

Whistle Blowing Policy

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1. Area of application

This regulation applies to:

- All employees of the Volkswagen Finance Private Limited (VWFPL), permanent as well as contractual.
- Directors of Volkswagen Finance Private Limited
- Business Partner or their employees who wish to report any complaint relating to their operations with VWFPL,
- all companies and Employees of the Volkswagen Group

2. Basis

Basis of this regulation are

- Companies Act, 2013 and Rules framed thereunder
- the group policy “Volkswagen Group Whistleblower System” issued by Volkswagen AG (in its respective current version)
- German Data Protection Act § 28, I, S. 1, n°2 and
- The Data Protection agreement between Volkswagen Financial Services AG and Volkswagen AG as of 22th Dec 2016.

3. Purpose

Integrity, alongside with compliance with statutory and other requirements are the foundation of our corporate policy and are top priorities for the Volkswagen Group. They lay the foundation of a good reputation for the Group and its brands, for the trust of its customers, the wellbeing of its employees as well as of sustainable economic success, which should not be undermined by the risk of significant financial losses from fines, disgorgement and liability for damages, or criminal prosecution.

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

Violations of regulations, in particular violations of the law or the Code of Conduct will not be tolerated. Such violations will be sanctioned and, if need be, brought to the attention of the relevant authorities. Sanctions stemming from Regulatory Violations follow the principle of proportionality. In the addition to the severity of the violation, social data, performance within the company, responsibilities within the Volkswagen Group and the additional specific circumstances of the individual case are taken into account.

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

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

The Volkswagen Group has established a Compliance Organisation to prevent and detect any and all violations as well as to provide consulting services on compliance with laws and internal regulations. The Investigation Offices were established, and Ombudspersons were appointed, to receive and process reports of Regulatory Violations affecting the Volkswagen Group. The Central Investigation Office alongwith Audit Committee of VWFPL steers on behalf of the respective Head of Investigation Office the Investigation of Serious Regulatory Violations.

This regulation contains minimum standards such as general codes of practice for implementing, creating and executing whistleblower systems in the Volkswagen Finance Private Limited (VWFPL) and sets out the competencies, responsibilities and cooperation requirements to be established within the VWFPL.

The Group Policy governs comprehensively and concludes the activities of the Central Investigation Office and the Investigation Units concerning the investigation of Serious Regulatory Violations received through the intake channels of the Whistleblower System. The Investigation Units may adopt supplementary provisions so far as these do not contradict this Group Policy. For hints pertaining to VWFPL, the decision on implementation measures and implementation timelines shall be taken by the Audit Committee of VWFPL.

This Group Policy does not limit the independence of Internal Audit in respect of their duties and processes outside of this Group Policy, in particular with regard to Program- and Special-Audits as well as with regard to direct reporting to the Management Board and the Audit Committee of the Supervisory Board.

4. Terms and definitions

- a. **Reasonable Suspicion** exists if concrete indication of a Serious Regularly Violation are present.
- b. Employees of the Volkswagen Group, include senior managers and members of the governing bodies. Individuals, whose employment or contract of service is suspended, in particular because they have been appointed to a non-controlled associated company, are also Employees.
- c. **Persons Implicated** are those Employees suspected of Regulatory Violations.
- d. **Managers** are those Employees from senior management (grade 29 and above).
- e. **The Group Head of the Whistleblower System (GHWS)** heads the Volkswagen Group Whistleblower System. The Head of the Central Investigation Office reports to the GHWS. The Group Chief Compliance Officer of the Volkswagen Group performs the function of the GHWS. The Group Chief Compliance Officer of the Volkswagen Group is authorised to delegate all or part of its authority as GHWS.

- f. **HR Coordinator** is the person appointed by the board of management member responsible for personnel and organisation of Volkswagen AG who performs the tasks of the Human Resources department centrally according to this policy and who can also act through a representative.
- g. **Hints** refer to detailed information concerning Regulatory Violations, including those coming in via whistleblower channels such as telephone, e-mail, post, oral communication and Ombudspersons
- h. **Whistleblower cases** are the information and suspicions brought to the attention of VWFPL by whistleblowers that flag potential statutory or internal violation of regulations. This information is received by the Investigation Office or the corresponding contact points.
- i. The **Need-to-know-Principle** is the principle for processing of hints and the investigation and punishment of regulatory violations, accordingly, the group of persons informed about a hint, the persons implicated, its processing and results, as well as the information provided to them, is limited to the absolutely necessary, unless provided for otherwise in this policy or any applicable law.
- j. **Unsubstantiated information** means that the report only contains random allegations or suspicion of a statutory or internal violation of regulations without any concrete facts that can be used to initiate investigative measures.
- k. **Substantiated information** is the suspicion of statutory or internal violation of regulations based on actual concrete evidence.
- l. **Plausibility** is the check to determine whether the situation described in the report is actually possible.
- m. **Regulatory Violations** are all intentional or negligent violation of regulations of applicable law (e.g. statutory laws, regulations) or internal company regulations (especially violations of the Code of Conduct or employment contractual obligations) by employees of the VWFPL and its Group companies committed in connection with, or based on, their employment by the Volkswagen Group and its Group companies.

