

# VOLKSWAGEN INTERNATIONAL FINANCE

NAAMLOZE VENNOOTSCHAP

## Articles of Association

As at September 1999

*Disclaimer: This English language translation of the Volkswagen International Finance N.V. (the "**Company**") Articles of Association is provided for convenience only. The Company's Articles of Association are written in the Dutch language and the Dutch text shall be controlling and binding. The most recent official version of the articles is available under the Commercial Register with number 33148825 at the Netherlands Chamber of Commerce (KVK).*

## **Name, seat and duration**

### **Article 1**

- (1) The name of the company is:  
**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**
- (2) The registered seat of the company is in Amsterdam.
- (3) The company has been entered into for an indefinite period of time.

## **Purposes**

### **Article 2**

The purposes of the company are to finance and to participate in companies and enterprises. The company may borrow, raise and secure money in all manners expedient to the company, especially by means of issuance of bonds, convertible bonds, stock and securities of indefinite currency term or otherwise, be it or be it not by binding some or all assets of the company, present or future assets of the company, including the capital not paid in, as well as to redeem or repay such securities.

## **Capital and shares**

### **Article 3**

- (1) The authorised capital amounts to one hundred and four million three hundred and seventy thousand euro (EUR104.370.000,--) and is divided into one hundred and four thousand three hundred and seventy shares (104.370), each having a nominal value of one thousand euro (EUR 1,000.- -).
- (2) Shares will be issued by the Management Board, after approval of the Supervisory Board, and then only upon the strength of a resolution of the general meeting of shareholders, hereinafter referred to as: "the general meeting". The general meeting shall also determine the conditions of each issue of shares.
- (3) The shares are registered shares. They shall be numbered in the manner to be determined by the Management Board.
- (4) No share certificates shall be issued.

## **Register**

### **Article 4**

- (1) The Management Board shall keep a register in which the names and addresses of all shareholders are recorded, with mention of the amount paid in on each share. The names and addresses of those who hold life estates in or pledges of shares, hereinafter called: "life tenants and pledgees" respectively, as well as the names and addresses of the holders of depository receipts, issued with cooperation of the company, hereinafter called: "holders of depository receipts", are also entered in the register. The legal rights of shareholders, life tenants and pledgees in case of the creation of a life estate in or of a pledge of the shares is furthermore

- recorded in the register. Shareholders, life tenants, pledgees and holders of depository receipts shall state their addresses to the company.
- (2) The register shall regularly be kept accurate; the date of each share delivery, the date of the creation of a life estate in or a pledge of shares, the date of the transfer of a life estate in shares, as well as any discharge from liability for payments not yet made, shall also be entered in it.
  - (3) Upon request of any shareholder, life tenant or pledgee the Management Board shall furnish an extract from the register, insofar as it concerns shares to which the applicant as shareholder, life tenant or pledgee has an interest. The extract shall describe, in case of a life estate or a pledge, the rights of the shareholders, life tenants or pledgees in relation with those shares.
  - (4) The Management Board shall file the register for inspection by the shareholders at the office of the company. Notwithstanding the provision in the next sentence, life tenants and pledgees may inspect the register, insofar the rights of holders of depository receipts issued with cooperation of the company, are conferred upon them.  
The register is open for public inspection insofar as not fully paid in shares are concerned; information in the register will be provided by copy or extract for a purchase price not exceeding the costs.
  - (5) Extracts of copies of the register shall be signed by a member of the Management Board and a member of the Supervisory Board.

### **Purchase of own shares**

#### **Article 5**

- (1) The company shall be entitled to acquire its own fully paid in shares, but only either without valuable consideration or if:
  - a. the equity less the nominal value of the shares which have been acquired is not lower than the paid in and called up part of the capital plus the reserves which must be kept pursuant to the law or the Articles of Association, and
  - b. the nominal value of the shares in its capital to be acquired by the company and of the shares already held by the company or its subsidiaries and of the shares pledged to the company, does not exceed one tenth of the issued capital.
- (2) No voting rights shall be exercised on shares in its own capital acquired by the company.
- (3) When determining the existence of any majority or any quorum, required for passing a resolution by the general meeting, the shares on which no voting rights can be exercised shall not be considered.
- (4) The acquisition and the disposal by the company of shares of its own capital shall only take place pursuant to a resolution of the general meeting and with due observance of the provisions of Article 6.

