

PORSCHE

HOLDING GMBH



Anti-Corruption Guideline

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Foreword

Porsche Holding Group (hereafter: Porsche Holding) as part of the Volkswagen Group stands for sustainable economic activities and fair business practice. In addition to economic indicators public perception is also a decisive indicator of our company's success. To put it straight: the reputation of Porsche Holding is our greatest asset and needs to be protected and expanded.

The aim of the Strategy 2018 is to make Porsche Holding the world's most profitable, fascinating and sustainable automotive company. This ambitious goal goes hand in hand with our high demand on our own integrity in strong but fair competition. Therefore, our management is based on clearly defined and unshakable values. Only those who lead and act based on clear principles can create sustainable value. This is why we are taking up a clear position regarding corruption:

Porsche Holding conducts only proper business!

Through this Guideline and the already existing Code of Conduct we underline our irrevocable commitment to core values such as integrity, fairness, sustainability and partnership. Our Group is also actively involved in UN Global Compact, a United Nations initiative to develop companies' social commitment. This commitment is also a sign of our own business understanding – we are a socially responsible company.

Our customers trust our group to act legally correct and to be compliant – always and anywhere in the world. Each Porsche Holding employee* is personally responsible for ensuring that the Code of Conduct and the principles and values of the Group are upheld at all times with no exception. Help us to protect our company from corruption. We are counting on you!



* The text will hereinafter refer to employees as male for the sake of clarity. Such references are to be understood as applying to both male and female employees. References are to male employees for editorial purposes only and have no other significance.

What is the purpose of the Guideline Anti-Corruption?

What does the term “corruption” actually mean?

Corruption is generally understood as the misuse of power entrusted in you in the professional sphere for your own benefit or that of a third party, such as your employer.

This includes offering, giving, demanding or accepting benefits (see on page 18) as an incentive to do something within your normal business activities which is dishonest, illegal, or which constitutes a breach of trust. In this context, these misuses of power are usually referred to as bribery offences.

The purpose of this Guideline is to raise awareness of corruption and to inform employees about this important subject. In our globalised world, the issue of corruption is more relevant than ever before. This Guideline is based on the group-wide Organisational Instructions 3.01-3.03 concerning awarding and accepting benefits, and offers a practical means of helping you to safely adhere to the internal rules. The Guideline intends to provide you with practical information on the issue of anti-corruption using various sample situations. Situations in which corruption can arise are explained by examples. Hereby you receive hints on how to behave when questionable issues occur.

This Guideline contains also measures and procedures which aim protect our company from corruption. These will be implemented across the Group, although the individual measures should be adapted to the relevant national legal requirements. Please refer to the company's Organisational Instructions, as they will describe incidents of corruption in more detail than this Guideline.

At the end of this Guideline you will also find the relevant contact information.

* These Organisational Instructions apply worldwide, but may vary in name and exact form. For further information, please contact your local Compliance Officer.

Furthermore, making targeted benefits between business partners is a punishable offence in many countries (including Germany, Austria, and China). In these countries it is forbidden to offer or accept a benefit if its intention is to unduly influence one's own behaviour or that of a business partner.

Corruption is no longer considered a negligible matter.

Proper business practice is always possible and mandatory!

It is possible to uphold one's integrity and refuse involvement with corruption worldwide. Thomas Karig (Compliance Officer at Volkswagen de México) states:

"No one even asks us for bribes. Everyone knows we won't pay, and if necessary, we'll knock on the next higher door and escalate an incident. The high standing that Volkswagen has in Mexico means our voice will always be heard."

Please note!

Porsche Holding and its employees may be held liable for actions and breaches of the law committed by contracted advisors/agents. This might include failing to select an advisor of integrity. Therefore, please check advisors/ agents before entering into a contract with them. In order to find out more about the respective advisors/agents, please use the Business Partner Check (further details can be found on page 27 of this Guideline).

Example:

As a project manager you are planning a Porsche Holding project in a new market. However, you have lack of business expertise in this country, particularly concerning cultural peculiarities, how to engage with the authorities and other basic conditions. Therefore, you decide on contracting an external project manager.

What should you be aware of?

