.

The tasks of the supervisory board are jointly fulfilled by its members. It cooperates closely with the other company boards for the good of the company. Its members have the same rights and duties; they are not bound by orders and instructions, especially not those of the shareholders.

The chairman of the supervisory board convenes the supervisory board meetings, giving at least fourteen days' notice. The audit committee must meet at least twice in a calendar half year and should meet once each quarter. In addition, supervisory board meetings have to be convened for good reason.

The supervisory board has a quorum if, after all members have been invited, at least half of its members required under the articles of association participate in passing a resolution. Resolutions are passed with the votes of the majority of the participating board members. In the event of a tied vote, the chairman casts the deciding vote. Resolutions may also be passed in a telephone or video conference outside meetings by casting votes in writing, over the phone, or in text form if no member of the supervisory board objects or if the chairman of the supervisory board determines this manner of voting.

Due to the influence of individual members of the supervisory board of Porsche Automobil Holding SE on ordinary shareholders of Porsche Automobil Holding SE or the fact that individual supervisory board members are also members of the supervisory boards of Porsche Automobil Holding SE and Volkswagen AG or of Volkswagen subsidiaries, conflicts of interest can arise for these supervisory board members in isolated instances.

Any conflicts of interest are handled according to the following basic principle: The members of the supervisory board of Porsche Automobil Holding SE regularly determine whether there are any conflicts of interest, in particular prior to meetings and passing resolutions. This applies especially for those members who are also members of the supervisory board of Volkswagen AG. Wherever there is any indication of a possible conflict of interest, the respective members do not participate in the vote on the respective subject matter or abstain from the vote. Members of the supervisory board cannot participate in a vote by voting yes or no if the resolution concerns a transaction where they are involved or relating to the initiation of a lawsuit between such members and the company.

The supervisory board regularly reviews the efficiency of its activities through self-evaluation.

### **Committees of the supervisory board**

The supervisory board has established a total of three committees (executive committee, audit committee and nominations committee) to carry out its duties in the fiscal year 2018. The specific composition of the current committees is presented in the overview in the [attachment](#).

The committee meetings are convened by the respective committee chairman; as a rule, meetings should be convened with no less than one week's notice. Committees that take decisions on behalf of the supervisory board only have a quorum if all members participate in the resolution by voting or abstaining. The respective committee chairman must regularly inform the supervisory board about the activities of his committee.

The committees support the supervisory board and prepare supervisory board resolutions as

well as topics for discussion by the full supervisory board. Moreover, decision-making authority of the supervisory board may be transferred to the individual committees to the extent permitted by law.

#### **Executive committee**

The executive committee decides in urgent cases on business matters requiring the approval of the supervisory board. It also functions as a personnel committee and makes recommendations to the supervisory board on concluding, amending and terminating contracts of employment for members of the executive board.

The executive committee comprises the chairman of the supervisory board, his deputy and an additional member of the supervisory board. The chairman of the supervisory board is also the chairman of the executive committee.

#### **Audit committee**

The audit committee supports the supervisory board in monitoring management of the company and pays particular attention to monitoring accounting and the related processes, the risk management system including the effectiveness of the internal control system and internal audit. Another topic is the audit of the financial statements. In this regard, the audit committee submits to the supervisory board a justified recommendation for the appointment of the auditor, which comprises at least two candidates if the audit engagement is put out to tender. Furthermore, the audit committee looks at the independence of the auditor, the engagement of the auditor, the determination of key audit topics, the key audit matters, the fee agreement and the additional permitted non-audit services rendered by audit firms as well as compliance.

The audit committee consists of three members: In accordance with the rules of procedure of the supervisory board, at least one independent member of the audit committee must have specialist knowledge in the areas of accounting or auditing. Within Porsche Automobil Holding SE's audit committee, this is Prof. Dr. Ulrich Lehner.