## **Restrictions on transfer of shares**

### **Article 6**

- (1) If any shareholder (offerer) wishes to dispose of all or any part of his share holding, he must first offer those shares to his co-shareholders (offerees) for sale unless all shareholders have given a written approval of the disposal concerned, which approval is valid for a period of three months only.
- (2) The price at which the shares can be purchased by the co-shareholders shall be as agreed between the offerer and the offerees. Failing agreement between the parties about the price, the price shall be set by an independent expert to be appointed by the chairman of the Netherlands Institute of Registered Accountants on request of the most interested party, unless the parties previously reach agreement on the appointment of the expert.
- (3) If the offerees jointly are interested in purchasing more shares than have been offered, the shares offered shall be distributed among them insofar as possible in proportion to their share holding.
- (4) The offerer is entitled to withdraw his offer, provided he does so within one month after the identity of the parties interested in purchasing all the shares concerned in the offer and the price, are disclosed to the offerer.
- (5) If it is definitely established that the co-shareholders do not accept the offer or that not all shares offered shall be purchased against payment in cash, the offerer is free to transfer the shares within three months after the date, on which the price has been ascertained, to whomever he wishes.
- (6) The company itself is only entitled to apply for the offered shares with the consent of the offerer.
- (7) Upon the death of a shareholder, if a person, or the winding up of dissolution, if a legal entity, or any act of insolvency, the shares of the shareholder concerned are to be offered to the other shareholders as set out above within three months of the event. Offers made under this requirement may not be withdrawn, provided all offered shares are purchased.

## **Transfer of shares**

### **Article 7**

- (1) The transfer of shares shall be effected by means of a transfer deed and by either serving written notice upon the company of that transfer or written acknowledgement from the company of the delivery of the transfer deed. Such acknowledgement from the company will be based upon evidence of the transfer deed. If the transfer refers to not fully paid in shares, the company can only acknowledge when the deed of transfer has a legally fixed date.



- (2) The preceding paragraph shall similarly apply to the creation and transfer of a life estate in and a pledge of the shares and to the allotment of shares in case of division of any community.

### **Management Board and Supervisory Board**

#### **Article 8**

- (1) The company shall have a Management Board, consisting of one or more members, as well as a Supervisory Board consisting of one or more members.
- (2) The general meeting shall appoint the members of the Management Board and the members of the Supervisory Board. A legal entity may be appointed as member of the Management Board.
- (3) The general meeting shall be competent to suspend or to dismiss members of the Management Board and members of the Supervisory Board at any time.
- (4) Any suspension, even after having been extended, once or several times, shall not last longer than three consecutive months. Should no decision be taken to rescind the suspension or upon dismissal, by the end of that period, then the suspension shall terminate.
- (5) Persons who have reached the age of seventy two cannot be appointed members of the Supervisory Board. Every member of the Supervisory Board shall resign not later than on the date, on which the annual general meeting is held in the financial year in which he has reached the age of seventy two.
- (6) The general meeting shall determine the remuneration and the other terms of employment for each member of the Management Board and may grant a remuneration to each member of the Supervisory Board.

### **Management Board**

#### **Article 9**

- (1) The Management Board shall be charged with the management of the company, subject to the restrictions in the Articles of Association.
- (2) The Management Board shall act on the instructions of the general meeting concerning the general policy for financial, social, economic and staff matters.
- (3) The general meeting is entitled to require decisions of the Management Board to be subject to its approval, provided these decisions are clearly specified in a resolution of the Supervisory Board.
- (4) All resolutions of the Management Board shall be approved by an absolute majority of votes of all members of the Management Board in office at the time.

## **Representation**

### **Article 10**

- (1) The company will be represented as follows:
  - a. in case there are two or more members of the Management Board, by two members of the Management Board acting jointly, or by one member of the Management Board and one general proxy holder acting jointly;
  - b. in case only one member of the Management Board is in office, the company will be represented by that member of the Management Board.
- (2) If a conflict of interests exists between the company and a member of the Management Board, acting not for his own account but in any other capacity, each and every member of the Management Board remains entitled to represent the company.  
If a conflict of interests exists between the company and a member of the Management Board, acting for his own account, the company shall be represented by the Supervisory Board.