- Always check first whether Porsche Holding itself has any in-house experts and if you really need to contract an external advisor.
- Choose a transparent procedure in employing the advisor, and document the selection process.
- The Business Partner Check, which is used to check the integrity of a business partner, is the requirement to do business with the advisor. The results must be documented in writing. You can ask the responsible Compliance Officer for support.
- Ensure that the contract includes a detailed description of the services that the advisor is required to provide and that these have a legitimate purpose.
- Make it clear that the advisor's fee will only be paid if verifiable proof of services rendered and a suitable invoice are submitted.
- Refuse any requests for cash payments.
- Ensure that the payment for services rendered is suitable and that the fee is in line with market conditions.

- Inform the advisor about Porsche Holding's Code of Conduct as a basis for the working relationship and at the very least forward this document for his awareness
- Please ensure that the relevant advisor contract is in written form. Before you sign it, get it checked by a legal expert.



Violation of laws governing contracting advisors and agents may occur in certain circumstances. You should particularly avoid:

- “Advisory contracts” without underlying an actual advisory service
Contracts which contain a fee (“commission”) that does not correspond to the often only poorly described owed services
- “Agents” without a formal written contract, leaving the impression that they should complete the task at all costs, using any means required (legal or illegal)

Hidden commission charges, in particular kickback payments

Hidden commission charges can foster bribery. These forms of payment are also referred to as kickbacks. A kickback payment occurs, for example, when a previously contracted agent pays part of the excessive service fee back to the employee's account. Usually, these repayments are kept secret.



Example:

Porsche Holding is participating in a tender for a major project. An intermediary comes forward and offers support. He claims that if an additional fee is paid, he will ensure that Porsche Holding wins the tender. The intermediary offers to return a share of the fee to you (the kickback) if you agree to pay the fee and arrange for its payment.

What should you do?

- Decline the offer!
- Inform your direct superior, the responsible Compliance Officer or the Anti-Corruption Officer about the incident. (For additional reporting channels and information regarding the obligation to report please refer to the pages 28-30.)
- Compare the tender conditions with the final conditions for the awarding of contracts, and check whether your refusal to pay the fee has a negative impact on how Porsche Holding will be assessed.
- End all business relations with this intermediary.
- Document the incident in your records.

Please note!
Illegal advisory contracts are forbidden and will never be tolerated by the Porsche Holding.



Favouritism

Favouritism is often linked to corruption. This involves a person using a position of power to obtain an advantage for a family member or acquaintance.

Example

As an employee of Porsche Holding you are negotiating the receipt of a large sales order from a business partner. One day the business partner's employee responsible for placing orders asks for a meeting with you. During the meeting he offers to place the order to the advantage of Porsche Holding. However, in return he asks you to agree to arrange a traineeship at Porsche Holding for his nephew without going through the regular application process.

How should you react to this offer?

- Decline the offer!
- Inform your direct superior, and consult and seek support from the Anti-Corruption Officer or the Compliance Officer early enough.
- Document the incident in your records.
- Continue the contract negotiations with a different employee.
- Check whether your refusal to arrange a traineeship for the business partner's nephew has a negative impact on the outcome of the negotiation.

Awarding state certificates

Example

Porsche Holding intends to establish a new site in a foreign market. A condition for this is to obtain a certification by the relevant foreign authority. An official of the responsible authority visits to receive the documents required for the new site. Due to different shortcomings he refuses to issue the building license. The foreign official, however, points out that the building licence will be issued if a certain “fee” in cash is paid directly to him.

What should you do?

- Refuse to make any payments!
- Let the official know that payments are only made upon receipt of a verifiable invoice.
- Note the name of the official.
- Document the incident in your records.
- Inform your direct supervisor, the local Compliance Officer or Anti-Corruption Officer.



Using payments to accelerate state service processes (so-called facilitation payments)

Facilitation payments (also called bribes) are relatively small amounts which are normally paid to officials in order to accelerate routine official procedures to which the citizen has a legal entitlement. As a form of corruption facilitation payments are forbidden and may result in prosecution. Porsche Holding expressly forbids the provision of facilitation payments.

Example:

Urgently required production parts have been held up in customs clearance for a long time. A customs official has informed you – an employee of Porsche Holding– that the only way to avoid further delays is to give him a cash payment.

What is the right thing to do in these cases?