#### **Nominations committee**

In view of the supervisory board's election proposals to the general meeting, the nominations committee proposes suitable candidates to the supervisory board. In the fiscal year 2018, the nominations committee, acting on behalf the supervisory board, passed resolutions on the proposals to the general meeting concerning the election of supervisory board members representing shareholders.

The nominations committee consists of three members: The chairman of the supervisory board is always also the chairman of the nominations committee.

You can find the current members of the respective committees [here](#). Details of the specific tasks of the supervisory board and its committees can be found in the report of the supervisory board for the fiscal year 2018. You can find more information on the corporate governance practices of Porsche Automobil Holding SE in the corporate governance report for the fiscal year 2018 at

<http://www.porsche-se.com/en/company/corporate-governance/>

#### **IV. Information on the determination of target figures pursuant to Sec. 76 (4) and Sec. 111 (5) AktG and these being met**

Sec. 76 (4) AktG requires that the executive board specifies target figures for the percentage of women in the two management levels below the executive board and sets a deadline for achieving these target figures. Until 30 June 2017, the executive board had resolved to set a target of 15% for each of the first two management levels below the executive board. Due to a lack of changes in personnel, the target figure for the percentage of women in the first management level below the executive board was not achieved. However, the target figure for the percentage of women of 15% for the second management level below the executive board was clearly met. The executive board has now set a target for the percentage of women in the first and second management level below the executive board of 25% in each case with an implementation deadline of 30 June 2022. The percentage of women for the second management level below the executive board is 25%.

Sec. 111 (5) AktG requires that the supervisory board of companies that are listed or subject to co-determination specifies a target figure for the percentage of women on the executive board and sets a deadline for meeting this target. The supervisory board had raised the target figure for the percentage of women on the executive board from 0% to 25% in 2017, setting an implementation deadline of 30 June 2022. All of the members of the executive board are currently male. No new members were appointed in the fiscal year 2018.

Sec. 111 (5) Sentence 1 and 5 AktG requires that the supervisory board of companies that are listed or subject to co-determination specifies a target figure for the percentage of women on the supervisory board if no statutory quota applies. Pursuant to Sec. 17 (2) SEAG, a statutory quota for



companies organized as an SE only applies for a listed SE whose supervisory board comprises equal numbers of shareholder and employee representatives. Although Porsche Automobil Holding SE is listed, its supervisory board does not comprise an equal number of shareholder and employee representatives. There is therefore no statutory quota for Porsche Automobil Holding SE. In light of this, in 2017 the supervisory board had set a target figure for the percentage of women on the supervisory board of 0% until 2022. There has been no change in this target. The appointment of Mag. Marianne Heiß means that there is one female supervisory board member since the 2018 annual general meeting.

supervisory board has resolved on, among other things, a diversity concept aimed at diversifying the executive board. The company is convinced that diverse composition of the executive board promotes diversity of opinion and knowledge and helps to make balanced decisions and to recognize operational and financial opportunities and risks early on. Regardless of this, the interest of the company always comes first when filling a specific position on the executive board, taking into account the circumstances of the individual case. In the first place, the supervisory board therefore bases its decisions on the specialist knowledge and personal suitability of a candidate.

When putting the executive board together, the following diversity aspect should be taken into account, where possible, with the objectives expressed therein:

## **V. Diversity concept pursuant to Sec. 289f (2) No. 6 HGB**

As a listed company, Porsche SE complies with the guidance on diversity in particular according to the European SE provisions, the German SE Implementation Act, the Act on the participation of employees in a European Company, the German Stock Corporation Act, the GCGC as well as the applicable accounting standards. These comprise various requirements for the composition of the executive board and supervisory board. Porsche SE has also set its own targets. Those guidelines and targets form the basis of the diversity concept approved by the supervisory board on 30 November 2018 for the composition of the executive board and supervisory board of Porsche SE.