For the Investigation and sanctioning of violations, a distinction is made between **Serious and Other Regulatory Violations**. Potential sanctions are not determined by this distinction. Other Regulatory Violations might also lead to any legally permissible personnel measure, including but not limited to the termination of employment.

- n. **Serious Regulatory violation** is a Regulatory Violation -
- that significantly affects the interests of the VWFPL or Volkswagen Group or one of its group companies, in particular interests of reputation or financial interests, or
 - that significantly violate the ethical values of VWFPL or the Volkswagen Group.

Examples for circumstances that, in principle, constitute a Serious Regulatory Violation are:

- Corruption, white-collar and tax criminal offences,
- Environmental criminal offences
- Violations of human rights (e.g. prohibition of child labour)
- Violations of antitrust law and competition law
- Money laundering and terrorism financing
- Violations of product safety and technical requirements regulations
- Substantial violations of data protection laws
- Violations committed by Employees from the level of upper management and above (OMK and above) that are capable to impede their function as a role model for compliance and integrity as defined in the Code of Conduct.
- High risk of company sanctions (for example, fines and levies, ban on business transactions with authorities, loss of licenses for business operations)
- Conspiracy to commit a violation involving several people
- Systematic exploitation of company structures to commit violations.

The following cases always represent Serious Regulatory Violation:

- Violations of regulations prohibiting the discrimination of whistleblowers
- Failure to fulfill the obligation to report e.g. to the HQ compliance, in the event of proven knowledge of the aforementioned regulatory violations.
- Abuse of the Whistleblower System by knowingly making false accusations
- Violations of US environmental regulations
- such other binding explanations on categorization of a case as serious or other regulatory violations as may be published on intranet by Central Investigation office from time to time

- o. An **Other Regulatory Violation** is any Regulatory violation that is not a serious regulatory violation. Grievances relating to routine or operational matters are out of the scope of this policy unless breach of internal policy or prevalent law is the reason behind it. Examples of out of scope grievances are customer/investor complaints, improper/inappropriate administration facilities, malfunctioning of IT Assets, compensation related issues, vendor payment and taxation related queries, recruitment/job openings, questioning of financial and other business decisions taken by management, internal complaints/non co-operation issues with dealers/business partners.
- p. **Categorization** is the classification of a suspected statutory or internal violation of regulations in a report as a serious or other regulatory violation.
- q. An **investigation** is the internal clarification of potential compliance violations by employees of the VW FS conducted by the relevant investigating unit.
- r. A **local office** is a set up at the local company/subsidiary to collect and pre-handle the internal incoming whistleblowing cases. The local office should be located at

Compliance and is responsible for all companies of the responsibility of the Compliance officer.

- s. **Contact point**, as defined in this policy, is the office established where whistleblower cases are handled. The contact point for the brand of VW FS is established at Compliance in Headquarters (Compliance HQ).
- t. The **Audit Committee** means Audit Committee as defined in section 177 of the Companies Act, 2013 read with relevant Rules framed thereunder.
- u. The **local Disciplinary Committee** consists of Members of the Audit Committee, Managing Directors (Back Office and Front Office), Head of the Internal Audit, Compliance, Legal affairs, Risk and HR. They are supposed to monitor the whistle blower system and liaise with Audit Committee, contact point and investigation office in HQ and if needed, external experts.
- v. The **local Investigation Committee** is the Committee formed after receipt of violation at VWFPL to conduct preliminary enquiry or further investigation on the whistle blower case. They are supposed to assist the Disciplinary Committee and its composition would be decided by Disciplinary Committee based on the nature of violation.
- w. **Disciplinary Committee** is the committee set up under the leadership of the GHWS Group Compliance, which is composed of the Head of Group Legal and the Head of Top Management Personnel. The Head of Group Audit and the Head of Group Security as investigating units are non-voting members and only participates in meetings concerning the investigation final reports prepared by its departments. The Chairman of the Volkswagen AG Works Council is also a non-voting member of the Disciplinary Committee. In individual cases all members may appoint representatives and/or other members of their departments to attend the meetings.
- x. **Ombudspersons** are external lawyers assigned by Volkswagen AG who are obliged to maintain professional secrecy and who receive hints of potential regulatory violations.
- y. **Investigation Units** are Group Audit, Group Security and Group Legal.
- z. **Central Investigation Office** is the central office established by Group Compliance of Volkswagen AG, responsible for hints coming in on Group level, all Serious Regulatory Violations according to this guideline, as well as for the cooperation with the Ombudspersons and HQ Compliance. The Central Investigation Office reports to the GHWS and therefore to the Group Chief Compliance Officer of the Volkswagen Group.

5. Reporting of whistleblower cases

Employees should report suspicions of Regulatory Violations immediately through one of the channels set forth. Third parties dealing with the Company may also utilize this channel to report violations as defined in this policy.

