

# Invitation to the Annual General Meeting

We have pleasure in inviting holders of ordinary and preferred shares to the Annual General Meeting of shareholders to be held at 10.00 a.m. on Thursday, April 24, 2003 at the Congress Centrum Hamburg, Am Dammtor, 20355 Hamburg.

## Agenda

**1. Presentation of the confirmed financial statements, the consolidated financial statements, the management report and the Group management report for the financial year ended December 31, 2002, together with the report of the Supervisory Board**

**2. Resolution on appropriation of net earnings available for distribution of Volkswagen AG**

The Supervisory Board and the Board of Management propose the following appropriation of the net earnings of Volkswagen AG for the financial year 2002 totalling 565,375,659.23 Euro

- a) A partial amount of 362,141,763.10 Euro for payment of a dividend of 1.30 Euro on each ordinary share eligible for dividend.
- b) A partial amount of 143,124,060.80 Euro for payment of a dividend of 1.36 Euro on each preferred share eligible for dividend.
- c) The remainder to be carried forward.

Treasury shares no longer held by the Company on the day of the Annual General Meeting would be eligible for a dividend.

**3. Resolution on ratification of the actions of the Board of Management for the financial year 2002**

The Supervisory Board and Board of Management recommend that the actions of the members of the Board of Management in the financial year 2002 be formally ratified.

**4. Resolution on ratification of the actions of the Supervisory Board for the financial year 2002**

The Supervisory Board and Board of Management recommend that the actions of the members of the Supervisory Board in the financial year 2002 be formally ratified.

**5. Resolution on amendments to the Articles of Association**

In response, in particular, to amendments to the German Corporation Act and in implementation of the recommendations of the German Corporate Governance Code, the Supervisory Board and Board of Management propose

- a) that Section 13 subsection 3 of the Articles of Association (Voting on the Supervisory Board and its committees) be amended as follows:

"Any Supervisory Board member who is unable to attend a meeting of the Supervisory Board or its committees shall be entitled to vote on the individual agenda items by means of written proxy submitted by another member. For the Chairman, this shall also apply with regard to his second vote."

- b) that Section 16 subsection 2 of the Articles of Association (Form of meeting and mode of voting on the Supervisory Board) be amended as follows:

"The presiding Chairman shall determine the form of meeting and mode of voting on the Supervisory Board and its committees. If so determined by the Chairman from case to case, meetings may also be conducted, or members participate in meetings, by means of telecommunication links. The Chairman may also determine that the resolutions passed by the members of the Supervisory Board or its committees be issued in writing, by telephone, or in some other comparable form."

- c) that Section 18 subsection 2 of the Articles of Association (Recompense for special functions in the remuneration of Supervisory Board members) be amended as follows:

"The Chairman of the Supervisory Board shall receive three times the amount; his deputy and the Chairman of a committee of the Supervisory Board double the amount; and the members of a committee of the Supervisory Board one and a half times the amount. Where a member performs more than one function, the remuneration shall be limited to the highest set amount for any one of the functions performed."

- d) that Section 18 subsection 3 of the Articles of Association (Attendance fees and reimbursement of turnover tax for Supervisory Board members) be amended as follows:

"For attendance at a meeting of the Supervisory Board each attending member shall receive an attendance fee of 1,000.00 Euro in addition to reimbursement of expenses incurred. The Company shall reimburse to each Supervisory Board member the turnover tax incurred on his or her remuneration."

- e) that Section 22 subsection 1 of the Articles of Association (Depositing of shares for participation in the Annual General Meeting) be amended as follows:

"Entitlement to attend the Annual General Meeting and to exercise voting rights is restricted to shareholders who, at the latest by the end of the seventh day prior to the day of the Annual General Meeting, deposit their shares or certificates of deposit of their shares from a bank for central deposit of securities at a notary, at a bank for central deposit of securities, at a bank listed in the Invitation to the Annual General Meeting or at another such

depository listed in the Invitation to the Annual General Meeting, and leave them there until the end of the Annual General Meeting.“

## **6. Resolution on authorization to acquire and use treasury shares**

The Supervisory Board and Board of Management propose the following resolutions:

- a) that the Board of Management, with the consent of the Supervisory Board, be authorized to resell the ordinary treasury shares in Volkswagen AG held in the Volkswagen Group, observing the principle of equality of all shareholders, such resale being not allowed for the purposes of trading in treasury shares, or
- to introduce them onto foreign stock exchanges on which they have not previously been traded, or
  - to offer and transfer them in the course of a merger with companies or in the course of acquisition of companies or investments in companies, or
  - to call them in without further resolution by the Annual General Meeting.

