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Declaration of
compliance

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Pursuant to Secs. 289f and 315d German Commercial Code (HGB), listed stock corporations must issue a declaration of compliance in the management report and parent companies in the group management report. We have published the declaration of compliance on our website at <http://www.porsche-se.com/en/company/corporate-governance/>. In accordance with the legal requirements and recommendations of the German Corporate Governance Code (“GCGC” or “Code”)¹, Porsche Automobil Holding SE (“Porsche SE”) makes the following disclosures:

I. Basic principles of corporate governance

1. General corporate information

Porsche SE, with registered offices in Stuttgart, is entered in the commercial register of Stuttgart local court under HRB no. 724512.

The purpose of the company is the management of companies and the administration of investments in

companies active in the following business fields or parts thereof:

- The development, design, manufacture and distribution of vehicles, engines of all kinds and other technical or chemical products as well as of parts and assemblies thereof;
- The provision of advice in the area of development and production, especially in the area of vehicle and engine construction;
- The provision of advice on and development of data processing as well as the creation and distribution of data processing products;
- The marketing of products using trademark rights;
- The provision of financial and mobility services;
- The exploitation, procurement, processing and distribution of raw materials used in the automobile industry;
- The generation and procurement of energy, especially of renewable energies, as well as trading with energy;

¹ Unless indicated otherwise, all of the following references relate to the version of the GCGC dated 16 December 2019, which was published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger) on 20 March 2020.

- The acquisition, holding and administration as well as the disposal of real estate.

The purpose of the company includes in particular the acquisition, holding and administration as well as the sale of investments in such companies, their combination under uniform control and the provision of support and advice to them, including the provision of services on behalf of such companies.

The main basis for the corporate statutes of Porsche SE is formed by the European SE provisions, the German SE Implementation Act (SEAG), the German SE Investment Act (SEBG), the German Stock Corporation Act (AktG) as well as the provisions of the articles of association and the requirements of the GCGC. Like German stock corporations, Porsche SE applies the dual management system, with strict separation of the board of management and supervisory board. The board of management and supervisory board work hand in hand in the interest of the company.

The articles of association of Porsche SE in the version valid at the time can be found on Porsche SE's website at <https://www.porsche-se.com/en/company/corporate-governance>

2. Company and group structure

Porsche SE is a listed holding company. In particular, it holds the majority of the ordinary shares in Volkswagen Aktiengesellschaft, Wolfsburg ("Volkswagen AG" or "Volkswagen"), parent company of the Volkswagen Group, one of the leading automobile manufacturers in the world. Alongside this core investment, Porsche SE indirectly holds 100% of the shares in PTV Planung Transport Verkehr AG, Karlsruhe, as well as, also indirectly, non-controlling interests in several technology companies based in the USA and Israel.

3. Declaration on the German Corporate Governance Code (Sec. 161 AktG)

Pursuant to Sec. 161 (1) AktG in conjunction with Art. 9 (1) lit. c) ii) SE-VO (SE Regulation), the board of management and supervisory board of a listed SE are obliged to make an annual declaration of compliance as to whether they have complied and continue to comply with the recommendations of the GCGC 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.

In the fiscal year 2020, Porsche SE submitted the annual declaration of compliance pursuant to Sec. 161 AktG in December 2020. Furthermore, the declaration of compliance from December 2019 was updated in both June 2020 and September 2020.

Wording of the declaration issued by Porsche SE in accordance with Sec. 161 (1) AktG in December 2020:

The board of management 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 December 2019 – as updated by the declarations of compliance in June 2020 and September 2020 – the company has complied with the recommendations of the GCGC published by the Federal Ministry of Justice in the official section of the Federal Gazette in the version of the GCGC of 7 February 2017, published in the Federal Gazette on 24 April 2017 (“GCGC 2017”), with the exception of the following deviations:

Sec. 4.2.3 (2) Sentence 2 GCGC 2017: Sec. 4.2.3 (2) Sentence 2 GCGC 2017 recommends that monetary remuneration of the members of the board of management comprise fixed and variable components. This recommendation was not complied with regarding the chairman of the board of management Hans Dieter Pötsch. 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.

Sec. 4.2.3 (2) Sentence 3 GCGC 2017: Sec. 4.2.3 (2) Sentence 3 GCGC 2017 stipulates that variable remuneration components generally have a multiple-year assessment basis and recommends that they have essentially forward-looking characteristics. With Mr. von Hagen leaving the company’s board of management as of 30 June 2020, it was agreed with him to set the performance-related bonuses for 2020 and (pro rata) 2021 at the prior-year level and not to apply the originally planned determination/disbursement requirements for the performance-related bonuses for the years 2018 to (pro rata) 2021 (positive group result and positive net liquidity of Porsche Automobil Holding SE). Due to the exit agreement entered into with Mr. von Hagen, including the arrangement not to apply the disbursement requirements for the outstanding variable remuneration components of Mr. von Hagen for the years 2018 to (pro rata) 2021, his variable remuneration for the years 2018 to (pro rata) 2021 no longer has an essentially forward-looking multiple-year assessment basis. This seems appropriate to the supervisory board as part of a mutually agreed and comprehensive separation solution as well as in light of the fact that after leaving the board of management, Mr. von Hagen

no longer has any influence over the achievement of the agreed-upon targets for the performance-related bonus and the fulfillment of the disbursement requirements. Although the variable remuneration planned by the company for members of the board of management generally provides for an essentially forward-looking multiple-year assessment basis for variable remuneration components, as a precautionary measure, it is declared in connection with the exit agreement entered into with Mr. von Hagen that the arrangement not to apply the disbursement requirements for the years 2018 to (pro rata) 2021 to the outstanding variable remuneration for Mr. von Hagen for the years 2018 to (pro rata) 2021 is not fully compliant with Sec. 4.2.3 (2) Sentence 3 GCGC 2017.