### **Executive board**

When appointing executive board members, the supervisory board has to ensure that the executive board collectively has the knowledge, skills and experience required to properly perform all its duties. In order to fulfill these requirements, the

- Taking into account the experience required to serve on the executive board, a range of age groups should be appropriately represented on the executive board. There should be no specific requirements regarding the age of individual or all executive board members so as not to unduly restrict suitable candidates for the supervisory board and executive committee. In particular, there is no regular limit for age or for the term of office served on the executive board.
- The members of the executive board should complement each other in terms of their educational and professional background and cover as broad a range of knowledge and experience as possible. The role of the company as an investment management holding company and the company's respective investment portfolio should thereby be appropriately taken into account.
- When composing the executive board, attention should be paid to an appropriate degree of international diversity considering the fact that the company holds foreign investments as well as German investments with international activities.

In light of this, at least one executive board member should have international experience. This should come from a professional activity or training abroad or from the candidate's origin.

### **Supervisory board**

With regard to its composition, the supervisory board has to ensure that its members collectively have the knowledge, skills and experience required to properly perform all duties. By law, the supervisory board as a whole must be familiar with the sector in which the company operates. In order to fulfill these requirements, the supervisory board has resolved on, among other things, a diversity concept aimed at diversifying the supervisory board overall. The company is convinced that diverse composition of the supervisory board promotes diversity of opinion and knowledge and helps to make balanced decisions and to recognize operational and financial opportunities and risks early on.

When putting the supervisory board together, the following diversity aspects should be taken into account where possible with the objectives expressed therein:

- In terms of its composition, the supervisory board should ensure an appropriate age structure. There is no age limit for members of the supervisory board or regular limit for the term of office served on the supervisory board. The supervisory board is still of the opinion that the ability to monitor and advise the executive board in its management of the company does not cease upon reaching a certain age or a certain term of office. A fixed age limit can also come across as discriminatory.
- In 2017, pursuant to Sec. 111 (5) AktG the supervisory board set a target figure for female representation on the supervisory board of 0% by 2022. For the supervisory board's diversity concept, no target figure deviating from this figure should be set. Although the board currently has a female member, quotas should not be set so as not to unduly exclude suitable candidates for the nominations committee. From today's perspective, specific requirements make it difficult to appoint board members with suitable flexibility.
- The members of the supervisory board should complement each other in terms of their educational and professional background and cover a range of knowledge and experience as broad as possible. The role of the company as an investment management holding company and the company's respective investment portfolio should be appropriately taken into account.
- When composing the supervisory board, attention should be paid to an appropriate degree of international diversity considering the fact that the company holds foreign investments as well as German investments with international activities. In light of this, at least three supervisory board members should have international experience. This should come from a professional activity or training abroad or from the candidate's origin.
- At least two members of the supervisory board should, in the assessment of the supervisory board, be independent within the meaning of Sec. 5.4.2 GCGC.
- No more than two former members of the executive board should belong to the supervisory board.
- Members of the supervisory board should not be members of governing bodies of, or exercise advisory functions at, significant competitors of the company.

Unless indicated otherwise, the above mentioned targets relate to the supervisory board as a whole. The supervisory board may only make recommendations for proposals concerning the composition of the supervisory board. Supervisory board members are generally appointed by the annual general meeting.

## **Implementation of the diversity concept**

The diversity concept is primarily implemented by the supervisory board, which takes into account the above mentioned diversity criteria and their aims when making recommendations for proposals to the annual general meeting on the appointment of supervisory board members or when appointing executive board members.

Recommendations for proposals of supervisory board members to the annual general meeting of Porsche SE must meet the statutory requirements for their composition and should take into account the self-imposed targets of the diversity concept and at the same time aim at fulfilling the overall profile of required skills and expertise of the board. When searching for and selecting suitable candidates for the supervisory board, the nominations committee should appropriately take into account the criteria set out in the diversity concept where the shareholder representatives are concerned.

In the company's opinion, the requirements of the diversity concept for the supervisory board are currently being met in full. The same applies for the executive board with the exception of the target figure for the percentage of women, although this does not have to be reached until 30 June 2022.

Stuttgart, 6 March 2019  
Porsche Automobil Holding SE

The executive board