

VOLKSWAGEN

AKTIENGESELLSCHAFT

Articles of Association

As at March 2006

I. General Provisions

§ 1

Name and Registered Office

The name of the company is:

VOLKSWAGEN AKTIENGESELLSCHAFT

The company has its registered office at Wolfsburg.

§ 2

Objects of the Enterprise

- (1) The objects of the enterprise are the manufacture and sale of vehicles and engines of all kinds, accessories therefore as well as all other equipment, machinery, tools and other technical products.
- (2) The company is entitled to do all such things and take all such measures as are connected with the objects of the enterprise or as appear capable of furthering such objects directly or indirectly. It may, in pursuance thereof, also establish branches within Germany and abroad, found and acquire other enterprises or participate in such enterprises.

§ 3

Notices

The Company's notices are published in the electronic "Bundesanzeiger" (Federal Gazette), insofar as the law does not require anything to the contrary.

II. Capital Stock and Shares

§ 4

Capital Stock

- (1) The capital stock of the company totals 986,748,741.12 Euro and is divided into 280,210,447 ordinary shares and 105,238,280 non-voting preferred shares.
- (2) Upon distribution of profits, the non-voting preferred shares shall enjoy the preferential rights set out in § 28 of the Articles of Association. The right remains reserved, pursuant to § 141 subsection 2 clause 2 of the German Corporation Act, to issue additional preferred shares which, upon distribution of profits or the company's assets, shall rank equally with the then existing non-voting preferred shares.
- (3) The shares are no par value bearer shares.
- (4) The Board of Management is authorized to raise the capital stock once or more than once by a total of up to 400,000,000.00 Euro up to April 21, 2009, with the Supervisory Board's approval, by issuing in return for cash contributions new bearer ordinary shares and/or new non-voting bearer preferred shares. The shareholders shall be granted subscription rights.

However, the Board of Management is authorized to exclude uneven amounts from the shareholders' subscription right and to exclude subscription rights for an amount up to a total of 100,000,000.00 Euro to be able to issue the new stock at an issue price not substantially below the market price (Sections 203 subsections 1 and 2, 186 subsection 3 clause 4 of the German Corporation Act). Likewise, the Board of Management is authorized to exclude subscription rights insofar as it is necessary to grant the holders of warrants attaching to option bonds and convertible bonds a subscription right to new shares to the extent that they would be eligible after exercising the option or conversion right. In the event of simultaneous issue of ordinary and preferred shares, the Board of Management is authorized to exclude the subscription right of holders of shares of one category to shares of the other category, insofar as the subscription ratio is set at the same level for both categories. The Board of Management shall decide on the further share rights and the conditions of issue with the approval of the Supervisory Board.

- (5) The Board of Management is authorized, with the Supervisory Board's approval, to raise the capital stock once or more than once by a total of up to 130,000,000.- Euro up to June 6, 2006, by the issue of new bearer ordinary shares in return for cash contributions and/or contributions in kind.
The Board of Management is further authorized, with the Supervisory Board's approval, to exclude the subscription rights of stockholders where the shares are issued against contributions in kind. Otherwise resultant uneven amounts may also be excluded from the stockholders' subscription rights. Likewise, the Board of Management is authorized to exclude subscription rights insofar as it is necessary to grant the holders of warrants attaching to option bonds and convertible bonds a subscription right to new shares to the extent that they would be eligible after exercising the option or conversion right. The Board of Management shall decide on the further share rights and the conditions of issue with the approval of the Supervisory Board.
- (6) Capital stock of the Company is raised conditionally by up to 28,599,321.60 Euro through the issue of bearer ordinary shares. The conditional capital increase shall only be effected to the extent that the holders of convertible bonds issued by Volkswagen AG pursuant to the authorization of the Annual General Meeting on June 19, 1997, excluding right of subscription by shareholders, for the purpose of issue to the Board of Management, the Group top management, the management and standard-rate employees, exercise their rights of conversion of the bonds into new ordinary shares. The new ordinary shares shall participate in profit as of the beginning of the fiscal year in which they are created by exercising of conversion rights.
- (7) The capital stock of the Company is raised conditionally by up to 100,000,000.00 Euro through the issue of new bearer ordinary shares and/or new non-voting bearer preferred shares. The potential capital increase shall only be effected to the extent that
- the holders of conversion rights or warrants attaching to option bonds issued by Volkswagen AG or by companies in which it holds a direct or indirect majority share up to April 21, 2009 exercise their conversion or option rights, or
 - the holders of convertible bonds issued by Volkswagen AG or by companies in which it holds a direct or indirect majority share up to April 21, 2009 entailing conversion obligations fulfill their obligations to convert.