Managers are obliged to report Reasonable Suspicion concerning Serious Regulatory Violations to HQ Compliance, the Central Investigation Office of Volkswagen A.G. or the Ombudspersons. Managers can also meet their obligation to report by reporting to their supervisor, to the respective human resources department, to the respective legal department, to the respective compliance department or to the management body of its company. The recipients are obliged to document and forward the reports immediately and in full to the Local office in case of suspicion about VWFPL and Investigation Office or the Ombudspersons in case of suspicion about Volkswagen Group .

The reporting in case of suspicion about Volkswagen Group can be made through all existing channels:

- Superior
- Email (indication@vwfs.com)
- Phone (+49-531-212 899785)
- Ombudspersons (see Paragraph 8)
- 24/7 Hotline (+800-444-46300)

The regulations do not affect the rights and obligations of Employees to report to governmental and official authorities.

6. Reporting to internal units

Internally (within the area of the VWFPL) the employee has the opportunity to report potential violations to the following units:

- Any or immediate superior
- Internal Audit
- Compliance
- HR
- Anti-Corruption Officer

The person to whom the whistleblower case is being addressed has to forward it to the *Local Office*.

6.1 Local whistleblowing system

VWFPL has partnered with KPMG Advisory Services Private Limited (“ombudsman agency”) to ensure that genuine concerns about breach of law or internal policies are reported without fear by employees and business partners.

Any employee or business partner, who wishes to report a concern, may use any of the following channels:

Helpline – 1800 3010 6200

Email – vwfpl@ethicshelpline.in

Website – www.in.kpmg.com/ethicshelpline/

Fax – Dial 1800 3010 6200 and select option 2 on IVR

Post Box – P.O. Box No 71, DLF Phase 1, Qutub Enclave, Gurgaon – 122002, Haryana.

7. Procedural principles and safeguards

The following procedural principles and safeguards apply to all Investigations concerning suspicion of Serious Regulatory Violations and Other Regulatory Violation within the Group.

7.1 Procedural fairness

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

7.2 Presumption of innocence

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

The presumption of innocence shall not preclude any personnel measures that may be taken on the basis of a concrete suspicion.

7.3 Whistleblower protection

Whistleblowers will be protected. Statements made by the whistleblower are handled confidentially. Their identity will not be disclosed, if so desired and legally permissible. Whistleblowers who are disadvantaged as a result of their report should contact the Local Office in case of VWFPL or the Central Investigation Office in case of Volkswagen Group. It shall take up the case and clarify the facts in accordance with this Policy.

Discrimination, intimidation or hostilities towards whistleblowers, as well as retaliation against whistleblowers due to their report, will not be tolerated and will be investigated and possibly sanctioned under this Policy.

Whistleblowers, if not kept anonymous, will always be informed as to whether a Regulatory Violation has been identified.

Any statutory and official disclosure and reporting obligations shall not be affected by the aforementioned provisions.

7.4 Reasonableness

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

7.5 Conducting Investigations

During Investigations, policies and work instructions of the Investigating units or the Suitable Body apply. Regulatory Violations handled directly by the investigating units or the Suitable Body, must be reported to the Central Investigation Office, if there is suspicion before or during the Investigation that a Serious Regulatory Violation could have occurred.

7.6 Applicable laws and data protection

When processing Hints and carrying out Investigations, all applicable laws, including relevant data protection laws shall be complied with, in addition to internal group regulations.

7.7 Right to be heard, informing the Persons Implicated

Persons Implicated will be informed that they are under Investigation as soon as possible, and as far possible, without jeopardizing the purpose of the Investigation.

Persons Implicated shall be given the opportunity, at the latest before the end of the Investigation, to make a statement on the allegations. This statement will be taken into account.

If it becomes clear at an early stage in the Investigation that a Regulatory Violation has not occurred, the obligation to inform the Person Implicated and that person's right to make a statement may be disregarded, as far as this is allowed under data protection rules.

In the context of the Need-to-know-Principle, the Managers of the person implicated will only be informed during an Investigation insofar as this is necessary to clarify the facts.

Once the findings have been set down in the Investigation Report, the HR Coordinator or the responsible department in HR ensures that the Persons Implicated in having committed a Regulatory Violation are properly informed of the facts.

Persons implicated, for whom the findings of the investigation report have not revealed any regulatory violation, are informed about this by the Central Investigation Office regarding Serious Regulatory Violations and by HQ/VWFPL Compliance regarding Other Regulatory Violations.

7.8 Right to counsel

Persons implicated have the right to be advised by a member of the employee representatives or a legal counsel at any time during the investigation, and to be accompanied in interviews. This does not affect the right of the Volkswagen Group to set a timeline for the investigation. In principle, the person implicated bears the costs of his/her legal counsel.

7.9 Confidentiality and secrecy

The employees responsible for handling the hints and the investigations must, in principle, treat the information obtained as confidential and may not disclose it to other parties. This applies in particular to personal data. They may only inform other persons on a strictly need-to-know basis, or if it is expressly provided for in this policy.