Sec. 4.2.3 (2) Sentence 6 GCGC 2017: Sec. 4.2.3 (2) Sentence 6 GCGC 2017 recommends that the amount of remuneration be capped with maximum levels, both as regards variable components and in the aggregate. This recommendation has not been fully complied with. There were no maximum levels for the bonuses payable to individual board of management members for previously agreed targets or a subsequent bonus in recognition of extraordinary performance based on the judgment of the supervisory board. The same thus has to date also applied for compensation on the whole. At that time, the supervisory board did not consider this necessary because by exercising its judgment it could and can ensure that the requirement of appropriateness of Sec. 87 (1) AktG is complied with.

Sec. 4.2.3 (2) Sentence 8 GCGC 2017: Sec. 4.2.3 (2) Sentence 8 GCGC 2017 recommends that subsequent amendments to the performance targets or comparison parameters be excluded. With Mr. von Hagen leaving the board of management, it was agreed with him to set the performance-related bonuses for 2020 and (pro rata) 2021 at the prior-year level and not to apply the originally planned determination/disbursement requirements for the performance-related bonuses for the years 2018 to (pro rata) 2021 (positive group result and positive net liquidity of Porsche Automobil Holding SE). By agreeing not to apply the disbursement requirements for the performance-based bonuses for the years 2018 to (pro rata) 2021, this constitutes a subsequent amendment (i.e., revocation) of performance targets if considered with a high degree of caution. This agreement seemed appropriate to the supervisory board as part of a mutually agreed and comprehensive separation solution as well as in light of the fact that after leaving the board of management, Mr. von Hagen no longer has any influence over the achievement of the agreed-upon targets for the performance-related bonus and the fulfillment of the disbursement requirements. As a precautionary measure, it is therefore declared that the recommendation from Sec. 4.2.3 (2) Sentence 8 GCGC 2017 in connection with Mr. von Hagen leaving the company's board of management has not been complied with for the outstanding variable remuneration elements of Mr. von Hagen for the years 2018 to 2021.

Sec. 4.2.3 (4) Sentence 1 GCGC 2017: Sec. 4.2.3 (4) Sentence 1 GCGC 2017 recommends that when contracts are entered into with members of the board of management, it be ensured that payments, including fringe benefits, made to a member of the board of management due to early termination of their contract do not exceed twice the annual remuneration (severance cap) and do not constitute remuneration for more than the remaining term of the employment contract. The agreement entered into with Mr. von Hagen in connection with his exit, comprising the setting of performance-related bonuses for the years 2020 and (pro rata) 2021 at the prior-year level and non-application of the disbursement requirements to the performance-related bonuses for the years 2018 to (pro rata) 2021, could under certain circumstances lead to Mr. von Hagen receiving higher remuneration for the residual term of his contract of employment than he would have received if the contract remained in place unchanged (e.g., if it later transpired that the originally agreed disbursement requirements for disbursement of the outstanding performance-related bonuses for 2018 to 2021 were not fulfilled for one or more years). In such a case, the recommendation of Sec. 4.2.3 (4) Sentence 1 GCGC 2017 would not be complied with due to the exit agreement entered into with Mr. von Hagen. This agreement seemed appropriate to the supervisory board as part of a mutually agreed and comprehensive separation solution as well as in light of the fact that after leaving the board of management, Mr. von Hagen no longer has any

influence over the achievement of the agreed-upon targets for the performance-related bonuses for 2020 and 2021 and the fulfillment of the disbursement requirements for the outstanding performance-related bonuses for the years 2018 to 2021. As a precautionary measure, it is therefore declared that in connection with the exit agreement entered into with Mr. von Hagen, the recommendation from Sec. 4.2.3 (4) Sentence 1 GCGC 2017 was not complied with.

Sec. 5.1.2 (2) Sentence 2 GCGC 2017: In accordance with the recommendation from Sec. 5.1.2 (2) Sentence 2 GCGC 2017, any re-appointment of a member of the board of management prior to one year before the end of an appointment period should only happen if special circumstances apply. In June 2020, the supervisory board resolved to appoint Mr. Lutz Meschke as member of the board of management effective 1 July 2020 for a term of three years until 30 June 2023. The supervisory board then came to the conclusion that it was in the interest of the company to appoint Mr. Meschke as member of the board of management for a total period of five years. In light of this, the supervisory board resolved to prematurely extend the appointment of Mr. Meschke until 30 June 2025. With regard to the criteria cited in the relevant specialist literature for the existence of "special circumstances", it is declared as a precautionary measure that the premature reappointment of Mr. Meschke did not comply with the recommendation from Sec. 5.1.2 (2) Sentence 2 GCGC 2017.