- Reject all suggestions of this nature!
- Ask for the official's name and demand to speak to his/her superior.
- State firmly that the suggested form of payment is unacceptable for Porsche Holding and violates regulations.
- Inform your direct superior, the responsible Compliance Officer or the Anti-Corruption Officer about the incident immediately.
- Ensure that your superior or Compliance informs the head of the relevant authority about the incident and provides the name of the advisor/employee.
- Make clear that no cash payments will be made and that payments are only made to the authorities if an official receipt is issued.
- Document the incident in your records.
- Terminate all business relations with the official/intermediary.

Exception:

Official fee catalogues may set out accelerated procedures in exchange for payment of an additional fee. These are legally permissible and may only be carried out in exchange for a proper invoice/receipt.

Benefits Made to Officials and Business Partners

In many countries it is customary for guests to give officials or business partners small, personal gifts. You may also have encountered similar situations at work and asked yourself how best to react. On the one hand, you do not want to appear impolite in not offering or accepting a gift, but on the other hand, you must avoid any suspicion of corruption at all times.

Who is considered to be an official?

Officials are usually people who hold a position in public services. This includes but is not limited to civil servants, magistrates and persons in any public-legal office, as well as persons who are contracted to carry out public administration duties on behalf of authorities or in other positions. Even employees of public radio or TV broadcasters, (partly) state-run companies and international organisations or institutions (e.g. at UN or European level) may count as officials – as it is the case in Austria.

What counts as a benefit or a gift?

- Benefits, discounts
- Services not typical of the market
- Invitations to sporting, cultural or other events
- Monetary payments (e. g. cash, bank transfers, granting of interest-free loans or loans with reduced rates of interest)
- Granting of cash-equivalent advantages (e.g. discounts, vouchers and other benefits)
- Preferential treatment in hiring employees (favouritism)
- Other advantages for which there is no entitlement

Please note!

The definition of an official may vary from country to country. If you are unsure, please ask your Compliance Officer.

For the detailed definition of an official please refer to the Organisational Instruction “Awarding Benefits”.

Why might benefits to officials be problematic?

Making benefits to officials might be a form of corruption. In most countries, more rigorous regulations apply to dealings with officials than with business partners and private persons, mainly to ensure impartiality of the administration. In some countries (as e.g. in Austria), the so-called “buttering up” of officials is punishable as a criminal offence. This refers to the favourable treatment of officials by giving them relatively small favours or benefits. In order to combat corruption, many government administrations have introduced internal regulations for their employees which clearly define what kind of benefits is allowed to be accepted. Therefore, always be cautious when dealing with authorities and/or their representatives.

There are very few legally permissible exceptions in which authority representatives/officials may accept gifts or invitations, e.g. when representing their authority/country at public events. Cases involving officials please feel free to contact your local compliance officer for support.



The following example describes a situation with officials in which the line of legality has been crossed:

Example:

Before making a fleet sale to an authority, your company provides a vehicle to the fleet manager free of charge, for unlimited private use and for no apparent reason.

How to avoid such situations?

- You should refrain from any dealings with the authority's decision makers which could give the impression that you are trying to unfairly influence their decision on whether to purchase or not, particularly if the deal concerns a definite order.
- In such cases, please contact Compliance early enough.
- If applicable, please refer to your policy of giving company vehicles to third parties.

Making benefits to business partners

In some countries making benefits to business partners might be a punishable offence if they intend to suppress competition from third parties or to give preferential treatment to individuals. Benefits are not permitted if they appear to cause undue influence. This is usually assumed if the benefit is awarded in connection with a direct business transaction.

Sponsorship and Donations

Porsche Holding supports organisations and events worldwide through sponsorship and donations. These contribute to strengthen the brands. Donations are important measures which express how we perceive our social responsibility.

Please note!

Sponsorship means supporting people, organisations or events through money, goods or services with the purpose of promoting one's own communication and marketing objectives. The objective of sponsorship is to raise awareness of one's own company, particularly in the media.

Donations are voluntary payments in form of money or goods without consideration. In general the payments have a certain purpose (e.g. science or education, culture, sport or social commitments).

Example:

You are responsible for a project's budget. Once the project is underway, a high-ranking government official approaches you and asks you to make a donation to his private foundation. He adds that providing a donation would significantly facilitate the project's progress.