7.10 Principle of legality

There is no discretionary authority as to whether hints are processed and investigations carried out and whether sanctions are imposed in the event of a finding of a regulatory violation.

7.11 Rehabilitation

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

may clarify that the person implicated was wrongly accused.

7.12 Obligations to cooperation

All group companies and employees are obliged to fully support investigations pursuant to this Policy. This includes in particular making documents and data available in their entirety and providing comprehensive and truthful information.

The impairing or hindering of investigations, in particular influencing witnesses and suppressing or manipulating documents, is not permitted and will also be investigated as a regulatory violation and sanctioned, if applicable.

8. The Ombudspersons

The ombudspersons appointed by the Volkswagen Group are responsible for accepting hints of potential regulatory violations committed by employees, checking these for plausibility, consulting with the whistleblower, if necessary, and then forwarding the hint to the Central Investigation Office in agreement with the whistleblower. This process is anonymous, if so desired by the whistleblower.

The Central Investigation Office forwards the VW FS related whistleblower cases to HQ Compliance for further handling, as long as it concerns other regulatory violations.

The ombudspersons advise the whistleblower and ask questions if necessary. Apart from the collection of data, they do not undertake their own investigations.

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

The ombudsperson shall immediately forward anonymous hints to the Central Investigation Office without conducting their own review.

Hints that raise suspicions against members of the Board of Management of Volkswagen AG must be forwarded immediately and directly to the chairman of the Audit Committee of Volkswagen AG Supervisory Board by the ombudsperson. Hints that raise suspicions against the employees in the Office of the Corporate Secretary or in the Central Investigation Office, must be submitted without delay to Head of Group Audit, as well as to the member of the Board of Management responsible for Integrity and Legal Affairs. They will decide on the further approach.

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

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

Volkswagen Group and VW FS Group have appointed two external lawyers as ombudsmen:

Dr. Rainer Buchert

Tel. +49 (0) 69 71 03 33 30 and +49 (0) 61 05 92 13 55;

Fax: +49 (0) 69 71 03 44 44;

email: dr-buchert@dr-buchert.de and
Thomas Rohrbach
Tel. +49 (0) 69 65 30 03 56;
Fax: +49 (0) 69 65 00 95 23;
email: rohrbach@ra-rohrbach.de

Contact in other languages: Tel. +49 (0) 69 65 30 04 90
Website: www.Ombudsmen-of-volkswagen.com

9. Handling of whistleblower cases implicating VWFPL

9.1 Whistle Blowing mechanism

In order to maintain highest level of confidentiality, the Company has appointed an ombudsman agency to operate the whistle blowing mechanism

After a whistle blower case is received, it will be filtered by the ombudsman agency to identify the category to which it belongs and will be then forwarded to the local Disciplinary Committee, to initiate further action. Each of the whistle blower cases should also be necessarily forwarded to contact point in HQ.

The local Disciplinary Committee shall consist of following members:

- Members of the Audit Committee
- Managing Directors (Back office and Front office)
- Head of Internal Audit
- Head of Human Resource
- Head of Legal
- Head of Compliance
- Head of Risk Management

Based on the facts provided by the whistle blower and guidelines provided in „whistle blower response plan“, the local Disciplinary committee will initiate preliminary enquiry, for this purpose, the local Disciplinary committee may form a local Investigation committee to make a preliminary enquiry or further investigation. Based on the nature of complaint, local Disciplinary committee shall nominate the employees/external investigators on local Investigation committee. For whistle blower cases pertaining to other Volkswagen group companies, no action would be required from local disciplinary committee. The contact point in HQ shall take forward such whistle blower cases in accordance with Volkswagen Group whistle blower system.

Attempt will be made to take immediate action against the cases received, subject to the prevailing circumstances

Whistle Blower will be provided with a reference number for his case. He/she can use it for future reference to know the status of his complaint and actions taken from the ombudsman agency.

A report on whistle blowing cases and update on action taken shall be presented in the next Audit Committee Meeting.

9.2 local office

VWFPL has established compliance department as *Local Office in terms of IOHB Whistle blower system*. The *Local Office* collects all whistleblower cases received within the sphere of the VWFPL and acts as an intermediate between the VWFPL and Headquarter.

9.3 Categorization

After checking for plausibility, the Local Office allocates hints to one of the following categories:

- Unsubstantiated/unfounded (also includes obviously incorrect, querulatory and insubstantial hints)
- Suspicion of other regulatory violations
- Suspicion of serious regulatory violations

Whistleblower cases with a potential **Serious Regulatory Violation** have to be reported to the Contact Point at HQ Compliance (via e-mail: indication@vwfs.com) immediately. The correspondence must be in English or German language. The *Local Office* hereby has to check against existing local data protection laws whether the information provided in the whistleblower case is allowed to be forwarded to the contact point at HQ Compliance for further handling. Local restrictions that hinder the data transfer have to be cleared with HQ Compliance.

9.4 Dealing with other regulatory violations

Whistleblower cases that are considered as other regulatory Violations are to be handled locally as per above procedure. The *Local Office* or the Compliance Officer is in charge of coordinating any further action.