Sec. 5.4.1 (2) Sentence 2 GCGC 2017: Pursuant to Sec. 5.4.1 (2) Sentence 2 GCGC 2017, the composition of the supervisory board should reflect appropriately an age limit and a regular limit to supervisory board members' term of office, both to be specified. This recommendation has not been complied with. The supervisory board is of the opinion that the ability to monitor and advise the board of management 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.

Furthermore, pursuant to Sec. 5.4.1 (2) Sentence 2 GCGC 2017 the composition of the supervisory board should reflect appropriately diversity. The targets set by the supervisory board in this regard do not contain a requirement for the percentage representation of women on the supervisory board. Although the board currently has one female member, quotas or targets should not be set for the diversity concept as the supervisory board believes that this would restrict the flexibility needed to put the board together. To this extent, the recommendation of Sec. 5.4.1 (2) GCGC 2017 relating to the disclosures on diversity was not complied with.

Sec. 5.4.1 (6) GCGC 2017: Pursuant to Sec. 5.4.1 (6) GCGC 2017, in its election proposals to the annual general meeting, the supervisory board must disclose the personal and business relationships of every candidate with the company, the governing

bodies of the corporation and any shareholders with a material interest in the corporation. With regard to this recommendation, a deviation is declared as a precautionary measure. The requirements of the Code are imprecise and their boundaries and scope unclear. The supervisory board has endeavored in the past to meet the requirements of Sec. 5.4.1 (6) GCGC 2017, although, in light of the imprecision, unclear scope and boundaries of the recommendation, it cannot rule out that this recommendation has not been fully complied with.

Furthermore, the board of management and supervisory board of Porsche Automobil Holding SE declare in accordance with Sec. 161 (1) AktG that Porsche Automobil Holding SE will in the future comply with the recommendations of the GCGC published by the Federal Ministry of Justice in the official section of the Federal Gazette in the version of the GCGC of 16 December 2019, published in the Federal Gazette on 20 March 2020 ("GCGC 2020"), with the exception of the following deviations:

Recommendation C.2 GCGC 2020: Pursuant to C.2 GCGC 2020, an age limit should be specified for members of the supervisory board and disclosed in the declaration of compliance. This recommendation has not been complied with. The supervisory board is still of the opinion that the ability to monitor and advise the board of management in its management of the company does not cease upon reaching a certain age. A fixed age limit can also come across as discriminatory.

Recommendation C.13 Sentence 1 GCGC 2020: Pursuant to C.13 Sentence 1 GCGC 2020, in its election proposals to the annual general meeting, the supervisory board should disclose the personal and business relationships of every candidate with the company, the governing bodies of the company and any shareholders with a material interest in the company. With regard to this recommendation, a deviation is declared as a precautionary measure. The requirements of the Code are imprecise and their boundaries and scope unclear. The supervisory board will in the future endeavor to meet the requirements of C.13 Sentence 1 GCGC 2020, although, in light of the imprecision, unclear scope and boundaries of the recommendation, it cannot rule out that this recommendation has not been fully complied with.

Recommendation G.1, 1st indent GCGC 2020: In G.1, 1st indent GCGC 2020 it is recommended that the remuneration system defines how the target total remuneration is determined for each member of the board of management, and stipulates the amount that the total remuneration must not exceed (maximum remuneration). Some interpret this recommendation to mean that the supervisory board is to individually set maximum remuneration for each member of the board of management in the remuneration system. In compliance with the provisions of the AktG, the supervisory board of Porsche Automobil Holding SE has determined a collective maximum remuneration for the full board of management. As before, the board of management service agreements will in the future

also not necessarily set a contractually agreed maximum remuneration. The background to this is that during the basic four-year validity of the remuneration system, it should be possible to decide on the individual maximum remuneration on a case-by-case basis within the framework of the defined maximum remuneration for the full board of management. As a precautionary measure, it is therefore declared that the recommendation of G.1, 1st indent GCGC 2020 has not been fully complied in that no maximum remuneration has been individually defined in the remuneration system for each member of the board of management.

Recommendation G.8 GCGC 2020: G.8 GCGC 2020 recommends that subsequent changes to the target values or comparison parameters be excluded. With Mr. von Hagen leaving the board of management, it was agreed with him to set the performance-related bonuses for 2020 and (pro rata) 2021 at the prior-year level and not to apply the originally planned determination/disbursement requirements for the performance-related bonuses for the years 2018 to (pro rata) 2021 (positive group result and positive net liquidity of Porsche Automobil Holding SE). By agreeing not to apply the disbursement requirements for the performance-based bonuses for the years 2018 to (pro rata) 2021, this constitutes a subsequent amendment (i.e., revocation) of performance targets if considered with a high degree of caution. This agreement seemed appropriate to the supervisory board as part of a mutually agreed and

comprehensive separation solution as well as in light of the fact that after leaving the board of management, Mr. von Hagen no longer has any influence over the achievement of the agreed-upon targets for the performance-related bonus and the fulfillment of the disbursement requirements. As a precautionary measure, it is therefore declared that the recommendation from G.8 GCGC 2020 in connection with Mr. von Hagen leaving the company's board of management has not been complied with for the outstanding variable remuneration elements of Mr. von Hagen for the years 2018 to 2021.