How do you react?

- Refuse this request!
- Document the incident and inform your superior, the local Compliance Officer or the Anti-Corruption Officer.
- In the follow-up period, observe whether any unexplainable difficulties arise on the part of the government during the implementation of the project.
- If this is the case, you should discuss it with your superior and, in conjunction with Compliance, escalate the incident with the official's superiors.

Please note!

Employees may only make donations within the scope of the pre-defined processes – please refer to Organisational Instruction “Awarding donations and discounts”.*

Sponsorship may only take place within the scope of the relevant legal system and in accordance with the valid internal regulations, and must be approved in advance by the relevant department (e. g. Communication and Marketing).

For further information, please contact your local Compliance Officer.

* This Organisational Instruction applies worldwide, but may vary in name and exact form.

Please note!

Sponsorship may not be offered or granted in exchange for services provided by an official. Furthermore, each case of sponsorship must serve a legitimate commercial purpose.

The following applies to sponsorship as well as donations:

- Sponsorship and donations must not be used to obtain any dishonest advantage for Porsche Holding or serve any dishonest purpose.
- Sponsorship and donations must always take place in a transparent manner (documentation must include recipient identity, purpose, reasons for sponsorship/donation).
- Sponsorship and donations must not damage Porsche Holding's image.
- Payments made into private bank accounts are not permitted.
- Each case of sponsorship and each donation must be in line with Group principles.



Violations against Anti-Corruption Laws and Their Severe Consequences

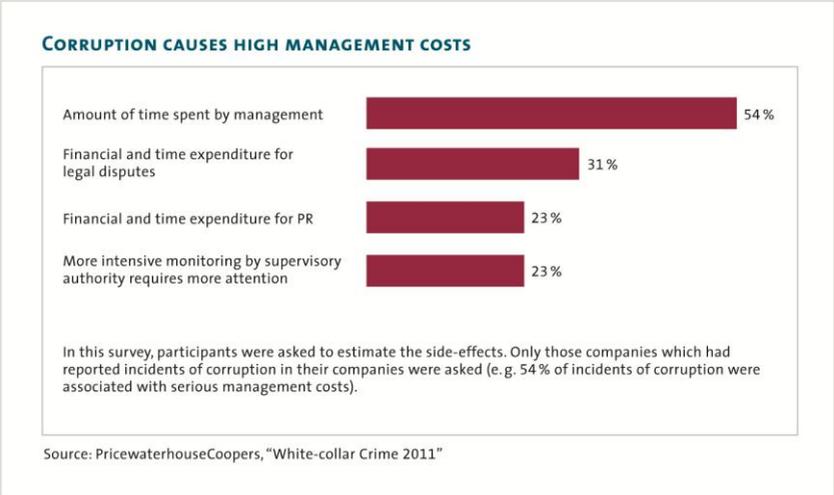
Violations of anti-corruption laws are not considered as trivial offences. Particularly if it is carried out systematically, it may have severe consequences for...

... Porsche Holding

- Large fines
- Civil liability to third parties
- Damage to public reputation
- Damage to market value
- Exclusion from public and private tenders
- Follow-up costs and limitations to free business conduct, e. g. through constraints

... Individuals/ Board Members

- Imprisonment
- Large fines
- Civil liability to third parties
- Consequences related to labour laws



Important Principles and Golden Rules

In order to protect yourself and Porsche Holding from sanctions, you must adhere to the following principles:

- No employee is allowed to use business connections to their own (or their family's) advantage or to that of a third party or to the disadvantage of the company (separation principle).
- All business transactions are to be conducted in a transparent manner (transparency principle).
- Transactions are to be documented in writing, in particular services rendered and payments made. Transactions have to be documented in an understandable form (documentation principle).
- Payments must never be made in cash; they should be made by bank transfer. Ensure that the recipient's account is not with an offshore bank (non-cash principle).