## **Absence or prevention**

### **Article 11**

In case of the absence or the prevention of one or more members of the Management Board, the remaining members or the remaining member shall be temporarily entrusted with the full management of the company, whereas in case of the absence or the prevention of all members of the Management Board or of the sole member of the Management Board, the management shall be entrusted temporarily to the Supervisory Board.

In the latter case the Supervisory Board shall be competent to delegate the management temporarily to one or more persons from within or outside the Board.

## **Supervisory Board**

### **Article 12**

- (1) It is the responsibility of the Supervisory Board (hereinafter referred to as: "the Board") , to supervise the policy of the Management Board and the general course of affairs of the company and the business connected therewith. The Board shall provide the Management Board with advice.
- (2) In the performance of their duties the Board members shall act in accordance with the interests of the company and the business connected with it.
- (3) The Board may designate one of its members as a delegated Board member, more particularly entrusted with the daily supervision of the Management Board.
- (4) At all times the Board shall have access to the premises and the sites of the company and the right to inspect all files and documents and to audit

the account and other assets of the company. It may designate one or more persons, whether or not from the Board, to exercise the rights described in the preceding sentence.

- (5) The Board may have itself assisted, if so desired, by an expert for the account of the company.
- (6) The Management Board shall be bound to furnish, in due time, the information required by the Board and the expert designated by it, if any, for the performance of its duties.
- (7) The Board shall be entitled to suspend a member of the Management Board.

### Article 13

- (1) The Board will appoint a chairman from among its members. In case of the absence of the chairman in a meeting, the meeting will appoint a temporary chairman.
- (2) Meetings of the Board shall be notified by the chairman or two other members of the Board, not later than the fifteenth day prior to the date of the meeting.
- (3) If so required, the members of the Management Board shall be bound to attend the Board meetings and to furnish any necessary information in those meetings.
- (4) All resolutions of the Board shall be adopted by an absolute majority of votes of all the members in office at the time.
- (5) Each and every member of the Board may have himself represented by another member of the Board if so authorized in writing telegraphic or telex authorization included.
- (6) Minutes shall be kept of the proceedings of the meetings of the Board, by one of its members designated for that purpose by the Board.
- (7) The Board may also take resolutions without recourse to a meeting, provided all members of the Board have been sent the text of the resolution and have agreed upon this manner of taking resolutions, in writing, by telegram or by telex. A report of any resolution thus adopted, which after having been signed by the chairman and a member of the Board, designated by the chairman, shall be filed with the minutes, with the replies attached.

### **Financial year and annual accounts**

#### Article 14

- (1) The beginning and the end of the financial year of the company shall be determined by a resolution of the general meeting and shall be laid down in a notarial deed.  
The resolution will be in force when a true copy of the fore mentioned notarial deed has been laid down with the Trade Register where the company is registered.

- (2) Annually, within five months after the end of the financial year concerned, the Management Board shall draw up the annual accounts.  
The term within which the Management Board has to draw up the annual accounts may be extended by the general meeting by not more than six months by reason of special circumstances.
- (3) The company shall instruct an accountant to inspect the annual accounts. The general meeting is authorized to grant the instruction. Will it not do so, then the Supervisory Board shall be authorized or, if the members of the Supervisory Board are absent or the Supervisory Board is in default, the Management Board. No nomination will confine the assignment; the assignment may always be withdrawn by the general meeting or by him who granted the instruction; the Supervisory Board may withdraw the assignment in case the Management Board granted the instruction. The accountant reports on the results of his inspection to the Supervisory Board and the Management Board. The account concludes the results of his inspection in a statement. The general meeting cannot confirm the annual accounts in case the accountant's statement has not been brought to the knowledge of the general meeting. The obligations of this paragraph are left out of consideration case the company is exempted by law from the obligation of the first sentence.
- (4) The annual accounts and the annual report shall be presented to the Supervisory Board.
- (5) The Supervisory Board shall pre-advise about the annual accounts to the general meeting.
- (6) The annual accounts shall be signed by all members of the Management Board and the Supervisory Board; if any signature should be lacking the reason why shall be stated on the document.
- (7) Furthermore, Title 8, Volume 2, Civil Code is applicable to the annual accounts and the annual report.
- (8) Within the term of paragraph 2, the annual accounts shall be presented to the general meeting. Within this term the Management Board presents the annual report as well.
- (9) The general meeting confirms the annual accounts.
- (10) Final and unreserved confirmation of the annual accounts by the general meeting shall release the members of the Management Board from liability for their management and it shall release the members of the Supervisory Board from liability for their supervision thereof insofar as the management may appear from the annual accounts.
- (11) The Management Board is obliged within eight days after confirmation of the annual accounts to lay down for inspection a complete copy thereof with the other documents of which the law prescribes publication, with the Trade Register of the place where the company has its official seat.