Recommendation G.9 Sentence 1 GCGC 2020: G.9 Sentence 1 GCGC 2020 recommends that after the end of every fiscal year, the supervisory board establish the amount of individual variable remuneration to be granted based on target achievement. With Mr. von Hagen leaving the board of management, it was agreed with him to set the performance-related bonuses for 2020 and (pro rata) 2021 at the prior-year level and not to apply the originally planned determination/disbursement requirements for the performance-related bonuses for the years 2018 to (pro rata) 2021. The outstanding variable remuneration for Mr. von Hagen for the years 2018-2021 is therefore, in deviation from the recommendation of G.9 Sentence 1 GCGC 2020, determined on the basis of the originally agreed targets and on the disbursement requirements actually being achieved. The agreed determination of the amount of the

performance-related bonuses for the years 2020 and (pro rata) 2021 at the prior-year level as well as the agreed non-application of the disbursement requirements for the outstanding variable remuneration components for the years 2018 to 2021 seems appropriate to the supervisory board as part of a mutually agreed and comprehensive separation solution as well as in light of the fact that after leaving the board of management, Mr. von Hagen no longer has any influence over the actual achievement of the targets for 2020 and 2021 and over the disbursement requirements of the outstanding variable remuneration components. It is therefore declared that the recommendation from G.9 Sentence 1 GCGC 2020 in connection with Mr. von Hagen leaving the board of management had not been complied with for the outstanding variable remuneration elements of Mr. von Hagen for the years 2018 to 2021.

Recommendation G.10 Sentence 1 GCGC 2020: G.10 Sentence 1 GCGC 2020 recommends that, taking the respective tax burden into consideration, board of management members' variable remuneration should be predominantly invested in company shares by the respective board of management member or granted predominantly as share-based remuneration. The board of management remuneration system of Porsche Automobil Holding SE provides for neither mandatory investment in company shares nor share-based variable remuneration. This underlying consideration here is that, in the case of Porsche

Automobil Holding SE, the price of the company's shares largely depends on external factors out of the board of management's control and therefore, in the view of the supervisory board, cannot have any reasonable incentive function. The recommendation from G.10 Sentence 1 GCGC 2020 has therefore not been complied with.

Recommendation G.10 Sentence 2 GCGC 2020: G.10 Sentence 2 GCGC 2020 also recommends that granted long-term variable remuneration components only be accessible to board of management members after a period of four years. Furthermore, the board of management remuneration system also provides for a two-year retention period following on from the bonus-relevant fiscal year. In deviation from G.10 Sentence 2 GCGC 2020, this in principle allows the long-term bonus component to be disposed of at the time of disbursement after a period of three years. The supervisory board takes the view that a two-year retention period after the bonus-relevant fiscal year is sufficient for the remuneration of the members of the board of management of Porsche Automobil Holding SE and it would not be appropriate to extend the retention period for the long-term bonus components to four years. The recommendation from G.10 Sentence 2 GCGC 2020 has therefore not been complied with.

Recommendation G.12 GCGC 2020: G.12 GCGC 2020 recommends that if a board of management member's contract is terminated, the disbursement of any remaining variable remuneration components

attributable to the period up until contract termination should be based on the originally agreed targets and comparison parameters, and on the due dates or holding periods stipulated in the contract. As it was agreed with Mr. von Hagen in connection with his exit from the company's board of management to set the performance-related bonuses outstanding until termination of the contract for the years 2020 and (pro rata) 2021 at the prior-year level and not to apply the originally planned determination/disbursement requirements for the performance-related bonuses for the years 2018 to (pro rata) 2021, the originally agreed targets for Mr. von Hagen have not been applied unchanged for the outstanding variable remuneration for the period until the contract terminates. This agreement seemed appropriate as part of a mutually agreed and comprehensive separation solution as well as in light of the fact that after leaving the board of management, Mr. von Hagen no longer has any influence over the achievement of the agreed-upon targets and disbursement requirements. It is therefore declared that the recommendation from G.12 GCGC 2020 in connection with the outstanding variable remuneration payments of Mr. von Hagen for the years 2018 to 2021 has not been complied with.

Recommendation G.13 Sentence 1 GCGC 2020: G.13 Sentence 1 GCGC 2020 recommends that any payments made to a board of management member due to early termination of their board of management activity should not exceed twice the annual remuneration (severance cap) and not

constitute remuneration for more than the remaining term of the employment contract. The agreement entered into with Mr. von Hagen in connection with his exit, comprising the setting of performance-related bonuses for the years 2020 and (pro rata) 2021 at the prior-year level and non-application of the disbursement requirements to the performance-related bonuses for the years 2018 to (pro rata) 2021, could under certain circumstances lead to Mr. von Hagen receiving higher remuneration for the residual term of his contract of employment than he would have received if the contract remained in place unchanged (e.g., if it later transpired that the originally agreed disbursement requirements for disbursement of the outstanding performance-related bonuses for 2018 to 2021 were not fulfilled for one or more years). In this case, the recommendation of G.13 Sentence 1 GCGC 2020 would not be complied with due to the exit agreement entered into with Mr. von Hagen. This agreement seemed appropriate to the supervisory board as part of a mutually agreed and comprehensive separation solution as well as in light of the fact that after leaving the board of management, Mr. von Hagen no longer has any influence over the achievement of the agreed-upon targets for the performance-related bonuses for 2020 and 2021 and the fulfillment of the disbursement requirements for the outstanding performance-related bonuses for the years 2018 to 2021. As a precautionary measure, it is therefore declared that in connection with the exit agreement entered into with Mr. von Hagen, the recommendation from G.13 Sentence 1 GCGC 2020 has not been complied with.

