



## Declaration by ŠKODA AUTO a.s. Board of Directors and Supervisory Board

regarding recommendations of the

### Corporate Administration and Management Code based on the OECD Principles (2004)

The ŠKODA AUTO a.s. Board of Directors and Supervisory Board hereby declare that as far as company administration and management operations are concerned, they accept the principles and recommendations set out in the Corporate Administration and Management Code based on the OECD Principles (2004) that was issued by the Securities Committee in June 2004 (hereinafter referred to as "Code 2004") and that - to the extent adequate in terms of the fact that the company has a single shareholder and that its shares are not quoted - they comply with the same, with exceptions specified below:

#### Chapter VI. E., paragraph 1.

Pursuant to this paragraph of Code 2004 and the related annotation, the Board of Directors and the Supervisory Board have to consider assigning tasks to a sufficient number of non-executive BOD members able to adopt an independent stance in cases posing a potential for conflicts of interests. The Board of Directors and/or the Supervisory Board have to have a sufficient number of members that the company does not employ and that do not have strong ties to the company or its management based on significant financial, family-based or other aspects.

*Considering the nature of the company's shareholding structure (single shareholder – Volkswagen International Finance N.V. with its registered head office in Amsterdam) and the fact that the company shares are not quoted, we see no additional benefit for the single shareholder in adopting this recommendation. The existing composition of the Board of Directors meets the needs of the parent Group in full. The independence of the Supervisory Board's (supervisory) role and the required scope of strategic development of the company are guaranteed by an adequate organisation structure of the Volkswagen Group and the respective number of independent members that are part of the Volkswagen AG Supervisory Board.*



Chapter VI. E., paragraph 2.

Pursuant to this paragraph of Code 2004 and the related annotation, the company should establish a committee for remuneration of BOD and Supervisory Board members and key executives plus a committee for appointment of such members and executives. Most of the members of such committees should be independent individuals.

*Considering the company's shareholding structure, the Group operations falling under these committees have been transferred to the Volkswagen AG level for the sake of efficiency and synergies. The roles and responsibilities of the remuneration and appointment committees are performed by the Volkswagen AG BOD Committee for HR Affairs, in cooperation with relevant Volkswagen AG Supervisory Board committees.*

Mladá Boleslav, May 28, 2010

On behalf of the Supervisory Board:

A handwritten signature in black ink, appearing to read 'M. Winterkorn', written over a dotted horizontal line.

Prof. Dr. Martin Winterkorn

On behalf of the Board of Directors:

A handwritten signature in black ink, appearing to read 'R. Jung', written over a dotted horizontal line.

Dipl.-Ing. Reinhard Jung