The said shares may also be held and used, observing the other provisions laid down in this resolution, by other Group companies and/or by third parties for the account of Volkswagen AG or for the account of other Group companies.

This authorization is effective from October 17, 2003 and shall remain applicable until October 24, 2004. It replaces the resolution on authorization to use acquired treasury shares passed by the Annual General Meeting of Volkswagen AG on April 16, 2002 under agenda item 6.

- b) that the Board of Management be authorized, with the consent of the Supervisory Board, following the full or partial sale and following transfer to a company outside of the Group, or following call-in of the treasury shares held, again to acquire optionally ordinary shares and/or non-voting preferred shares in Volkswagen AG once or more than once up to a maximum of 10 % of the share capital, i.e. up to a total of 42,552,822 shares, through the stock market or by means of a public tender to all shareholders and, likewise in accordance with the above provisions, to utilize the said shares. Treasury shares held by the Company must at no time represent more than 10 % of the share capital. The said shares may also be acquired, held and used, observing the other provisions laid down in this resolution, by other Group companies and/or by third parties for the account of Volkswagen AG or for the account of other Group companies.

This authorization is effective from October 17, 2003 and shall remain applicable until October 24, 2004. It replaces the resolution on authorization to acquire treasury shares passed by the Annual General Meeting of Volkswagen AG on April 16, 2002 under agenda item 6.

- c) that, in the event of acquisition on the stock exchange, the countervalue per share (excluding ancillary expenses) must not exceed or fall below the price of the ordinary or preferred shares determined by the opening auction in XETRA trading (or a comparable successor system) by more than 5 % on the day of trading.

- d) that, in the event of a public tender to all shareholders, the offer price or the limits of the offered purchase price span per share (excluding ancillary expenses) must not exceed or fall below the closing price of the ordinary or preferred shares in XETRA trading (or a comparable successor system) by more than 20 % on the day of trading prior to publication of the offer. If the market price exceeds the offer price following publication of a formal offer, the offer price may be adjusted. In such case the price shall be based on the corresponding price on the last trading day prior to publication of the adjusted offer. The volume of the offer may be limited. Where the total subscription to the offer exceeds the said volume, acceptance must be based on a quota system. Provision may be made for preferential acceptance of low volumes of up to 100 tendered shares per shareholder.
- e) that the Board of Management be authorized, with the consent of the Supervisory Board, to utilize the authorizations issued under a) and b) once or more than once, individually or jointly. The price at which shares in Volkswagen AG are introduced onto additional stock exchanges pursuant to the authorization under a) and b) must not fall more than 5 % below the price (excluding ancillary expenses) of the ordinary or preferred shares determined in XETRA trading (or a comparable successor system) at the end of the placement period. The price at which they are sold to third parties must not fall more than 5 % below the price (excluding ancillary expenses) of the ordinary or preferred shares determined by the opening auction in XETRA trading (or a comparable successor system) on the day of a binding agreement with the third party.
- f) that the subscription rights of shareholders to the treasury shares be excluded in cases in which the said shares are introduced onto foreign stock exchanges or are offered and transferred to third parties in the course of a merger with companies or in the course of acquisition of companies or investments in companies.

In accordance with Section 71 subsection 1, no. 8, in conjunction with Section 186 subsection 4 clause 2 of the German Corporation Act, the Board of Management submits the following **report** in respect of item 6 of the agenda of the Annual General Meeting:

The Annual General Meeting of Volkswagen AG on April 16, 2002 had authorized the Company to utilize existing treasury shares and to acquire additional treasury shares up to October 16, 2003. This authorization was not utilized in 2002.