II. Board of management

1. Composition of the board of management

In accordance with the articles of association of Porsche SE and the rules of procedure of the board of management, the board of management of Porsche SE must consist of at least two persons. The supervisory board may specify a larger number of members of the board of management.

In the fiscal year 2020, the board of management comprised three persons. Mr. Hans Dieter Pötsch (Chairman of the board of management and CFO) and Dr. Manfred Döss (member of the board of management responsible for legal affairs and compliance) were appointed members of the board of management for the entire fiscal year. Mr. Philipp von Hagen stepped down from his position on the board of management effective 30 June 2020. Mr. Lutz Meschke was appointed by the supervisory board as new member of the board of management in charge of the investment management function effective 1 July 2020.

In addition to his position on the board of management at Porsche SE, Mr. Pötsch is also chairman of the supervisory board of Volkswagen AG. Dr. Döss also heads the legal department of Volkswagen AG. Mr. Meschke is also deputy chairman and member of the executive board finance and IT of Dr. Ing. h.c. F. Porsche AG ("Porsche AG").

When appointing board of management members, the supervisory board has to ensure that the board of management collectively has the knowledge, skills and experience required to properly perform all its duties. In order to take these requirements into consideration, the supervisory board has developed, among other things, a diversity concept aimed at diversifying the board of management. The company is convinced that diverse composition of the board of management promotes diversity of opinion and knowledge and helps make balanced decisions and 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 board of management, taking into account the circumstances of the individual case. The supervisory board is therefore mainly guided by the specialist knowledge and personal suitability of the candidates.

When putting the board of management together, the following diversity aspects should, where possible, be taken into account with the objectives they express:

- Taking into account the experience required to serve on the board of management, a range of age groups should be appropriately represented on the board of management. There should be no specific requirements regarding the age of individual or all board of management members so as not to unduly restrict the selection of

suitable candidates for the supervisory board and executive committee.

- In 2017, pursuant to Sec. 111 (5) AktG the supervisory board set a target for female representation on the board of management of 25% by 30 June 2022. A target deviating from this figure was not set for the board of management's diversity concept.
- The members of the board of management 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 be appropriately taken into account.
- When putting the board of management together, 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 board of management member should have international experience, obtained from a professional activity or training abroad or from the candidate's origin.

The diversity concept is implemented by the supervisory board, which takes into account the above-mentioned diversity criteria and their objectives when appointing board of management members.

The requirements of the diversity concept for the board of management are met. The target figure for the percentage of women to be achieved by 30 June 2020 has not yet been reached as the members of the board of management are currently all men. In the fiscal year 2020, Mr. Meschke was appointed to the board of management. The supervisory board believes that his special professional competence makes him particularly suited to perform the function he has assumed on the board of management.

Sec. 76 (4) AktG requires that the board of management specify targets for the percentage of women in the two management levels below the board of management and set a deadline for achieving these targets. The board of management has set a target for the percentage of women in the first and second management level below the board of management of 25% in each case with 30 June 2022 as implementation deadline. Due to a lack of changes in personnel, the target for the percentage of women in the first management level below the board of management has not yet been achieved. The percentage of women for the second management level below the board of management is 25%.

In accordance with recommendation B.2 Clause 1 GCGC, the supervisory board together with the board of management ensures that there is long-term succession planning. The executive committee responsible for board of management matters has dealt with this topic in depth. Furthermore, regular talks are held on this topic between the executive committee and the members of the board of management. By appointing Mr. Meschke and extending the appointment of Dr. Döss, both of which took place in the fiscal year 2020, the aspect of long-term succession planning on the board of management was also taken into account.

In accordance with recommendation B.5 GCGC, the supervisory board specified a regular age limit according to which the appointments of members of the board of management generally end upon reaching the age of 65. Mr. Pötsch has exceeded this age limit, Dr. Döss will also exceed this during his current appointment as member of the board of management. The supervisory board is of the opinion that it is in the interest of Porsche SE if Mr. Pötsch and Dr. Döss continue to contribute their extensive qualifications, knowledge and experience for the benefit of the company, and exceeding the age limit is therefore acceptable for the board of management.

2. Working methods of the board of management

The board of management has sole responsibility for the management of the company and the Porsche SE Group in the interest of the company and represents the company in transactions with third parties. Its main tasks pertain to the strategy and management of Porsche SE as well as the implementation and monitoring of an efficient risk management system. The activity of the board of management is specified in more detail in rules of procedure issued by the supervisory board.

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

The members of the board of management are jointly responsible for all aspects of the management of the company. The board of management as a whole decides on all matters of material or fundamental importance. This overall responsibility notwithstanding, each member of the board of management independently manages the business area assigned to him where the decision is not – in matters of material or fundamental importance – the responsibility of the full board of management.

The board of management 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 strategy. The chairman of the board of management 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 Porsche SE to thrive through ongoing personal contact with the chairman of the supervisory board and constant dialog with him.