The new shares shall participate in profit as of the beginning of the financial year in which they are created by exercising of conversion or option rights or by fulfillment of conversion obligations.

- (8) Capital stock is raised conditionally by up to 35,501,958.40 Euro by issuing new bearer ordinary shares. The conditional capital increase shall only be effected to the extent that the holders of convertible bonds issued by Volkswagen AG pursuant to the authorization of the Annual General Meeting on April 16, 2002 for the purpose of implementing a share option plan, excluding right of subscription by shareholders, exercise their rights of conversion of the bonds into new ordinary shares. The new ordinary shares shall participate in profit as of the beginning of the financial year in which they are created by exercising of conversion rights.

§ 5

Share Certificates

- (1) The form of the share certificates and of dividend coupons and renewal talons will be determined by the Board of Management with the consent of the Supervisory Board.
- (2) Shareholders are not entitled to claim individual certification of their interest, to the extent that certification is not required by the rules that apply on a stock exchange on which the shares are listed. Global certificates on shares may be issued.

III. The Board of Management

§ 6

Composition and By-Laws

- (1) The number of the members of the Board of Management will be determined by the Supervisory Board. The Board of Management must consist of at least three persons.
- (2) The Supervisory Board may appoint a Chairman of the Board of Management. In the event of differences of opinion arising within the Board of Management, the Chairman of such Board shall not have any right to resolve the matter himself. In the case of an equality of votes he shall have the casting vote.
- (3) After hearing the views of the Board of Management, the Supervisory Board shall issue by-laws for the Board of Management regulating, inter alia, the allocation of responsibilities within the Board of Management.

§ 7

Legal Representation

The company will be represented by two members of the Board of Management or by one such member and one authorized signatory.

§ 8**Alternate Members of the Board of Management**

The provisions concerning the members of the Board of Management shall also apply to alternate members of the Board of Management.

§ 9**Matters Requiring Consent**

- (1) The Board of Management shall require the prior consent of the Supervisory Board before undertaking any of the following:
 1. Establishment and closure of branches
 2. Establishment and relocation of production facilities
 3. Formation and dissolution of other enterprises or acquisition and disposal of holdings in other enterprises
 4. Investments within the scope of investment programmes which are to be submitted on a regular basis and investments such as are outside the scope of such investment programmes insofar as the costs in any individual case exceed a limit to be laid down by the Supervisory Board
 5. Raising of loans or credits which exceed the scope of routine business
 6. Assumption of guarantees and similar commitments as well as granting of credits insofar as such measures exceed the scope of routine business
 7. Acquisition, disposal and encumbering of real property and equivalent rights
 8. Appointment of authorized signatories and fully authorized representatives
- (2) The Supervisory Board may make matters of other types dependent upon its consent. It may grant its general consent in advance with regard to matters of particular kinds.

§ 10**Authorized Signatory Rights**

Authorized signatory rights may be granted only such that one authorized signatory may represent the company together with a member of the Board of Management or one other authorized signatory.

IV. Supervisory Board

§ 11**Composition, Election, Resignation**

- (1) The Supervisory Board consists of twenty members.
- (2) They shall be elected for a period up to the end of the Annual General Meeting which resolves on their discharge from liability in respect of the fourth fiscal year

following the commencement of their term of office; the fiscal year in which the term of office commences shall not be included. If a member of the Supervisory Board resigns during his term of office, the election of his successor shall be effective only in respect of the remainder of the term of office of the resigning member.

- (3) A member of the Supervisory Board may at any time resign from his office with one months notice by submitting a statement in writing to the Chairman of the Supervisory Board.

§ 12

Right of Delegation

The Federal Republic of Germany and the State of Lower Saxony are each entitled to delegate two members to the Supervisory Board as long as they hold shares in the company.

§ 13

Chairman of the Supervisory Board and Casting of Votes

- (1) In accordance with § 27 subsections 1 and 2 of the German Codetermination Act of May 4, 1976, the Supervisory Board shall elect for the duration of its term of office (§ 11 subsection 2 above) a Chairman of the Supervisory Board and a deputy from among its number.
- (2) Immediately following the election of the Chairman of the Supervisory Board and of his deputy, the Supervisory Board shall establish the committee provided for in § 27 subsection 3 of the German Codetermination Act of May 4, 1976. The Supervisory Board may establish additional committees from among its number in respect of particular matters.
- (3) 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.

§ 14

Declarations of Intent by the Supervisory Board

Declarations of intent by the Supervisory Board will be given in its name by the Chairman of the Supervisory Board.