VWFPL shall document such whistleblower cases including the results.

9.5 Exceptions from handling

Whistleblower cases that implicate any member of Disciplinary Committee/Audit Committee will be sent without delay to other members of Disciplinary Committee/Audit Committee. The member of the Disciplinary committee/Audit committee shall recuse himself/herself from proceedings of the Disciplinary committee and provide full co-operation for Investigations.

Whistleblower cases that implicate managing directors of VWFPL will be sent without delay to the members of the Audit Committee except the Managing Director who has been implicated and the Chairman of the Board of Management of Volkswagen Financial Services AG,. The member of the Board of Management at Volkswagen AG with responsibility for Integrity and Legal Affairs will be informed immediately, provided they are not personally implicated in the report.

Whistleblower cases that implicate employees of subsidiaries of Volkswagen Group in countries other than India will be out of the purview of local Disciplinary committee and Audit Committee of VWFPL. The contact point in HQ shall take forward such whistle blower cases in accordance with Volkswagen Group whistle blower system.

10. Responsibilities

10.1 Responsibilities of HQ Compliance

Every employee of VWFS, to whom a whistleblower entrusts his or her hint is obliged to report the hint immediately to HQ Compliance (e.g. via email: indication@vwfs.com).

If hints are received by HQ Compliance that does not fall within their areas of responsibility, they have to be passed on to the responsible Investigation Office (e.g. HQ Compliance of VW Bank)/local Disciplinary Committee in case of VWFPL immediately. If the information is relevant for the Volkswagen Group, it has to be forwarded to the Central Investigation Office for further processing.

10.2 Information concerning certain employees

Any hints that raise suspicions against board members of the VWFS AG and that are not querulous, clearly inaccurate or lacking in substance, must be submitted without delay by HQ Compliance to the chairman of the Supervisory Board of Volkswagen Financial Services AG, who shall decide on further actions. The member of the Board of Management responsible for Integrity and Legal Affairs of the Volkswagen AG shall be simultaneously informed about this.

Any hints that are not manifestly inaccurate, querulatory or insubstantial and raise suspicions against members of the Board of Management or Managing Directors of group companies shall immediately be reported by HQ Compliance to the chairman of the Board of Management of Volkswagen Financial Services AG who shall decide on further actions. The Volkswagen AG Board of Management member responsible for Integrity and Legal Affairs and the Chief Compliance Officer of the Volkswagen Group shall be simultaneously informed about this, as long as they are not themselves affected by the hint and the person implicated is top management or higher.

Any hints that raise suspicions against employees of the office of the corporate secretary of VWFS AG must immediately be submitted by HQ Compliance to the Chief Compliance Officer as well as to the chairman of the Board of Management. They have to decide on further actions.

Any hints which raise suspicions against HQ Compliance employees must immediately be submitted to the Chief Compliance Office, the head of Internal Audit as well as to the chairman of the Board of Management. They have to decide on further actions.

Any hints that raise suspicions against members of the Supervisory Board of the VWFS AG must be immediately submitted without delay by HQ Compliance to the chairman of the Board of Management, who shall decide on further actions. The member of the Board of Management responsible for Integrity and Legal Affairs and the Chief Compliance Officer of the Volkswagen Group shall also be immediately informed.

Any hints that raise suspicions against members of the Supervisory Board of group companies, whose Board of Management members or Managing Director are at the level of top management or higher, must be immediately submitted by HQ Compliance to the Managing Director of the respective company. At the same time, the chairman of the Board of Management of VWFS AG shall be informed. The chairman of the Board of Management or the Managing Director of the respective company shall decide on further actions. The board member responsible for Integrity and Legal Affairs and the Chief Compliance Officer of the Volkswagen Group shall also be immediately informed. If the member of the Supervisory Board of the group company is also a member of the Management Board of Volkswagen AG, hints shall be submitted to the Central Investigation Office or to the GHWS of Volkswagen AG, who shall decide on further actions.

11. Investigation process

11.1 Receipt, recordings and pre-check

HQ Compliance receives all hints for violations via all entry channels in German and English as well as every other official language of the respective country and records those. If translations are required, confidentiality is ensured through agreements with the translation offices. Special intake channels allow also anonymous reporting and communication.

After receiving and recording of the hints, a pre-check regarding substantiation is conducted. If any indication shows a possible serious regulatory violation (see Paragraph 4), HQ Compliance forwards the hint for plausibility check and categorization to the Central Investigation Office.

As well receipt, recording as pre-check have to be documented.

Information that does not relate to Regulatory Violations may be passed on by HQ Compliance to another body within the Volkswagen Group.

11.2 Plausibility check

In preparation for categorization, the Central Investigation Office reviews the hints for substantiated information. This comprises the preliminary investigation of the regulatory violation described in the hint. Wherever possible and necessary, the Central Investigation Office will ask the whistleblower to obtain additional information for the categorization. In order to conduct an efficient preliminary investigation, the Central Investigation Office may assign investigating units.