Golden rules that help you to conduct safe business

What you should avoid:

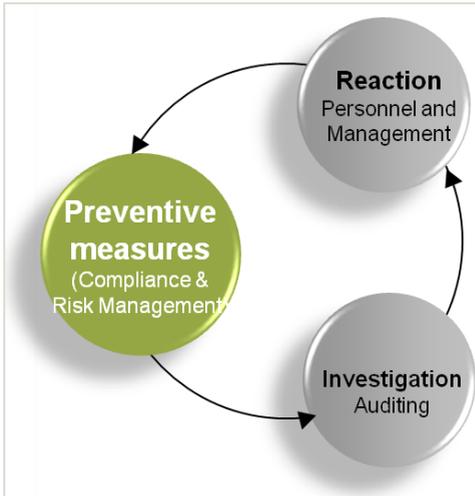
- Do not mix private interests with the interests of Porsche Holding.
- Refrain from giving monetary gifts.
- Do not make or accept any kind of benefit if it gives the impression that you are only doing so to receive something in return or to grant something.
- Do not make benefits to officials without prior permission. Please feel free to contact compliance for advice.
- Avoid making regular benefits to the same person.
- Never transfer payments without having received a verifiable invoice.
- In advisory contracts (see p. 9), avoid performance-related remuneration, which is a percentage of the order volume without any upper limit.
- Money transactions to third parties or in another country than the business partner is based (offshore payments), especially in countries which are so-called "offshore havens" and therefore promote tax evasion.

What you must observe:

- Always conduct business in a transparent manner so that third parties can understand your decisions.
- Always ensure that the remuneration is appropriate for the services rendered.
- Before you accept or award a benefit, check whether it is socially adequate (value of the benefit is appropriate for your standard of living or of your business partner) and compliant with your applicable Organisational Instructions.
- If in doubt, always consult Compliance in advance.
- Always check whether you would still consider your decision to be right if Porsche Holding had to justify it in public.
- Adhere to the local anti-money-laundering regulations.
- The business relationship must always be based on a written contract with a detailed description of services to be rendered.

Effective Measures to Combat Corruption by Porsche Holding

Within Porsche Holding a preventative approach is being pursued.



Porsche Holding has taken numerous steps to protect you and the Group from corruption. This includes:

Advisory services

You can find a range of information and advice on the Intranet.

Individual case advisory service

Porsche Holding has set up an email address for those who require individual case advice. You can direct any questions you may have regarding corruption to compliance@porsche.co.at.

Hint:

Please find the respective link for the compliance database in the organisational manual, for example, in the Benefit Policies (3.01 – 3.03). Once the database has been opened the first time, it can be found in the working area in Lotus Notes.

Training Opportunities

The Compliance eLearning tool is a key component of Porsche Holding's preventative Compliance strategy. The eLearning tool is being implemented step-by-step. It aims to support employees in their efforts to abide by the rules at all times. It provides you with practical examples, contains audio files and interactive exercises, and has comprehensible answers to questions about corruption.

Business Partner Check

The best prerequisite for business integrity is to hire honest business partners. Porsche Holding has an excellent reputation worldwide. In order to protect it, we must know our business partners, and we are held accountable for their selection. A single negative business relationship can lead to exclusion from tenders and a loss of long-term business partners of high reputation.

Before entering a business relationship, Porsche Holding carefully checks its potential partners. In addition to answering questions on their financial background and quality assurance, all new suppliers, cooperation partners, dealerships, advisors, and sales representatives are also questioned regarding their integrity.

It is forbidden to do business with companies or persons listed on international embargo and sanction lists!

If you have any questions on the Business Partner Check, please contact your Compliance Officer.

A background check can give you additional assurance that you are entering into a business relationship with the right partner. If in doubt, it is always better to refrain from entering into or maintaining a business relationship than to risk endangering the reputation of the Group. The Business Partner Check developed by Compliance serves as a means of early recognition of potential risks.

Internal Audit

The Compliance Organisation is solely responsible for preventative action, while investigative measures are carried out by Internal Audit. It carries out systematic checks that regulations are adhered to, as well as random spot checks and special investigations if there are relevant indications (e. g. indications via the Ombudsman system). If you have any information regarding incidents of corruption at Porsche Holding or in connection with business partners, officials or other persons, it is your duty to immediately contact the Internal Audit Department via E-Mail: revision@porsche.co.at.

Anti-Corruption Officer

On an organisational level, the Anti-Corruption Officer is also assigned to Internal Audit and is available to answer any corruption-related questions, which employees, business partners and third parties may have. The Anti-Corruption Officer and the internal departments are bound to secrecy with regard to third parties who are not involved in the proceedings.