§ 15

Convening of Meetings

The Supervisory Board will be convened by the Chairman. Meetings do not require to be convened in any particular manner. When meetings are convened, notification should also be given of the agenda. The Chairman shall determine the place and time of meetings of the Supervisory Board.

§ 16 Resolutions

- (1) The Supervisory Board shall be quorate only if at least ten members participate in voting on resolutions.
- (2) 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.
- (3) Resolutions of the Supervisory Board shall require the majority of the votes cast unless these Articles of Association or the law provide otherwise. Abstentions shall not be regarded as votes cast. If voting within the Supervisory Board produces an equality of votes, the Chairman of the Supervisory Board shall, on a further vote on the same subject which likewise produces an equality of votes, have two votes. § 13 subsection 3 of the Articles of Association is also to be applied to the casting of the second vote. The Deputy Chairman shall not have a second vote.
- (4) Resolutions concerning the establishment and relocation of production facilities shall require a majority of two thirds of the members of the Supervisory Board.

§ 17 By-Laws

The Supervisory Board shall issue by-laws regulating its own affairs.

§ 18 Remuneration

- (1) In addition to reimbursement of their expenses, the members of the Supervisory Board shall receive the following remuneration for each fiscal year:
 - Fixed remuneration of 6,000 Euro, payable following the end of the fiscal year.
 - Variable remuneration of 2,500 Euro for every 0.03 Euro of dividend per ordinary share approved by the Annual General Meeting and paid to stockholders above and beyond a dividend of 0.15 Euro per ordinary share. This remuneration shall be paid following the end of the Ordinary Annual General Meeting which passes a resolution on appropriation of net earnings available for distribution.
- (2) 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.
- (3) 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.

V. Annual General Meeting

§ 19 Ordinary Annual General Meeting

The Ordinary Annual General Meeting shall take place within the first eight months of each fiscal year.

§ 20 Convening

- (1) The Annual General Meeting will be convened by the Board of Management or, in such cases as are provided for by the law, by the Supervisory Board. It shall take place at the location of the company's registered office, at the location of any German stock exchange or at another suitable location in Germany.
- (2) The Annual General Meeting must be convened at least 30 days before the end of the day by which the shareholders are required to register prior to the Meeting (see Article 22).

§ 21 Agenda

Notification must be given of the agenda at the same time as the Annual General Meeting is convened; no resolutions may be adopted on any agenda items of which notification is given subsequently. This shall not apply to matters of which notice is given at the request of a minority, pursuant to § 122 subsections 2 and 3 of the German Corporation Act, after the Annual General Meeting has been convened. In respect of such matters, resolutions may be adopted, irrespective of the majority required, only if notification of such matters is given within ten days following the convening of the Annual General Meeting.

§ 22 Attendance

- (1) To be able to attend the Annual General Meeting and exercise voting rights, shareholders must have registered by no later than the end of the seventh working day prior to the date of the Annual General Meeting in written form (section 126b of the "Bürgerliches Gesetzbuch" (BGB – German Civil Code)) in German or in English.
- (2) Shareholders must also provide evidence that they are entitled to attend the Annual General Meeting and exercise voting rights. This must occur before the end of the seventh working day prior to the Annual General Meeting by presentation of evidence of the shareholding issued by the custodian bank in written form (section 126b of the "Bürgerliches Gesetzbuch" (BGB – German Civil Code)), in German or in English. The evidence must refer to the beginning of the 21st day before the Annual General Meeting.

§ 23 Chair at the Annual General Meeting

- (1) The chair at the Annual General Meeting shall be taken by the Chairman of the Supervisory Board or, if he is unable to act, by another member appointed by the Supervisory Board.
- (2) The Chairman of the Annual General Meeting shall regulate the conduct of the proceedings and determine the order in which items are to be discussed as well as the manner of voting.
- (3) The chair of the Annual General Meeting may allow the recording and transmission of the Annual General Meeting in audio and video format in part or in full, electronically or through other media. It may also be transmitted in a form to which the public has unrestricted access.
- (4) The chair of the Annual General Meeting is authorized to impose reasonable restrictions on the time available to shareholders to address the meeting and ask questions from the beginning of the Annual General Meeting. In so doing, the chair of the Annual General Meeting shall be guided by the need to ensure that the Annual General Meeting is concluded within a reasonable and appropriate time.

