

# ARTICLES OF INCORPORATION

OF

## VOLKSWAGEN FINANCIAL SERVICES JAPAN KABUSHIKI KAISHA

### Chapter I - General Provisions

#### **Article 1 : Trade Name**

The Company shall be called VOLKSWAGEN FINANCIAL SERVICES JAPAN Kabushiki Kaisha (hereinafter called the "COMPANY") and shall be written VOLKSWAGEN FINANCIAL SERVICES JAPAN LTD. in English.

#### **Article 2 : Objective**

The Objective of the COMPANY is to carry out the following business :

1. Offering loans and granting guarantees ;
2. Leasing and installment credit sales agency for automobiles and interior facilities (such as show window, ornaments, lighting equipments and air conditioners and so on) and office machines for outlets and offices of automobile dealers ;
3. Selling automobiles and related goods ;
4. Non-life Insurance agency ;
5. Sales and purchase, lease, brokerage, management, maintenance and arrangement of real estate ;
6. Human resources finding service and temporary staffing service ;
7. Car rental ;
8. Business relating to acquisitions, mergers, consolidation and affiliation of enterprises ;
9. Consultation relating to all the preceding items ;
10. Any business that arises from the above items.

#### **Article 3 : Location of Principal Office**

The Principal Office of COMPANY shall be located in Shinagawa-ku, Tokyo.

#### **Article 4 : Method of Public Notices**

The Company shall make its public notices electronically. However, in the event that public

notices cannot be made electronically due to an accident or some other unavoidable condition, the public notices shall be carried in the Official Gazette (KAMPO).

**Article 4-2 : Design of Governing Bodies**

The Company shall have the following governing bodies in addition to the shareholders' meeting and directors :

1. The board of directors ;
2. Auditors ; and
3. Accounting auditors.

**CHAPTER II - Shares**

**Article 5 : Authorized Capital**

The total number of shares authorized to be issued by the COMPANY shall be 80,000 shares. The par value of each share of the COMPANY shall be Yen Fifty Thousand (¥50,000. -).

**Article 6 : Subscription Rights of New shares**

The Shareholders of the COMPANY have the right to subscribe to new shares.

**Article 7 : Regulations concerning shares**

Kinds of share certificates, entry of a change of shareholders, registration of pledge, indications of trust property, non-possession of share certificates, various reports as shareholders, re-issuance of shares as well as the other procedures and commissions concerning shares shall be made in accordance with the Regulations concerning the Handling of Shares fixed by the Board of Directors.

**Article 8 : Suspension of Register of Shareholders**

1. Change of entries in the Register of Shareholders of the COMPANY shall be suspended from the next day of the business year end until the end of the Ordinary General Meeting of Shareholders.
2. In addition to the preceding paragraph, in case of necessity the COMPANY may, upon giving two (2) weeks prior public notice, suspend for a certain period the change of entries in the Register of Shareholders.

**Article 9 : Transfer of Shares**

The transfer of shares needs the approval of the Board of directors.

### **Chapter III - General Meetings of Shareholders**

#### **Article 10 : Convening**

The Ordinary General Meeting of Shareholders shall be convened within three (3) months from the next day of the end of each period for the settlement of accounts, whereas the Extraordinary General Meetings of Shareholders may be convened whenever necessary.

#### **Article 11 : Convener and Chairman**

The General Meeting of Shareholders shall, except as otherwise provided for by laws and ordinances, be convened by the President based on the resolution for the Board of Directors and he shall act as chairman of the General Meeting.

In case the President is unable to act, another Director shall take his place according to the order fixed in advance by the resolution of the Board of Directors.

#### **Article 12 : Method of Resolution**

1. Resolution of a General Meeting of Shareholders shall, except as otherwise specified by law and ordinances or these Articles of Incorporation, be adopted by a majority of votes of the Shareholders present who hold shares representing more than two-thirds of the total number of the issued shares.
2. A Shareholder may exercise his voting rights by a proxy.

#### **Article 13 : Minutes**

The substance of the course of the proceedings at the General Meetings of Shareholders and the results thereof shall be recorded in English and Japanese minutes, on which the Directors and Auditors present as well as the chairman shall sign their names or attach their signature and seal. The Japanese Minutes shall be original.

### **Chapter IV- Directors**

#### **Article 14 : Number of Directors**

The number of Directors of the COMPANY shall not exceed ten (10).

#### **Article 15 : Appointment of Directors**

The resolution for appointing Directors shall not be made by the method of cumulative voting.