Investigation Committee

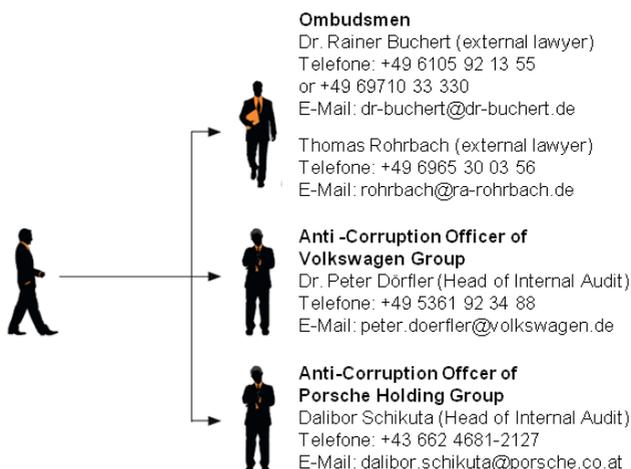
The Investigation Committee deals with cases which are raised by the Anti-Corruption Officer and which show signs of suspected corruption. The main task of the Investigation Committee is to establish actions to be executed in case corruption is suspected.

Ombudsman System

Since 2006 Volkswagen has established a Group-wide Ombudsman system assigned to Group Internal Auditing. This offers Volkswagen's employees, business partners, and third parties a contact to whom they can provide information on corruption on an anonymous basis.

Information can be currently provided in 11 different languages*. Information that you provide, will be received by two ombudsmen, who – as external lawyers – are bound by an oath of professional secrecy. Volkswagen will only forward any information you provide if you have given permission to do so. The communication with an ombudsman is strictly confidential. Whistleblowers can use the following communication channels: telephone, fax, e-mail, letter, and the Business Keeper Monitoring System (BKMS), which is an internet-based communication channel. For detailed information please refer to the Compliance part of the Porsche Holding website:

<http://www.porsche-holding.com/en/company/compliance/contacts/ombudsmen>



Contact Details

Consulting Service

The Compliance department and the Anti-Corruption Officer are both available to all employees to ask for advice regarding corruption or any other Compliance-related issues. Contact details:

- Compliance (compliance@porsche.co.at)
- Anti-Corruption Officer (Head of Internal Audit, Mr. Schikuta, dalibor.schikuta@porsche.co.at or revision@porsche.co.at)

Whistleblowing

In case you have specific information concerning corruption, fraud or similar issues please conduct the anti-corruption officer or the Chief Compliance Officer of the Porsche Holding or the ombudsmen of Volkswagen:

- Anti-Corruption Officer (Hr. Schikuta, dalibor.schikuta@porsche.co.at)
- Chief Compliance Officer (Hr. Ebner, markus.ebner@porsche.co.at or compliance@porsche.co.at)
- Ombudsmen of Volkswagen AG (For the contact details please refer to the Compliance part of the Porsche Holding website.)

Obligation To Report

In case of any enquires, requests, or similar applications for information by public authorities, e.g. prosecution or anti-trust authority, you have to immediately inform the following persons:

- Anti-Corruption Officer,
- Chief Compliance Officer and
- the responsible board member of the Porsche Holding.

Where to find more information on the subject of anti-corruption?

The below mentioned brochures provide useful information concerning anti-corruption measures in Austria, the German-speaking world, and international.

Internal Porsche Holding information (selection)

The Porsche Holding Code of Conduct

Organisational Instructions 3.01 (Awarding benefits), 3.02 (Accepting benefits), 3.03 (awarding benefits intragroup).

External information (selection)

Germany

S-20 Guideline on Hospitality and Criminal Law (publisher: S-20 The Sponsor's Voice)

List of questions on the subject of rewards, gifts and other advantages (benefits) by the "Gesprächskreis Korruptionsprävention Wirtschaft/Bundesverwaltung" (publisher: Initiative Committee – Corruption Prevention, Economy/Federal Administration)

International

RESIST Guideline (publisher: Transparency International Germany e.V.; ICC Germany International Chamber of Commerce)

OECD – "Convention on Combating the Bribery of Foreign Public Officials in International Business Transactions"

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