The purpose of the resolution proposed under item 6 of the agenda of this year's Annual General Meeting is to enable Volkswagen AG, from October 16, 2003, to continue to utilize the existing treasury shares for the above purposes and to acquire additional treasury shares, and to resell them observing the principle of equality of all shareholders, such resale being not allowed for the purposes of trading in treasury shares.

The treasury shares may also be used to introduce shares in the Company on stock exchanges on which shares in Volkswagen AG have not previously been quoted. On the international capital markets Volkswagen AG is faced by heavy competition. Consequently, it may also be necessary to introduce shares in Volkswagen AG on additional foreign stock exchanges. The use by Volkswagen AG of treasury shares for this purpose would aid the introduction of Volkswagen shares on additional foreign stock exchanges.

Another reason for the proposed resolutions is to enable Volkswagen AG to have at its disposal treasury shares in order to offer and transfer such shares as a quid pro quo in the course of mergers or when acquiring companies or investments in companies. This form of quid pro quo is becoming increasingly necessary in international competition as a result of the globalization of business.

These purposes are aided by the proposed exclusion of subscription rights of shareholders.

Volkswagen AG is also to be enabled to call in treasury shares without further resolution by the Annual General Meeting.

The Board of Management will report to the Annual General Meeting on any utilization of such authorization.

The said shares may also be held and used, observing the other provisions laid down in this resolution, by other Group companies and/or by third parties for the account of Volkswagen AG or for the account of other Group companies.

In addition to acquisition on the stock exchange, the Company shall also be enabled to acquire treasury shares by means of public tender. In this variant, any Volkswagen AG shareholders willing to sell shares can decide how many shares they wish to offer and, where a price span is set, also at what price they wish to offer them. If the volume of shares offered at the set price exceeds the number of shares required by Volkswagen AG, the acceptance of offers must be based on a quota system. In this system, provision shall be made for preferential acceptance of low-volume offers or small portions of offers up to a maximum of 100 shares. The object of this provision is to avoid fractional amounts when setting the quotas to be acquired, as well as any residual shares, thereby facilitating the technical handling of the tender procedure.

## **7. Resolution on approval of inter-company agreements**

The Supervisory Board and the Board of Management propose that approval be given to the following control and profit assumption agreements:

- a) between Volkswagen AG and Volkswagen Gebrauchtfahrzeughandels und Service GmbH, Hanover, on May 16, 2002.
- b) between Volkswagen AG and AutoVision GmbH, Wolfsburg, on November 18, 2002.

Volkswagen AG is the sole owner of both companies. The agreements contain the following main provisions:

- The management of the companies is under the direction of Volkswagen AG.
- The companies are required to transfer their net earnings available for distribution to Volkswagen AG.
- Volkswagen AG is required to compensate for any annual losses incurred by the companies in accordance with Section 302 of the German Corporation Act.

- The companies may create Other Revenue Reserves out of their net earnings provided that reasonable commercial judgement indicates that there is economic justification for doing so. Other Revenue Reserves formed within the period of the control and profit assumption agreement must be reversed on request of Volkswagen AG and used to equalize annual shortfalls or transferred to Volkswagen AG as profit.
- The agreement with Volkswagen Gebrauchtfahrzeughandels und Service GmbH is valid initially for a period of five years, backdated to the date of founding of the company (June 20, 2002). The agreement with AutoVision GmbH is valid from January 1, 2002, initially for a period of 10 years. The backdating of the two agreements does not relate to the authority to direct. At the end of their terms the agreements shall be renewed automatically for a further year each year unless terminated by one of the parties observing a period of notice of three months to the end of the calendar year.

The control and profit assumption agreements, the financial statements and the management reports of the parties for the past three financial years as well as the joint reports in accordance with Section 293 a of the German Corporation Act submitted by the Board of Management of Volkswagen AG and the managements of the dependent companies shall be open to inspection by the shareholders at the premises of the respective parties as from the date on which the Annual General Meeting is convened, as well as being accessible on the Internet at "<http://www.volkswagen-ir.de>". The said documentation shall also be open to inspection at the Annual General Meeting of Volkswagen AG.