For certain types of transaction, the board of management requires the prior approval of the supervisory board. These include, among other things, the acquisition and sale of companies and equity investments, if the value of the individual

transaction exceeds €25 million; the foundation and liquidation of investment companies and the establishment and closure of plant locations, where the transaction in question is of significant importance for the company; the assumption of guarantees, acknowledgment of liabilities and warranties that do not form part of the company's ordinary business operations, provided that the value of the individual transaction does not exceed €5 million; 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.

Board of management meetings are held regularly, generally once a month. They are convened by the chairman of the board of management. The chairman of the board of management is obliged to convene a meeting of the board of management at the request of a member of the board of management.

The board of management 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 by a majority vote 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 board of management determines the type of vote. If no board of management member objects, decisions can also be taken by circular resolutions.

3. Instruments of corporate governance

In the context of responsible corporate governance at Porsche SE, compliance with the relevant legal requirements has the highest priority. Porsche SE follows the recommendations of the GCGC both relating to the individual entity and those relating to the group to the extent set out in the declaration on the GCGC and any updates. Furthermore, the board of management of Porsche SE has prepared internal guidelines to ensure compliance with the legal requirements, as Porsche SE's reputation is influenced by the actions and behavior of everyone at the company.

The managers of Porsche 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 neglecting the fundamental principles of good corporate governance. To ensure this is the case, Porsche SE regularly provides its managers and employees with training that focuses on the content of its internal guidelines.

The managers of Porsche SE ensure that the corporate governance practices in place at its fully consolidated subsidiaries are complied with to the extent applicable there. As Porsche SE's most important investment, Volkswagen AG, is responsible for making its own decisions on the

corporate governance practices to be applied within the Volkswagen Group and reports on them in Volkswagen AG's group management report.

Financial reporting and annual audit

The Porsche SE Group's financial reporting is based on the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union, as well as the provisions of German commercial law applicable under Sec. 315e (1) HGB. The financial statements of Porsche SE as parent company of the Porsche SE Group are based on the accounting provisions of the German Commercial Code and the special accounting provisions of the German Stock Corporation Act. Auditor for both sets of financial statements for the fiscal year 2020 is PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Stuttgart office. In addition, the underlying facts of the declaration of compliance in accordance with Sec. 161 (1) AktG are taken into consideration during the annual audit.

Compliance

In accordance with the provisions of the GCGC, the board of management ensures compliance with legal provisions and internal policies, and works toward ensuring compliance. Porsche SE has a dedicated legal affairs and compliance board of

management function. The task of Porsche SE's member of the board of management responsible for legal affairs and compliance is to report to the full board of management on all questions relating to compliance, to introduce preventive measures, manage these and monitor compliance with regulations. Compliance activities are based on a preventive, proactive strategy.

Porsche SE has set up a compliance council which regularly addresses the company's compliance. It supports the board of management member responsible for legal affairs and compliance in performing his duties, in particular in monitoring compliance with the legal provisions applicable to the company and its employees as well as preventing potential infringements.

Employees were also given the opportunity, among other things, to report any suspected breaches of law within the company anonymously, i.e., the sender cannot be identified, using a compliance e-mail address.

An internal company directive of Porsche SE keeps a record of the responsible organizational units and decision makers in terms of procedures relating to compliance.

Risk management and control system

The Porsche SE Group has a Porsche SE group-wide risk management and control system which helps management recognize major risks at an early stage, thus enabling them to initiate countermeasures in good time. The risk management and control system at the Porsche SE Group is continuously tested for effectiveness and continually optimized to reflect changed conditions. Further details are explained in the section “Opportunities and risks of future development” in the annual report.

Communication and transparency

Porsche SE attaches great importance to transparent communication and regularly keeps shareholders, financial analysts, shareholder associations, the media and the general public informed about the situation of the company and its business development. This information can be accessed, in particular, on the website

<https://www.porsche-se.com>

(“Porsche SE-Homepage”), which contains all press releases and financial reports as well as the articles of association of Porsche SE and information about the annual general meeting.

In addition to regular reporting, Porsche SE also provides information in the form of ad hoc announcements about insider information directly

affecting Porsche SE according to the provisions of Art. 17 of the European Market Abuse Directive. These ad hoc announcements are also published on the homepage of Porsche SE.

4. Securities transactions of the board of management members

According to Art. 19 of the European Market Abuse Directive, members of the board of management as well as persons closely related to them must disclose managers’ transactions in Porsche SE shares and related financial instruments. Porsche SE publishes announcements about transactions of this kind, among other things, on the Porsche SE homepage.

III. Supervisory board

1. Composition of the supervisory board

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

employees as well as the regulations of the articles of association.

The supervisory board comprises exclusively members appointed by the annual general meeting (shareholder representatives). According to the articles of association, the supervisory board comprises ten shareholder representatives, who are listed on the Porsche SE homepage at

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

As required by law and the articles of association as well as in compliance with the recommendations of the GCGC followed by the company, the composition of the supervisory board of Porsche SE ensures the qualified monitoring and advising of the board of management at all times. The supervisory board has to ensure that its members collectively have the knowledge, skills, and professional expertise required to properly perform these duties. The composition of the supervisory board particularly takes into account the activity of the company in its business field prescribed by its business purpose as well as the owner structure of the company.

