

MATTHIAS MÜLLER

CHAIRMAN OF THE BOARD OF MANAGEMENT

Ms. Elżbieta Bieńkowska
Member of the European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

26 November 2015

Dear Ms. Bieńkowska,

First of all, I would like to thank you for the trustful dialogue we had in Strasbourg on 25 November. As agreed during our meeting, I am providing you with further information on the state of play and next steps. I can assure you that we are consistently pursuing the current approach of clarification and transparency.

Volkswagen has already taken landmark decisions in order to achieve fundamental change of the Group: in its structures, in day-to-day cooperation and in strategy. I described the cornerstones of this realignment in a "5-point plan". Let me highlight some major aspects.

Our first priority is to help our customers. For Europe, the technical solutions for the NO_x issue are within reach. The 2-liter TDI engine needs a software update. For the 1.6-liter TDI engine, some hardware measures will be necessary in addition to the updated software. This does not involve fundamental changes to the engine. The solutions have already been approved by the German Kraftfahrtbundesamt (KBA). On Thursday, we presented to the KBA detailed measures for the 1.2-liter TDI engine, which will probably only involve a software update as well.

The implementation of the necessary measures will be free of charge of our customers. Further, we aim to provide tailor-made additional services to our customers that will fit their individual needs during the retrofits. In planning these specific services, we are heavily involving our dealers so that an excellent customer care is assured.

Furthermore, we are carrying out a full investigation into the CO₂ issue. The CO₂ issue does not affect individual engines or engine ranges. Instead, individual vehicle models are potentially affected. We are cooperating closely with the responsible authorities in order to identify for which vehicle models we potentially need to readjust the CO₂ values given in the respective type approvals.

Apart from concrete remedy, internal and external investigations are under full swing. We are cooperating closely with the authorities responsible in Europe, the U.S. and other countries worldwide. My aim is to provide an interim report on the progress of these efforts in mid-December.

It is a matter of course that we are working on measures to avoid such incidents in the future. This does involve a new mindset in our company, but also new structures. They will reflect our innovational power and Volkswagen's focus on future mobility. This is not only in our own interest; we also feel a duty to contribute to maintain Europe's industrial base – especially in Automotive. In a first step we have defined three strategic focal issues for the Group: "Sustainability", "Digitalization" and "Integrity & Legal Affairs".

- As far as sustainability is concerned we will be expanding our activities in e-mobility quite substantially as well as making classical drives more innovative and efficient.
- We will be pressing ahead with digitalization at all brands. One first visible outcome of our efforts is the new "Digitalization" function in order to strategically bundle all aspects of this crucial topic.
- The Supervisory Board already announced to establish an Integrity and Legal Affairs portfolio in the Board of Management. [REDACTED]
[REDACTED], will take over this department as of 1 January 2016.

I would also like to come back to your question on RDE raised during our exchange. I can re-confirm that we see the compromise agreed on recently as very ambitious, but most probably achievable. We will put our highest efforts into developing solutions for all vehicles to reach these limits.

As stated above, we are working at full speed on clarification and transparency. External and internal investigations are developing very fast. In this context, I would like to underline that I am willing to consistently pursue our way of close cooperation with the European Commission. Therefore, I will gladly keep you informed about our ongoing efforts.

Yours sincerely



Matthias Müller

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Mr. Miguel Arias Canete, Commissioner of the European Commission

Mr. Günther Oettinger, Commissioner of the European Commission

Mr. Martin Schulz, President of the European Parliament

[REDACTED] Member of the Board of Management Volkswagen AG

Chairman [REDACTED]