## **8. Appointment of auditors for the financial year 2003**

The Supervisory Board proposes that PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hanover, be appointed auditors for the financial year 2003.

Entitlement to attend the Annual General Meeting and to exercise voting rights is restricted to shareholders, and with regard to voting rights holders of ordinary shares, who, in accordance with the Articles of Association, deposit their shares or certificates of deposit of their shares from a bank for central deposit of securities at the latest by April 17, 2003 at one of the depositories listed below, at a notary or a bank for central deposit of securities, and leave them there until the end of the Annual General Meeting.

Depositories are the following banks with their branches in the **Federal Republic of Germany**:

Dresdner Bank AG  
 Deutsche Bank AG  
 COMMERZBANK AG  
 Bayerische Hypo- und Vereinsbank AG  
 Bayerische Landesbank Girozentrale  
 ING BHF-BANK AG  
 DekaBank Deutsche Girozentrale  
 DZ BANK AG Deutsche Zentral-Genossenschaftsbank  
 Norddeutsche Landesbank Girozentrale  
 WestLB AG

in **Belgium:**

Banque Bruxelles Lambert S.A.

in **France:**

Société Générale S.A.

in **Great Britain:**

UBS Warburg

in **Italy:**

IntesaBci S.p.A.

in **Japan:**

Mizuho Trust and Banking Co., Limited

in **Luxembourg:**

DEXIA Banque Internationale à Luxembourg S.A.

in the **Netherlands:**

ABN AMRO Bank N.V.

in **Austria:**

Bank Austria AG

in **Switzerland:**

UBS AG

Credit Suisse First Boston

in **Spain:**

Banco Bilbao Vizcaya Argentaria, S.A.

It is also permissible, with the agreement of a depository, to hold the shares at another bank and block them until the end of the Annual General Meeting.

The depositories and the Company distribute tickets for admission to the Annual General Meeting.

Voting rights may also be exercised by power of attorney or by a shareholders' association.

To facilitate the exercising of their voting rights, we offer our shareholders the option to exercise their voting rights at the Annual General Meeting by way of named Company proxy. Any shareholder wishing to make use of this facility must be in possession of a ticket for admission to the Annual General Meeting. The original of the proxy form printed on the ticket, including voting instructions, must be completed, signed and returned to the following address only:

Volkswagen AG  
HV-Stelle  
Brieffach 1848  
38436 Wolfsburg

The documents must be received at that address by no later than Thursday, April 17, 2003.

Motions submitted to the Annual General Meeting pursuant to Section 126 subsection 1 of the German Corporation Act shall be published on the Internet at:

<http://www.volkswagen-ir.de>

The precondition for this is that they be received, accompanied by proof of share ownership, by no later than midnight on April 10, 2003 at the following address:

Volkswagen AG  
HV-Stelle  
Brieffach 1848  
38436 Wolfsburg

Counter-motions may also be communicated by fax (only to: +49 53 61 / 92 36 91) or e-mail (only to: [hvstelle@volkswagen.de](mailto:hvstelle@volkswagen.de)).

Responses of the Company management to the said counter-motions shall likewise be published on the Internet at "<http://www.volkswagen-ir.de>". Counter-motions shall be submitted in German. If they are also to be published in English, a translation must be provided.

**VOLKSWAGEN AKTIENGESELLSCHAFT**

The Board of Management

Wolfsburg, March 2003

**Chairman of the Supervisory Board:**

Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch

**Board of Management:**

Dr.-Ing. e. h. Bernd Pischetsrieder  
Dr. rer. pol. h. c. Bruno Adelt  
Dr. Robert Büchelhofer  
Francisco Javier Garcia Sanz  
Dr. rer. pol. h. c. Peter Hartz  
Dr. jur. Jens Neumann  
Dipl. Wirt.-Ing. Hans Dieter Pötsch  
Dr.-Ing. h. c. mult. Folker Weißgerber  
Dr. rer. nat. Martin Winterkorn

Head Office: Wolfsburg

Inscribed in the Register of Companies of the local court in Wolfsburg under HRB 1200