Against this background, pursuant to recommendation C.1 Sentence 1 and 2 of the GCGC the supervisory board has prepared a profile of skills and expertise as well as additional objectives regarding its composition, in particular

taking into account the principle of diversity of the supervisory board (together the “profile of requirements”), which is as follows:

The supervisory board in its entirety should have competencies that are of material importance for the activities of the company as an international operating and capital-market-oriented investment holding company in the areas of mobility solutions. This includes in particular knowledge, skills and professional experience in

- monitoring and advising the management of internationally operating and capital-market-oriented companies;
- developing, designing, manufacturing and selling vehicles and vehicle components on the international market;
- the area of technical and scientific innovations, in particular the automotive industry and its digitalization as well as the development of smart traffic and mobility concepts;
- company mergers and acquisitions;
- accounting, controlling, risk management as well as legal affairs and compliance in internationally operating and capital-market-oriented companies.

Regardless of the above, at all times at least one member of the supervisory board must have specific knowledge and experience in applying accounting principles and internal control procedures in the area of auditing, and the members of the supervisory board as a whole must be familiar with the sectors in which the company operates.

When putting the supervisory board together, the following targets and diversity aspects should where possible also be taken into account with the objectives they express:

- At least half of the members of the supervisory board (in any case as long as the supervisory board consists solely of shareholder representatives) should be considered independent from the company and the board of management pursuant to recommendation C.7 of the GCGC.
- At least two members of the supervisory board should be independent from the controlling shareholder pursuant to recommendation C.9 of the GCGC.
- No more than two former members of the board of management should belong to the supervisory board.
- Members of the supervisory board must not be members of governing bodies of, or exercise advisory functions at, significant competitors of the company and must not hold any personal relationships with a significant competitor.
- Sec. 111 (5) Sentence 1 and 5 AktG requires that the supervisory board of companies that are listed or subject to co-determination specify a target for the percentage of women on the supervisory board if no statutory quota applies. Pursuant to Sec. 17 (2) German SE Investment Act (SEAG), a statutory quota for companies in the legal form of an SE only applies for a listed SE whose supervisory board comprises equal numbers of shareholder and employee representatives. Although Porsche SE is listed, its supervisory board does not comprise an equal number of shareholder and employee representatives, meaning that there is no statutory quota for Porsche SE. In light of this, the supervisory board had set a target for the percentage of women on the supervisory board in 2017 of 0% until 2022. There has been no change in this target. For the supervisory board's diversity concept, a target deviating from this figure should not be set so as not to unduly exclude the suitable candidates available to the nominations committee. From today's perspective, specific requirements make it difficult to put together a board with an

appropriate degree of flexibility. The election of Mag. Marianne Heiß means that there is one female supervisory board member.

- The supervisory board should exclusively comprise people that are able to devote the amount of time necessary to fulfill the supervisory board mandate properly.
- 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 board of management 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.
- The members of the supervisory 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 be appropriately taken into account.

- When putting the supervisory board together, 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, obtained from a professional activity or training abroad or from the candidate's origin.

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

Recommendations for proposals of supervisory board members to the annual general meeting of Porsche SE must meet the statutory requirements for the composition of the supervisory board and should take into account the self-imposed targets of the profile of requirements. When making recommendations to the supervisory board, the nominations committee must therefore appropriately take into account the criteria set out in the profile of requirements when searching for and selecting suitable candidates.

In the company's opinion, the criteria of the profile of requirements are met in full by the current composition of the supervisory board.

The members of the supervisory board as a whole are familiar with the sectors in which the company operates. Prof. Dr. Ulrich Lehner is a financial expert within the meaning of Sec. 100 (5) AktG. Due to his many years of experience with issues relating to accounting, auditing and internal control procedures, he has extensive knowledge and specific expertise in these areas.

Furthermore, the supervisory board is of the opinion that it has an appropriate number of independent shareholder representatives. In any case, the following members of the supervisory board are independent from the company and its board of management within the meaning of recommendation C.7 GCGC: Mag. Josef Michael Ahorner, Mag. Marianne Heiß, Dr. Günther Horvath, Dr. Stefan Piëch, Mr. Peter Daniell Porsche and Prof. KR Ing. Siegfried Wolf. The following members of the supervisory board are independent from the controlling shareholders within the meaning of recommendation C.9 GCGC: Mag. Marianne Heiß, Prof. Dr. Ulrich Lehner and Prof. KR Ing. Siegfried Wolf.

Both Dr. Wolfgang Porsche and Prof. Dr. Ulrich Lehner have been on the supervisory board for more than twelve years and thus fulfill one of the indicators for a potential restriction of their

independence within the meaning of recommendation C.7 GCGC. Nonetheless, the supervisory board is of the opinion that Dr. Wolfgang Porsche and Prof. Dr. Ulrich Lehner are independent. The work of the supervisory board and its committees shows that both Dr. Wolfgang Porsche and Prof. Dr. Ulrich Lehner continue to unreservedly possess the required critical distance from the company and its board of management to allow them to appropriately monitor and assist the board of management in managing the company.

2. Working methods of the supervisory board

The statutory tasks of the supervisory board or those imposed by the articles of association are jointly fulfilled by its members. The tasks of the supervisory board primarily include monitoring and advising management. It is subject to the rules of procedure that can be found on the Porsche SE homepage at

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

The supervisory board cooperates closely with the other company bodies 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 are convened if there is a special reason.