## **Profits. Dividends**

### **Article 15**

- (1) The general meeting shall determine the allocation of accrued profits.
- (2) Dividends may be paid only up to an amount which does not exceed the amount of the distributable reserves.
- (3) Dividends shall be paid after confirmation of the annual accounts from which it appears that payment of dividends is permissible.
- (4) The general meeting may resolve to pay an interim dividend with due observance of the provisions of paragraph 2, which observance appears from interim accounts according to the provisions of the law.
- (5) The general meeting may resolve to pay dividends from reserves which must not be kept pursuant to the law with due observance of the provision of paragraph 2.

## **General meeting of shareholders**

### **Article 16**

- (1) The general meeting of shareholders shall be held in Amsterdam.
- (2) A general meeting shall be held annually within six months after the end of the preceding financial year.
- (3) The agenda of that meeting shall, inter alia, specify the following points to be discussed:
  - a. report of the Management Board about the business and the management of the company, carried on in the preceding financial year;
  - b. adoption of the annual accounts and appropriation of profits;
  - c. provisions to be made for existing vacancies;
  - d. proposals of the Management Board, Supervisory Board, shareholders or other persons entitled to vote, brought up for discussion and announced with proper observance to the provisions of these Articles of Association.

### **Article 17**

- (1) Notification of general meetings shall be given by the Management Board or by the Supervisory Board, but in each case notice must be given at least fifteen days prior to the date of the meeting.
- (2) The subjects to be discussed shall be stated in the notification of the meeting.
- (3) Shareholders, holders of depository receipts, life tenants and pledgees shall be notified of general meeting by letters sent to the addresses according to the register mentioned in Article 4.

### **Article 18**

As long as the entire issued capital is represented at a meeting, valid resolutions can be adopted on all subjects brought up for discussion, even if the formalities

mentioned in the law or in these Articles of Association for the notification of and holding of meetings have not been complied with, provided they are adopted unanimously.

#### Article 19

- (1) The general meetings shall be chaired by chairman of the Supervisory Board and in case of his absence, by one of the other members of the Supervisory Board designated by them in common accord.
- (2) If none of the supervisory Board members is present or if the Supervisory Board members present refuse to take the chair, the meeting itself shall provide for the chairman.
- (3) Minutes shall be kept of the proceedings of each and every meeting by a person designated by the chairman, the minutes shall be confirmed and signed by the chairman and the person who has taken the minutes, unless at the request of those who have convened the meeting, notarial minutes are drawn up by a notary designated by them, in which case these notarial minutes shall be signed in accordance with the law.

#### Article 20

- (1) All resolutions shall be adopted by an absolute majority of the votes cast.
- (2) Each share confers the right to cast one vote.
- (3) Representation by proxy shall be permitted upon production of a written power of attorney deemed sufficiently in the discretion of the chairman of the meeting.

#### Article 21

Unless the company has cooperated with the issuance of depository receipts or unless any person has the same status as a holder of depository receipts, resolutions of shareholders, may instead of in general meetings, also be taken in writing (including telegraph and telex), provided this is done unanimously by all the shareholders entitled to vote.

### **Alteration of Articles of Association**

#### Article 22

If a proposal for the alteration of the Articles of Association is made to the general meeting, a copy of such resolution in which the proposed alteration is quoted in full shall simultaneously be filed at the office of the company until the end of the meeting, for inspection by those so entitled thereto by law.

### **Dissolution**

#### Article 23

- (1) Upon the dissolution of the company by virtue of a resolution of the general meeting, the Management Board shall be charged with the

liquidation and the Supervisory Board with the supervision thereof, unless the general meeting shall decide otherwise.

- (2) The general meeting shall fix the remuneration of the liquidators.
- (3) The liquidation shall be effected with due observance to the applicable provisions of the law.
- (4) The remainder of the assets of the company, after payment of all creditors, shall be distributed to the shareholders in proportion to the nominal value of their share holding.
- (5) During the liquidation the Articles of Association shall remain applicable as far as possible.