§ 24

Voting Right - Restrictions on Voting

- (1) Every ordinary shares shall carry one vote at the Annual General Meeting. The preferred stockholders have no voting rights. If, however, the preferred stockholders are entitled to a voting right under any mandatory provisions of the law, every preferred shares shall carry one vote. If a stockholder holds more than one fifth of the shares in the company, his voting rights shall be restricted to the number of votes granted by one fifth of the shares. Shares held by a stockholder shall also include such shares as are held by a third party for the account of the stockholder. If a stockholder is a company, the shares belonging to said company shall also include such shares as are held by a company controlling it, by any of its subsidiary companies or by any fellow group company or such as are held by a third party for the account of such companies.
- (2) Shares in the company may not be transferred in order to avoid the voting right restriction set out in subsection 1 above. In accordance with § 2 of the law relating to the transfer of share rights in Volkswagenwerk GmbH into private hands, any shares which have been transferred in such manner as to be at variance with this prohibition cannot be reassigned.

§ 25

Representational Voting

- (1) No-one may exercise voting right in his own name in respect of shares not belonging to him. Anyone exercising voting rights in respect of shares which do not belong to him shall, insofar as he is not the legal representative of the stockholder, require a proxy in writing from the stockholder. The proxy shall be effective only in respect of the next Annual General Meeting.
- (2) Anyone acting as a commercial representative of stockholders may exercise the voting right under a proxy only if the stockholder has at the same time as granting the proxy given him directions in writing on the individual items on the agenda. The proxy and the directions may be received at the earliest together with the notices prescribed by § 128 of the German Corporation Act.

- (3) The proxy form must contain the name and the place of residence as well as the number of shares held and the votes of the stockholder represented. The representative shall submit to the company, arranged in alphabetical order, the proxy forms from the stockholders represented by him. The proxy forms are to be displayed at the Annual General Meeting for inspection by all the participants prior to the first vote being taken. Only the representative is to be recorded in the list of participants (§ 129 of the German Corporation Act); he must state separately for recording in such list the number and class of the shares which do not belong to him as well as the number of votes represented by him. The company shall retain the proxy forms for three years following the Annual General Meeting; if, on the expiration of this period, judicial proceedings are pending to challenge a resolution adopted at the Annual General Meeting, the period shall be extended until a final decision has been handed down in the proceedings or such proceedings have been definitively brought to an end in some other manner. Every stockholder is on request to be allowed the opportunity to inspect the forms.
- (4) No-one may exercise at the Annual General Meeting voting rights in respect of more than one fifth of the shares.

§ 26 Resolutions

- (1) The Annual General Meeting shall adopt its resolutions by simple majority of the votes cast.
- (2) Resolutions of the Annual General Meeting in respect of which the German Corporation Act stipulates a majority comprising at least three quarters of the capital stock represented at the time the resolution is voted on shall require a majority of more than four fifths of the capital stock of the company represented at such time.

§ 27 Submission of Annual Financial Statements

- (1) The fiscal year is the calendar year.
- (2) Within the first three months of a fiscal year, the Board of Management shall prepare and submit to the auditors the annual financial statements and the annual report in respect of the preceding fiscal year. Immediately following receipt of the auditors' report, the Board of Management shall submit the annual financial statements, the annual report and the auditors' report to the Supervisory Board together with a proposal on the appropriation of net earnings available for distribution.

§ 28 Appropriation of Net Earnings Available for Distribution

- (1) The net earnings available for distribution will be distributed to the stockholders unless the Annual General Meeting resolves upon some other manner of appropriation.
- (2) The dividends due to the stockholders will always be distributed in proportion to the payments made on the stockholders' share of the capital stock and in

proportion to the time elapsed since the point in time prescribed for such payment, subject to the proviso that

1. a dividend of 11 Cents per preferred share eligible for dividend is paid. If the net earnings available for distribution are insufficient to pay the preferred dividend, the deficit is to be paid without interest out of the net earnings available for distribution in the subsequent fiscal years prior to the distribution of any dividend to the ordinary stockholders such that the earlier arrears are to be paid before the more recent ones and the preferred dividend of 11 Cents per preferred share to be paid out of the net earnings of a fiscal year in respect of said fiscal year is not to be distributed until all arrears have been paid;
 2. dividends of up to 11 Cents per ordinary share eligible for dividend attributable to all ordinary shares are paid to the ordinary stockholders;
 3. further dividends are paid to the preferred stockholders and ordinary stockholders in proportion to their share of the capital stock eligible for dividend in such a manner that the preferred shares shall be eligible for a dividend which is higher than that for the ordinary shares by 6 Cents per preferred share.
- (3) When new shares are issued, an arrangement may be made with regard to dividend entitlement which is different from the provisions contained in § 60 of the German Corporation Act.

VI. Final Provisions

§ 29

Amendment of the Articles of Association by the Supervisory Board

The Supervisory Board is empowered to resolve upon such amendments or supplementations of the Articles of Association as relate only to the wording thereof.