The supervisory board has a quorum if all the members have been invited and at least half of the members required by the articles of association participate in the resolution. Resolutions are passed by a majority vote 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 establishes this manner of voting.

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

Any conflicts of interest are handled according to the following basic principle: The members of the

supervisory board of Porsche SE determine whether there are any conflicts of interest, in particular prior to meetings and passing resolutions, and disclose any they identify. 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 discussion of the relevant resolution or abstain. 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 assesses at regular intervals how effectively the full supervisory board and its committees fulfill their tasks. In the past fiscal year 2020, the supervisory board performed such a self-assessment internally pursuant to recommendation D.13 GCGC, assessing its work and the work of its committees according to certain set criteria. Individual members of the supervisory board also shared recommendations for changing or improving the way the supervisory board and its committees work, which were discussed in the plenary sessions of the supervisory board. The results of the self-assessment showed that there is no need for fundamental change.

3. Committees of the supervisory board and their working methods

The supervisory board established a total of three committees (executive committee, audit committee and nominations committee) to carry out its duties in the fiscal year 2020. The specific composition of the current committees is presented in the attached overview.

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 regularly informs 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 which require the approval of the supervisory board in accordance with the rules of procedure of the board of management. 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 board of management. The executive committee is responsible for approving the ancillary activities of the board of management members. In addition, the executive committee draws up a proposal for the individual amount of the variable remuneration for each completed fiscal year, taking into account the respective business and earnings situation and based on the specific performance of the individual member of the board of management, if agreed as such with Porsche SE. This proposal is submitted to the supervisory board of Porsche SE for decision.

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 reviewing accounting, monitoring the accounting process, the effectiveness of the internal control system, the risk management system and internal audit, compliance function and the audit. Regarding the audit, the review by the audit committee primarily relates to the selection and independence of the auditor and

the additional services rendered by the auditor as well as the quality of the audit.

The audit committee's review of accounting primarily relates to the consolidated financial statements and the combined management report, interim financial information and the annual financial statements prepared in accordance with HGB. The audit committee deals with the half-yearly financial report and the group quarterly statements for the supervisory board and discusses them with the board of management and the auditor. The audit committee also focuses on the non-financial group report, the dependent company report and the proposal for profit appropriation and prepares them for review by the supervisory board.

In connection with the audit, the audit committee submits to the supervisory board a recommendation for the appointment of the auditor, which – except in cases where the auditor is reappointed – is prepared following a selection procedure within the meaning of Art. 16 (3) Regulation (EU) No 537/2014, comprises at least two candidates and is explained. In addition, the audit committee monitors the independence of the auditor and ensures that the auditor's non-audit services assigned by the board of management do not give rise to any indications of grounds for exclusion or disqualification or that endanger the independence of the auditor. The audit committee is authorized on behalf of the

supervisory board to award the audit engagement to the auditor selected by the annual general meeting, to agree on the fee with the auditor and to determine the key topics of the audit. It also examines the key audit matters and regularly assesses the quality of the audit.

The audit committee consists of three members. In accordance with the rules of procedure of the supervisory board, the chair of the audit committee must have specific knowledge and experience in applying accounting principles and internal control procedures as well as be familiar with the audit and be independent. The chair of the audit committee, Prof. Dr. Ulrich Lehner, satisfies these criteria.

Nominations committee

The nominations committee makes recommendations to the supervisory board for the supervisory board's proposals to the annual general meeting concerning the election of supervisory board members. The nominations committee did not convene in the fiscal year 2020.

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

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 2020, which is included in the annual report of Porsche SE for the fiscal year 2020 and can be found at


<https://www.porsche-se.com/en/investor-relations/financial-publications>

4. Securities transactions of the supervisory board members

According to Art. 19 of the European Market Abuse Directive, members of the supervisory board as well as persons closely related to them must disclose managers' transactions in Porsche SE shares and related financial instruments. Porsche SE publishes announcements about transactions of this kind, among other things, on the Porsche SE homepage.

IV. Shareholders and annual general meeting

Porsche SE's share capital is equally divided into ordinary shares and non-voting preference shares. To the extent provided for in the articles of association, the shareholders exercise their rights before or during the annual general meeting, exercising their voting right should they hold ordinary shares. When passing resolutions, each ordinary share of Porsche SE carries one vote. There are no shares with multiple or preferential voting rights, nor are there maximum voting rights. Every shareholder is entitled to take part in the annual general meeting, to express an opinion on items on the agenda, to table motions and to demand information about company matters if this is needed to properly judge an item on the agenda. The aforementioned rights are subject to certain adjustments at annual general meetings that are held virtually – as was the case with the 2020 annual general meeting of Porsche SE – without the physical presence of the shareholders or their authorized representatives in accordance with the German Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure Law.



The annual general meeting decides on the appropriation of profits as well as the exoneration of the board of management and supervisory board and elects the members of the supervisory board and the auditor. The annual general meeting also decides on the articles of association and purpose of the company, on amendments to the articles of association and on key corporate measures, such as corporate contracts in particular.

Stuttgart, 10 March 2021
Porsche Automobil Holding SE

The board of management

Stuttgart, 12 March 2021
Porsche Automobil Holding SE

The supervisory board