The findings of the plausibility check may be documented with the investigation mandate or the assignment of a suitable body with further processing of an Other Regulatory Violation.

11.3 Categorization

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

- Unsubstantiated/unfounded (also includes obviously incorrect, querulatory and insubstantial hints)
- Suspicion of other regulatory violations
- Suspicion of serious regulatory violations

Suspicion of Other Regulatory Violations respectively Serious Regulatory Violations exists, if there are sufficient actual indications of Other Regulatory Violations respectively Serious Regulatory Violations.

11.4 Initiation of internal investigation

Suspicions of serious regulatory violations are dealt with by the Central Investigation Office. It issues an investigation mandate and recommends the case to an Investigating Unit or an appropriate law firm, auditing company, or other company suitable for carrying out internal investigations. In the event that a law firm should take on the case, the Legal department is responsible for the selection and commissioning of that firm.

If an investigating unit objects to its selection, it may, in agreement with another investigating unit, suggest an exchange of units to the Central Investigation Office. The Central Investigation Office then decides on an exchange of the investigating unit. If an investigating unit disagrees with the decision of the Central Investigation Office, it may request the GHWS to review the decision. The GHWS then decides on the further course of action.

The investigation mandate describes the results of the plausibility check, including an examination of data protection requirements and the subject of the investigation, including naming the persons

implicated. The Central Investigation Office can make binding specifications for the conduct of the investigation and the preparation of the investigation report, including in generalized instructions or by template. With the investigation mandate, the Central Investigation Office provides the investigating unit with already existing and required information and documents.

Suspensions of Other Regulatory Violations shall remain with HQ Compliance for the purpose of an independent investigation and to suspend and sanction confirmed regulatory violations. In cases of Other Regulatory Violations, HQ Compliance can suggest that one of the investigating units take over the case. For Other Regulatory Violations no investigation mandate is issued.

If a case has been categorized as unsubstantiated/unfounded, the case shall be closed and no investigation will be carried out for Regulatory Violations. If relevant new information is available, a new plausibility check shall be carried out.

11.5 Investigation of serious regulatory violations

In addition to action taken by local Disciplinary Committee, the *Contact Point* (at HQ) will proceed with the whistleblower cases which are classified as a *Serious Regulatory Violation*.

Investigations are only permissible on the basis of an investigation mandate. This shall not apply to investigations conducted by Internal Audit on behalf of the Board of Management or the Supervisory Board. In the event of imminent danger, in particular in the event of imminent danger of a loss of evidence, the investigating unit may perform individual investigation measures before an investigation mandate is issued; they shall inform the Central Investigation Office of this without delay. Investigations have to be processed by the investigating unit in accordance with the investigation mandate and the instructions of the Central Investigation Office. Supplementary and subordinate to this policy, the internal rules of the investigating unit shall apply. It may, in consultation with the Central Investigation Office, ask other bodies within the group for specific support and subcontract tasks to its own decentralized divisions. The Investigating Unit, however, maintains responsibility for the investigation as a whole. If during the investigation, participation rights of employee representations exist, in consultation with the Central Investigation Office, the investigating unit shall involve the relevant departments.

The Investigating Units must inform the Central Investigation Office on the status of investigations upon request. When necessary, the Central Investigation Office shall advise the Investigating Unit and can participate in interviews with informants and persons implicated and receive access to documents.

If, during the investigation, findings are discovered, which indicate regulatory violations beyond the investigation mandate, the investigating unit has to inform the Central Investigation Office without delay so that the Central Investigation Office can decide to extend the investigation mandate or to open a new case.

In the event of imminent danger, in particular in the event of imminent danger of a loss of evidence, the investigating units may perform individual investigation measures before an investigation mandate is issued in accordance with the procedural principles and safeguards set out in this policy. The investigating units shall inform the Central Investigation Office of this without delay and ensure (e.g. providing an audit report) that the Central Investigation Office receives the factual information required to fulfil its duties and obligations pursuant to this policy.

Upon completion of the investigation, the investigating unit shall prepare an investigation report and provide it to the Central Investigation Office exclusively.

The Central Investigation Office checks the investigation report with regard to whether the investigation mandate has been comprehensively and duly completed. The Central Investigation Office can assign an investigating unit with conducting supplementary investigation measures and additions or amendments to the investigation report. If the investigating unit cannot carry out the additional investigation mandate for substantive or capacity reasons, the investigation mandate could be handed over to a law firm, accounting firm etc. to conduct the supplementary investigation. If an investigation unit disagrees with the decision of the Central Investigation Office, it may request the GHWS to review this decision. The GHWS then decides on the further course of action.