**Article 16 : Term of Office of Directors**

1. The term of office of the Directors shall be until the termination of the Ordinary General Meeting of Shareholders convened in respect of the last period for the settlement of accounts within three (3) years after their assumption of office.
2. The term of office of a Director appointed to fill a vacancy or to increase in the number thereof shall be up to the time of termination of the term of office of the other incumbents.

**Article 17 : Directors with Titles**

The COMPANY shall appoint one (1) Chairman, one (1) Vice Chairman, one (1) President and two (2) Vice President and may appoint a number of Senior Managing Directors and Managing Directors, by resolutions of the Board of Directors.

**Article 18 : Representative Directors**

1. The President shall individually represent the COMPANY.
2. In addition to the Representative Directors as mentioned in the preceding paragraph, the COMPANY may, by resolutions of the Board of Directors, appoint Directors who represent the COMPANY from among the Directors with titles as mentioned in the preceding Article.

**Article 19 : Remuneration, etc.**

The amount of the remuneration for Directors as well as the retirement allowances for such officers retired shall be determined by resolutions of the General Meeting of Shareholders.

**Chapter V - Board of Directors**

**Article 20 : Power of Board of Directors**

The Board of Directors shall, in addition to the matters provided for by laws and ordinances, decide on the administration of the important affairs of the COMPANY. The following matters must be adopted by resolution of the Board of Directors :

1. Approval of the annual budget and establishment of policies to financial activities and any major change thereof.
2. Any acquisition or disposition of the real estate for the COMPANY's own use.

3. Establishment of branches, sales offices or subsidiaries.
4. Decisions to conclude any service or marketing agreement or to cancel or to refuse the renewal of such agreement, or decisions concerning the actual use of service provided for under any such agreement.
5. Proposal to shareholders as to remuneration of Directors and Auditors.
6. Accounting and financial policies, including but not limited to recognition of income, measurement of delinquencies, write-off procedures for bad debts, setting aside of reserves, proposals for dividends and other matters.
7. Proposal to the shareholders as to the nomination for the office of directors.
8. Election of representative directors and other officers.
9. The issuance of new capital shares and the transfer of any issued shares.
10. Basic policy concerning employment of the staff.

**Article 21 : Convening of Meeting of Board of Directors**

1. The meeting of the Board of Directors shall be convened by the President who shall act as chairman of the meeting.  
In case the President is unable to act, another Director shall take his place pursuant to the order passed in advance by resolution of the Board of directors.
2. The notice to convene the meeting of the Board of Directors shall be given to each Director and the Auditors thirty (30) days prior to the date set for the meeting. However, this period of notice may be shortened in case of emergency.
3. In case the consent of all the Directors and Auditors has been obtained, the meeting of the Board of Directors may be held without complying with the procedures of convening.

**Article 22 : Resolutions of Board of Directors**

1. The resolutions of the Board of Directors shall require the affirmative vote of the majority of the Directors in office.
2. When a proposal requiring a resolution of the board of directors is made by a director, a resolution approving the proposal shall be deemed affirmatively taken if all the directors (limited to those who are allowed to participate in the subject resolution) have expressed their consent to the proposal with a written statement or an electromagnetic record of such written statement by using scanned document, unless an auditor has expressed his objection to the proposal.

**Article 23 : Minutes**

The substance of the course of the proceedings at the meeting of the Board of Directors and the results thereof shall be recorded in English and Japanese minutes, on which the Directors and Auditors present shall sign their names or attach their signatures and seal. The Japanese Minutes shall be original.

## **Chapter VI - Auditors**

### **Article 24 : Number**

The company shall have at most three auditors.

### **Article 25 : Method of Appointment and Dismissal**

1. Appointment of an auditor shall be adopted at a shareholders' meeting by a majority of the voting rights of the shareholders present, who must represent a majority of the voting rights of all shareholders.
2. Dismissal of an auditor shall be adopted at a shareholders' meeting by a special majority of two thirds or more of the voting rights of the shareholders present, who must represent a majority of the voting rights of all shareholders.

### **Article 26 : Term**

1. The term of office of an auditor shall expire at the conclusion of the annual shareholders' meeting for the last accounting period ending within four years from his assumption of office.
2. The term of office of an auditor elected to fill a vacancy shall expire at the same time as the term of the predecessor he/she has replaced would expire.

### **Article 27 : Remuneration, etc.**

Remuneration etc. of auditors shall be determined by a resolution of a shareholders' meeting.

## **Chapter VII - Accounting**

### **Article 28 : Business Year**

The business year of the COMPANY shall be one year beginning on the 1<sup>st</sup> day of January and ends on the 31<sup>st</sup> day of December of the same year.

**Article 29 : Dividends**

Dividends shall be paid to the Shareholders or Registered Pledgees - if any - duly entered in the Register of shareholders as of the end of each business year.