The Central Investigation Office decides, after additions or amendments, if necessary, on a final investigation report and recommends in the event of confirmed regulatory violations appropriate personnel measures. For cases that require expertise in employment law beyond the expertise of the in-house attorneys working in the Central Investigation Office, it obtains legal advice of the legal department responsible for employment law with regard to the recommendation of personnel measures. It shall submit the investigation report, together with its recommendation of appropriate personnel measures, to the HR Coordinator. The Central Investigation Office works towards the implementation of the recommended personnel measure of the HR Coordinator or a department within HR acting on his behalf. Following the final assessment of a whistleblower case (confirmation or non-confirmation of suspicion), the Contact Point initiates that the Audit Committee of VWFPL will be informed of the result. Contact Point shall co-operate with Audit Committee for any information/report on investigation that may be sought in this regard. The implementation measures suggested by Central Investigation Office in the final investigation report shall be recommendatory in nature for hints pertaining to VWFPL. For hints pertaining to VWFPL, the decision on implementation measures and implementation timelines shall be taken by the Audit Committee of VWFPL.

If the investigation report (also) confirms that other regulatory violations have occurred, this other regulatory violations shall be processed in line with this policy.

The HR Coordinator shall, within the limits of his or her possibilities and authorizations and in accordance with applicable law, implement the recommended measures personally or via a Human Resources department without delay taking the principle procedural fairness as well as company regulations into consideration. The HR Coordinator shall then report to the Central Investigation Office regarding implementation. If the implementation differs from the recommended sanction of the Central Investigation Office/Audit Committee of VWFPL, the HR Coordinator or the HR department commissioned with the implementation must provide a reasoned explanation without delay. In the latter case, the HR Coordinator coordinates the explanation provided by the commissioned department.

If a regulatory violation has been confirmed, the HR Coordinator or the responsible department in HR shall, in the context of the implementation of the recommended sanction, also inform the supervisor of the person implicated, unless there are substantial grounds for not doing so.

The Central Investigation Office assesses whether and to what extent implemented personnel measures – taking the applicable laws and data protection rules into account – shall be communicated within the company in particular due to generally preventive considerations or training purposes. This does not restrict the internal communication of personnel measures by the personnel and communication departments. The Central Investigation Office assesses and regularly checks the implementation of recommended sanctions for tendencies and potential objections with regard to subject, location and level of the persons implicated.

11.6 Expeditious and in-depth investigations

Investigations must be executed expeditious and thoroughly.

To ensure an efficient and expeditious process the Central Investigation Office establishes binding target timelines for the duration of the various steps in the processing of hints. The Central Investigation Office consults the investigating units and the HR Coordinator for the target timelines concerning them. The Central Investigation Office documents and communicates the target timelines to the investigating units and the HR Coordinator.

The investigating units and the HR Coordinator provide upon request the Central Investigation Office with significant information and data on their investigations or the implementation of personnel measures, including processing times and any exceeding of target timelines.

If it is predictable for the investigating units or the HR Coordinator that they will not comply with the relevant target timelines when processing a hint, they shall immediately inform the GHWS and explain the reasons for the predictable non-compliance or exceedance.

The Central Investigation Office immediately informs the GHWS if target timelines are likely to be significantly exceeded and discusses possible remedial measures with the GHWS. Where investigating units or the HR Coordinator are concerned, the Central Investigation Office or the GHWS shall discuss possible remedial measures with them. If the remedial measures are unsuccessful, the Chief Compliance Officer of the Volkswagen Group informs the member of the Board of Management responsible for Integrity and Legal Affairs and the member of the Board of Management responsible for the investigating unit or the HR Coordinator.

The Central Investigation Office regularly reviews the appropriateness of the target timelines and takes into account, among other things, legal developments and increases in processing efficiency. Any adjustments shall be documented and communicated.

The correctness and thoroughness of investigation of whistleblower cases must not be affected by the target timelines.

11.7 Investigation of Other Regulatory Violations

HQ Compliance investigates all Other Regulatory Violations. The authorized function processing a suspected case of other regulatory violations is obliged to clarify the issue independently, comprehensively and in a timely manner, as well as to recommend suspension and sanction of any confirmed cases of regulatory violations pertaining to VWFPL. If necessary, assistance shall be provided by other offices within the group.

Upon completion of the investigation of a suspicion of Other Regulatory Violations, the local

disciplinary committee shall prepare a closure statement documenting the course of the investigation and the findings, and the result for each person implicated (regulatory violation confirmed or not). The documentation of any adopted measures (in particular, reprimand, warning or separation) must be performed either by the Audit Committee or the person assigned by it to execute personnel measure (e.g. responsible personnel department or superior). The fulfilment of this requirement may be reviewed by audits according to this guideline.

If offices are commissioned within Volkswagen AG, the commissioned office shall send the closure statement to HQ Compliance.

If the local disciplinary committee identifies circumstances, indicating that a Serious Regulatory Violation has occurred, it has to inform HQ Compliance, which immediately forwards the case to the Central Investigation Office for re-categorization according to this guideline.

HQ Compliance may issue templates and general framework that must be adhered to when processing suspected cases of Other Regulatory Violations.

12. Remedy of unlawful conditions

If Central Investigation Office/ HQ Compliance / local office become aware of continuing unlawful conditions, they shall, while observing the procedural principles and safeguards, immediately inform a body responsible to remedy the respective violations, regardless of the categorization.

Existing reporting obligations to the Internal Audit or the Risk Owner within the ICS-Steering-approach remain unaffected and shall be processed additionally. It is then the responsibility of Internal Audit to decide whether such risks are to be recorded as a basis for the audit planning.

13. Disciplinary consequences

The Audit Committee decides under consideration of the principle of legality about the recommendation of suitable personnel measures with regard to employees from the level of top management or higher that are confirmed to have conducted a Serious Regulatory Violation. The recommendation is decided on the basis of the investigation report and the sanctioning proposal from the Central Investigation Office/Local Disciplinary Committee under consideration of the principle of legality of this policy. Statutory powers of the Supervisory Board over members of the Board of Management and upper management remain unaffected.

The local Disciplinary Committee issues a recommendation (incl. a recommendation regarding a possible complaint against the employee) for the whistleblower case. The recommendation must be justified in writing. They must be forwarded immediately to the Members of the Audit Committee of VWFPL to the HR Coordinator for implementation and simultaneously to the Central Investigation Office, in particular for discussing possible measures with the VWFPL.

The *Contact Point* is to be informed about the implementation of a recommendation by the Audit Committee. By adding the decisions to the documentation on the whistleblower case the *Contact Point* will close the case documentation.

14. Other tasks of the Central Investigation Office

The Central Investigation Office operates an IT-based case management system, document and archive in their area of responsibility, the investigation of hints that suspect incidences of Serious

Regulatory Violations. On this basis, it provides meaningful statistics, which are included in the risk assessment of Group Compliance and taken into account for the further development of the Compliance Management System of the Volkswagen Group. Anonymized statistics on confirmed cases of regulatory violations may be published internally within the company taking into account data protection law.

The Central Investigation Office reports directly to the GHWS and therefore to the Chief Compliance Officer of the Volkswagen Group. The reports shall be provided on a regular basis and as needed. They shall include the aforementioned statistics as well as the results of the investigations, personnel measures adopted and recommendations on any further measures to avoid future incidents of regulatory violations and to improve the Compliance Management System. These reports should also clarify the causes and planned countermeasures in the event that the indicative target timelines as defined in expeditious and in depth investigation have been exceeded.

Insofar as data protection law permits and without impairing the protection of whistleblowers, the protection of persons implicated and the success of the investigation, the Central Investigation Office informs the Chief Compliance Officers of the group companies at cycles to be determined by the Central Investigation Office about relevant cases of whistleblowing in its area of responsibility.

Group companies in execution of respective HR Compliance processes may inquire at the Central Investigation Office whether employees, who are to be promoted, are subject of ongoing investigations for alleged Serious Regulatory Violations or whether employees against whom personnel measures are to be taken might enjoy protection as whistleblowers. In order to ensure compliance with all applicable data protection laws and regulations, a respective binding process for those inquiries is jointly set by the Central Investigation Office and the department Konzern Personalpolitik und -standards at Volkswagen AG.

The Management Board of Volkswagen AG shall regularly arrange a risk-based audit of the Volkswagen Group Whistleblower System by a suitable auditing company, law firm or other external company suitable for the audit. The scope of the audit, as well as the suitable service provider must be approved by the Audit Committee of Volkswagen AGs Supervisory Board. The subject of the audit is the end-to-end process of all process steps in the respective units. The audit shall include the investigating units (also in the brands), the HR-Coordinator as well as risk-based selected group companies. The details of the audit are determined by the Audit Committee of Volkswagen AGs Supervisory Board. The audit reports of the external company must be submitted to the Audit Committee of the Supervisory Board and the Board of Management of Volkswagen AG.

15. Coordination Committee

The Central Investigation Office shall convene and chair the meetings of the Coordination Committee. The Coordination Committee shall serve to facilitate the exchange between the Central Investigation Office and the participating departments and shall support the efficient management of internal investigations. Meetings can also be held by telephone, Skype conference or similar. The Central Investigation Office determines the meeting cycle and agendas and enact rules of procedure.

16. Implementation of the policy in the group companies

HQ Compliance has to report hints of Other Regulatory Violations to the Central Investigation Office on a statistical level.

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

This Policy does not preclude the establishment or maintenance of local channels at group companies designed to allow reporting of regulatory violations, provided that it is ensured that the group companies forward any hint regarding Serious Regulatory Violations to HQ Compliance. The Central Investigation Office is authorized to make specifications regarding the structure of the local offices and to review the accurate performance of tasks.

17. Quality assurance

The Central Investigation Office may request explanations of the final statements from the offices responsible for processing in addition to the corresponding documentation insofar as this is legally permissible.

18. Modification of Policy

Any amendment to this policy shall be approved by the Audit Committee and shall be disseminated to the employees and noted by the Board of Directors.

19. Controls in regard to internal control system (ICS)

- There are no controls with 4-eye-principal associated with this I-OHB-document.
- Controls with 4-eye-principal related to this I-OHB regulation are not described within this document. Controls are documented in separate file/stored in: