

IMPORTANT NOTICE

This document (the "Transaction Summary") does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Issuer. It does not comprise a prospectus for the purposes of EU Regulation (EU) 2017/1129 (as amended) or otherwise. The information set out in this Transaction Summary provides an overview of certain matters only and should be read in conjunction with the detailed information set out in the final Prospectus dated 20 March 2024 (the "Prospectus"). In the event of any inconsistency between this document and the Prospectus, the Prospectus shall prevail.

DRIVER UK Multi-Compartment S.A.
acting for and on behalf of its Compartment Driver UK eight
(incorporated with limited liability in Luxembourg with registered number B 189 629)

Notes	Nominal Amount	Issue Price	Interest Rate	Scheduled Repayment Date	Final Maturity Date	Ratings
Class A Notes	GBP 444,600,000	100 per cent.	The sum (subject to a floor of zero) of Compounded Daily SONIA + 0.60 per cent. per annum.	September 2030	September 2031	AAA(sf) from S&P AAA(sf) from KBRA AAAsf from Fitch
Class B Notes	GBP 68,100,000	100 per cent.	The sum (subject to a floor of zero) of Compounded Daily SONIA + 1.35 per cent. per annum.	September 2030	September 2031	A+(sf) from S&P AA-(sf) from KBRA AA-sf from Fitch

The ratings issued by Fitch, S&P and KBRA have been endorsed by Fitch Ratings Ireland Limited, S&P Global Ratings Europe Limited and Kroll Bond Rating Agency Europe Limited, respectively.

Underlying Assets	<p>The Initial Receivables purchased by the Issuer from the Seller on the Closing Date and the Additional Receivables purchased from VWFS on each Additional Purchase Date (together the "Purchased Receivables") comprise claims against Obligors in respect of payments due under Financing Contracts (excluding Excluded Amounts) for the provision of credit for the purchase of motor vehicles.</p> <p>Although the borrower ("Obligor") is the registered keeper of the vehicle, the Seller retains title to the vehicles. The Financing Contracts contain provisions entitling, but not obliging, the Obligor to purchase the vehicle at the end of the hire period, normally on payment of a specified purchase fee.</p>
Redemption Provisions	<p>Information on any optional and mandatory redemption of the Notes is summarised on page 83 "<i>GENERAL ABSTRACT OF THE CONDITIONS OF THE NOTES - Optional Redemption of the Notes / Clean-Up Call Option</i>" and on pages 46-65 of the section "<i>TRANSACTION OVERVIEW</i>" of the Prospectus.</p>
Credit Rating Agencies	<p>Ratings have been assigned to the relevant Notes by Fitch Ratings Limited ("Fitch"), S&P Global Ratings UK Limited ("S&P") and Kroll Bond Rating Agency UK Limited ("KBRA"). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the European Union "EU" and registered or certified under Regulation (EC) No 1060/2009 of the European Parliament (the "CRA Regulation"), as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 ("CRA3") and UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered or certified under CRA3 as it forms part of domestic law of the United Kingdom by virtue of the EUWA and as amended by the Credit Rating Agencies (Amendment, etc) (EU Exit) Regulations 2019 (the "UK CRA Regulation"). Each of Fitch, S&P and KBRA is established in the United Kingdom and registered under the UK</p>

	<p>CRA Regulation. The ratings issued by Fitch, S&P and KBRA have been endorsed by Fitch Ratings Ireland Limited, S&P Global Ratings Europe Limited and Kroll Bond Rating Agency Europe Limited, respectively. Each of Fitch Ratings Ireland Limited, S&P Global Ratings Europe Limited and Kroll Bond Rating Agency Europe Limited is established in the European Union and registered under the CRA Regulation. The assignment of ratings to the Notes or an outlook on these ratings is not a recommendation to invest in the Notes and may be revised, suspended or withdrawn at any time.</p> <p>SONIA</p> <p>EU Benchmarks Regulation Amounts payable under the Notes are calculated by reference to Compounded Daily SONIA, which is provided by the Bank of England (the “SONIA administrator”). As at the date of the Prospectus, the SONIA Administrator does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the “EU Benchmarks Regulation”). As far as the Issuer is aware, Article 2 of the EU Benchmarks Regulation applies, such that the SONIA administrator, is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).</p> <p>UK Benchmarks Regulation As at the date of this Prospectus, the Bank of England, as administrator of SONIA, does not appear on the register of administrators and benchmarks established and maintained by the FCA pursuant to the Benchmarks Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the “UK Benchmarks Regulation”). The Bank of England is exempt under Article 2 of the UK Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions.</p>
<p>Credit Ratings</p>	<p>As at the date of the Prospectus the Class A Notes are rated AAA (sf) by S&P, AAA(sf) by KBRA and AAAsf by Fitch. As at the date of the Prospectus the Class B Notes are rated AAAsf by Fitch, A(high)(sf) by S&P, and AA-(sf) by KBRA. The ratings issued by Fitch, S&P and KBRA have been endorsed by Fitch Ratings Ireland Limited, S&P Global Ratings Europe Limited and Kroll Bond Rating Agency Europe Limited, respectively, respectively. The ratings of the Class A Notes indicate the ultimate payment of principal and the timely payment of interest. The ratings of the Class B Notes indicate the ultimate payment of principal and interest. The ratings should not be regarded as a recommendation by the Issuer, or by the Joint Lead Managers or by the Rating Agencies to buy, sell or hold the Notes: such a rating is subject to revision or withdrawal at any time.</p> <p>The ratings assigned to the relevant Notes should be evaluated independently from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the Rating Agencies at any time. In the event that the ratings initially assigned to any Class of Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to such Class of Notes.</p>
<p>Listing</p>	<p>The Prospectus has been approved by the <i>Commission de Surveillance du Secteur Financier</i> of Luxembourg (the “CSSF”) in its capacity as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The CSSF only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the Luxembourg law dated 16 July 2019 on prospectuses for securities (<i>loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières</i>) (the “Luxembourg Prospectus Law”). Such approval should not be considered as an endorsement of the quality of the Notes that are subject to the</p>

	<p>Prospectus or an endorsement of the Issuer that is subject to the Prospectus. Therefore the investors should make their own assessment as to the suitability of investing in the Notes. In the context of such approval, the CSSF neither assumes any responsibility nor gives any undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with Article 6(4) of the Luxembourg Prospectus Law. Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to be admitted to trade the Notes on the regulated market of the Luxembourg Stock Exchange on 25 March 2024 (the "Issue Date"). The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EU. The Prospectus constitutes a prospectus for the purpose of Article 6(3) of the Prospectus Regulation, and, has been published in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com). The validity of the Prospectus will expire on 20 March 2025. After such date there is no obligation of the Issuer to issue supplements to the Prospectus in the event of significant new factors, material mistakes or material inaccuracies. The Prospectus is published on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com).</p> <p>Any website referred to in the Prospectus does not form part of the Prospectus and has not been scrutinised or approved by the CSSF, except for any website referred to in the section of the Prospectus headed "DOCUMENTS INCORPORATED BY REFERENCE".</p>
Obligations	<p>The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of any of the Arranger, the Joint Lead Managers, the Seller, the Servicer (if different), the Swap Counterparty, the Security Trustee, the Account Bank, the Cash Administrator, the Registrar, the Paying Agent, the Interest Determination Agent, the Corporate Services Provider, the Data Protection Trustee, or any of their respective affiliates or any other party (other than the Issuer) to the Transaction Documents. It should be noted further that the Notes will only be capable of being satisfied and discharged from the assets of the Issuer.</p>
U.S. Securities Act and Volcker Rule	<p>The notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, nor has the Issuer been registered under the United States Investment Company Act of 1940 (the "Investment Company Act"). The Issuer will be relying on an exclusion or exemption from the definition of "Investment Company" under the Investment Company Act contained in section 3(c)(1) of the Investment Company Act, although there may be additional statutory or regulatory exclusions or exemptions available to the issuer. The issuer is being structured so as not to constitute a "covered fund" for purposes of regulations adopted under section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker rule."</p>
Retention Undertaking	<p>The Seller shall, whilst any of the Notes remain outstanding retain for the life of such Notes a material net economic interest of not less than 5 per cent. with respect to the Transaction in accordance with Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation. The Seller undertakes that it will not reduce, hedge or otherwise mitigate its credit exposure to the material net economic interest for the purposes of Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation and: (a) with respect to the UK Securitisation Regulation, until such time as UK regulatory technical standards are published jointly by the FCA and PRA, Article 12 of the Commission Delegated Regulation specifying the risk retention requirements pursuant to the UK Securitisation Regulation (the "Commission Delegated Regulation") (BTS 625/2014 as amended by Annex R of The Technical Standards (Capital Requirements) (EU Exit) (No. 3) Instrument 2019) and, pursuant to Article 43(7) of the UK Securitisation Regulation, until regulatory technical standards are adopted jointly by the FCA and PRA, provided that the level of retention may reduce over time in compliance with Article 10(2) of the Commission Delegated Regulation.(b) for the purposes of the EU Securitisation Regulation Article 12 of the Commission Delegated Regulation (EU) 625/2014, until regulatory technical standards are adopted by the Commission pursuant to Article 6(7) of the EU Securitisation Regulation, provided that the level of retention may reduce over time in compliance with</p>

	Article 10 (2) of the Commission Delegated Regulation (EU) 625/2014. As at the Issue Date, such interest will be comprised of an interest in the first loss tranche equivalent to no less than 5 per cent. of the nominal amount of the securitised exposures pursuant to Article 6(3)(d) of the UK Securitisation Regulation and Article 6(3)(d) of the EU Securitisation Regulation. Please see pages iii-iv of the Prospectus for more information.
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THE "RISK FACTORS" SECTION OF THE PROSPECTUS CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.

Arranger

Lloyds Bank Corporate Markets plc

Joint Lead Manager

Citigroup Global Markets Limited

**Lloyds Bank Corporate
Markets
Wertpapierhandelsbank
GmbH**

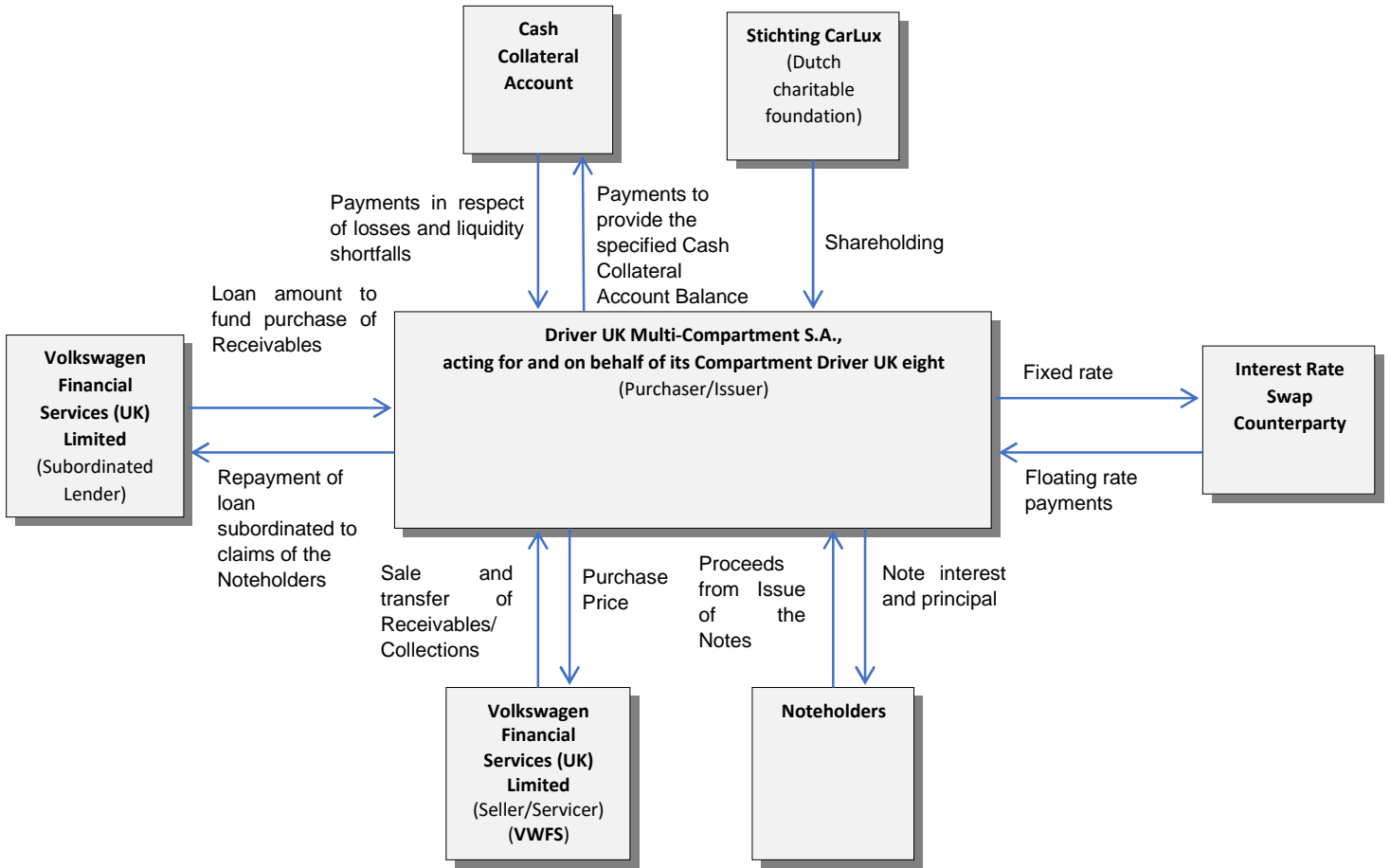
Société Générale S.A.

Neither the Arranger nor the Joint Lead Managers have verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arranger or the Joint Lead Manager as to the accuracy or completeness of the information contained in the Prospectus. In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved.

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DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed:	Further Information
Issuer	Driver UK Multi-Compartment S.A., acting for and on behalf of its Compartment Driver UK eight, Luxembourg,	22-24 Boulevard Royal, L-2449 Luxembourg	N/A	Please see page 194 of the Prospectus " <i>THE ISSUER</i> "
Seller	Volkswagen Financial Services (UK) Limited (" VWFS ")	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom	N/A	Please see page 176 of the Prospectus " <i>THE SELLER AND SERVICER</i> "
Servicer	Volkswagen Financial Services (UK) Limited	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom	Appointed under the Servicing Agreement	Please see page 176 of the Prospectus " <i>THE SELLER AND SERVICER</i> "
Account Bank, Cash Administrator, Paying Agent, Interest Determination Agent	The Bank of New York Mellon, London Branch	160 Queen Victoria Street London EC4V 4LA United Kingdom	Appointed under the Account Agreement	Please see pages 47 of the Prospectus " <i>TRANSACTION OVERVIEW</i> " and page 204 of the Prospectus " <i>ACCOUNT BANK, CASH ADMINISTRATOR, PAYING AGENT, INTEREST DETERMINATION AGENT AND REGISTRAR</i> "
Registrar	The Bank of New York Mellon, Luxembourg Branch	Multi Tower, Boulevard Anspachlaan 1, B-1000, Brussels, Belgium	Appointed under the Account Agreement	Please see pages 47 of the Prospectus " <i>TRANSACTION OVERVIEW</i> " and page 204 of the Prospectus " <i>ACCOUNT BANK, CASH ADMINISTRATOR, PAYING AGENT, INTEREST DETERMINATION AGENT AND REGISTRAR</i> "
Subordinated Lender	Volkswagen Financial Services (UK) Limited (" VWFS ")	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom	Appointed under the Subordinated Loan Agreement	Please see page 47 of the Prospectus " <i>TRANSACTION OVERVIEW</i> "
Swap Counterparty	The Royal Bank of Canada	1 Place Ville Marie,	Appointed under the Swap	Please see page 47 of the Prospectus

Party	Name	Address	Document under which appointed:	Further Information
		Montreal, Quebec H3C 3A9, Canada	Agreements	" <i>TRANSACTION OVERVIEW</i> " and pages 199-201 of the Prospectus " <i>SWAP AGREEMENT AND SWAP COUNTERPARTY</i> "
Security Trustee	Intertrust Trustees GmbH	Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany	Appointed under the Trust Deed and the Deed of Charge and Assignment	Please see page 202 of the Prospectus " <i>SECURITY TRUSTEE</i> "
Corporate Services Provider	Circumference FS (Luxembourg) S.A.	22-24 Boulevard Royal, L-2449 Luxembourg	Appointed under the Corporate Services Agreement	Please see page 205 " <i>CORPORATE ADMINISTRATION</i> "
Data Protection Trustee	Data Custody Agent Services B.V.	Basisweg 10, 1043 AP Amsterdam, The Netherlands	Appointed under the Data Protection Trust Agreement	Please see page 47 of the Prospectus " <i>TRANSACTION OVERVIEW</i> "
Clearing Systems	Clearstream Banking société anonyme Luxembourg and Euroclear S.A./N.V.	Clearstream: 42 Avenue JF Kennedy, L-1855, Luxembourg Euroclear: 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium	N/A	Please see page 47 of the Prospectus " <i>TRANSACTION OVERVIEW</i> "
Rating Agencies	S&P Global Ratings UK Limited (" S&P ") Fitch Ratings Limited (" Fitch ") Kroll Bond Rating Agency UK Limited (" KBRA ")	S&P Global Ratings UK Limited: 20 Canada Square, Canary Wharf, London E14 5LH, United Kingdom Fitch Ratings Limited: 30 North Colonnade, London E14 5GN, United Kingdom Kroll Bond Rating Agency: UK Limited: 2 Floor 1 Connaught Place LONDON, W2 2ET United Kingdom.	N/A	Please see page 47 of the Prospectus " <i>TRANSACTION OVERVIEW</i> "

RECEIVABLES POOL AND SERVICING

Please refer to the sections entitled "PURCHASED RECEIVABLES", "DESCRIPTION OF THE PORTFOLIO", and "THE PURCHASED RECEIVABLES POOL" of the Prospectus for further detail in respect of the characteristics of the Receivables and the sale and the servicing arrangements in respect of the Receivables.

Sale of Portfolio

The Initial Receivables were sold by the Seller pursuant to the Receivables Purchase Agreement and arose from loans granted to Obligor for the financing of the vehicles under the Financing Contracts. See further "DESCRIPTION OF THE PORTFOLIO" on page 97 of the Prospectus. Additional Receivables will be sold by VWFS to the Issuer pursuant to the Receivables Purchase Agreement, and arise from loans granted to Obligor for the financing of vehicles under the Financing Contracts.

The Receivables Purchase Agreement provides that the Issuer will, during the Revolving Period, on any Payment Date (each an "Additional Purchase Date") apply the amount standing to the credit of the Accumulation Account to purchase from VWFS any Additional Receivables if and to the extent offered by VWFS subject to the fulfilment of certain conditions. Such conditions include, inter alia, the requirement that (a) the Additional Receivables meet the Eligibility Criteria set forth in the Receivables Purchase Agreement and (b) that the Additional Receivables are subject to the first floating charge pursuant to clause 4 (*Floating Charge*) of the Deed of Charge and Assignment. Where the Additional Receivables include Scottish Receivables, pending perfection under Scots law of such sale by duly intimated assignation, VWFS will hold the benefit of the Scottish Receivables and the other Scottish Trust Property in trust for the benefit of the Issuer on the terms of a Scottish Trust.

In addition, at the same time as completion of such sale of Receivables originated by VWFS:

- (a) the Issuer and VWFS will execute a Scottish Declaration of Trust in respect of, inter alia, those of the relevant Receivables which are Scottish Receivables and VWFS will intimate and deliver such Scottish Declaration of Trust to the Issuer; and
- (b) the Issuer will assign the benefit of the Scottish Trust so created to the Security Trustee substantially in the form of the assignation in security as set out in the Deed of Charge and Assignment and the Issuer will procure that that assignation is intimated to the Seller and delivered to the Security Trustee.

VWFS will further make certain the representations and warranties on each such Additional Purchase Date (as further described under "DESCRIPTION OF THE PORTFOLIO - Representations and Warranties in relation to the Sale of the Purchased Receivables" on pages 98-99 of the Prospectus). After the Revolving Period, the Issuer

will no longer purchase and accept assignment of Additional Receivables.

For further information please see page 103 of the Prospectus ("*THE PURCHASED RECEIVABLES POOL*").

Composition of the Purchased Loan Receivables Pool as at the Additional Cut-Off Date falling in April 2024

Outstanding Aggregate Discounted Receivables Balance	GBP 625,007,501.52
Number of Financing Contracts	30,032
Average Outstanding Discounted Receivables Balance	GBP 20,811.38
Range of Outstanding Discounted Receivables Balance	GBP 360.57 to GBP 255,997.20
Weighted average contract rate	9.20 per cent
Range of contract rates	0.00 per cent to 16.00 per cent
Weighted average remaining term	37.86 months
Range of remaining terms	6 to 60 months
Weighted average original term	47.36 months
Range of original terms	9 months to 62 months

Initial Receivables Purchase Price Representations and Warranties

GBP 625,007,501.52

VWFS represents and warrants to the Issuer and to the Security Trustee, in respect of itself (i) as at the Closing Date in relation to the Initial Receivables, and (ii) as at each Additional Purchase Date in relation to the relevant Additional Receivables, that:

- (a) the Seller is a company duly incorporated under the laws of England with full corporate power, authority and legal right to own its assets and conduct its business as such assets are presently owned and its business is presently conducted and with power to enter into the Receivables Purchase Agreement and the other Transaction Documents to which the Seller is a party and to exercise its rights and perform its obligations thereunder.
- (b) all corporate actions required to be done, fulfilled and performed in order (a) to enable the Seller lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in each Transaction Document to which the Seller is a party or under any assignment, assignation or transfer, made by it in respect of any Receivable assigned or transferred or scheduled to be assigned or

held on trust pursuant to the Receivables Purchase Agreement and (b) to ensure that the obligations expressed to be assumed by it in each Transaction Document to which the Seller is a party or under any such assignment, assignation or transfer are legal, valid and binding on it, have been done, fulfilled and performed or shall be done, fulfilled or performed prior to the execution of such Transaction Document or assignment, assignation or transfer (as the case may be).

- (c) the execution by the Seller of each Transaction Document to which the Seller is a party and the making of each assignment, assignation or transfer made by it in respect of any Purchased Receivables assigned or transferred or scheduled to be assigned or transferred pursuant to the Receivables Purchase Agreement and the exercise of its rights and the performance of its obligations in any such assignment, assignation or transfer does not and will not conflict with or violate:
 - (i) its Memorandum or Articles of Association; or
 - (ii) (to an extent or in a manner which has or is likely to have a Material Adverse Effect) any law to which it is subject.
- (d) all approvals, authorisations, consents, orders or other actions of any person or of any governmental or regulatory body or official required in connection with the execution and delivery of each Transaction Document to which the Seller is a party and/or the making of each assignment, assignation or transfer of Purchased Receivables in the manner contemplated in the Transaction Documents, the performance of the transactions contemplated by each Transaction Document to which the Seller is a party and the fulfilment of the terms thereof have been obtained.
- (e) so far as it is aware, there are no proceedings or investigations pending against it before any court, regulatory body, arbitral tribunal or public or administrative body or agency or ruling that would in its opinion if adversely determined have a material and adverse effect on the collectability of the Purchased Receivables, or result in any material impairment of the right or ability of the Seller to carry on its business substantially as now conducted, or result in any material liability on the part of the Seller, or which would render invalid the Transaction Documents to which the Seller is a party or the Purchased Receivables or the obligations of the Seller

contemplated in those documents, or which would materially impair the ability of the Seller to perform its obligations under the terms of any Transaction Document to which it is a party.

- (f) the execution of any Transaction Document to which the Seller is a party or the assignment, assignation or transfer of any Receivables in the manner therein contemplated and the exercise by the Seller of its rights and the performance of its obligations thereunder with regard to such Receivables does not and will not conflict with, or constitute a material default under, any agreement, contract, mortgage, deed of charge or other instrument to which it is a party or by which it or any of its assets is otherwise bound.
- (g) all information furnished by or on behalf of the Seller in writing to any Noteholder for purposes of or in connection with the Transaction Documents or any transaction contemplated under the Transaction Documents is true and accurate in all material respects on and as at the date such information was furnished (except to the extent that such furnished information relates solely to an earlier date, in which case such information is true and accurate in all material respects on and as at such earlier date).
- (h) the Seller has not taken any corporate action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or any or all of its assets.
- (i) the Seller is resident for tax purposes in the United Kingdom and will not cease to be treated as being resident for tax purposes in the United Kingdom by virtue of the application of Section 18 of the Corporation Tax Act 2009. It belongs in the United Kingdom for the purposes of United Kingdom VAT.
- (j) the Seller's centre of main interests is situated in the United Kingdom and it does not have an establishment, branch, business establishment or other fixed establishment other than in the United Kingdom. The terms "centre of main interest" and "establishment" have the meanings given to them: in Article 3(1) and Article 2(10) respectively (i) of the EU Insolvency Regulation and (ii) in the EU Insolvency Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA and as amended by the Insolvency (Amendment) (EU Exit) Regulations 2019

(SI 2019/146) and Insolvency (Amendment) (EU Exit) Regulations 2020) (SI 2020/647).

- (k) the Purchased Receivables are originated in the ordinary course of the business of the Seller pursuant to underwriting standards which are no less stringent than those which also apply to Financing Contracts which will not be securitised. In particular, the Seller represents and warrants that it has in place (i) effective systems to apply its standard criteria for granting the Purchased Receivables and (ii) processes for approving and, where relevant, amending, renewing and re-financing the Purchased Receivables, in order to ensure that granting of the Purchased Receivables is based on a thorough assessment of each Obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Obligor meeting its obligations under the relevant agreement. Furthermore, the Seller represents and warrants that the assessment of each Obligor's creditworthiness shall meet the requirements of Article 8 of Directive 2008/48/EC (as it applies in the UK and EU), in particular, the assessment: (i) will be performed on the basis of sufficient information, where appropriate obtained from the Obligor and, where necessary, on the basis of a consultation of the relevant database, and (ii) will be repeated before any significant increase in the total amount is granted after the conclusion of the financial contract, in combination with an update of the Obligor's financial information.
- (l) The Purchased Receivables comprised in the Portfolio will not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for purposes of article 21(2) of the UK Securitisation Regulation, in each case on the basis that the Purchased Receivables have been entered into substantially on the terms of similar standard documentation for HP Agreements, LP Agreements and PCP Agreements.

Eligibility Criteria

VWFS represents and warrants to the Issuer and to the Security Trustee, in respect of the Receivables sold by it under the Receivables Purchase Agreement, (i) as at the Initial Cut-Off Date in relation to the Initial Receivables, and (ii) as at each Additional Cut-Off Date in relation to the Additional Receivables acquired on such Additional Purchase Date, that each Purchased Receivable meets each of the following conditions (for the avoidance of doubt, when applying the conditions below the Receivables have been selected randomly and not with the intention to prejudice the Noteholders):

- (a) that the purchase of the Receivables may not have the result that the Aggregate Discounted Receivables Balance of all Purchased Receivables exceeds the following concentration limits with respect to the percentage of Discounted Receivables Balance generated under Financing Contracts for (i) used vehicles (concentration limit: 60 per cent.), (ii) used contracts (concentration limit: 55 per cent) and (iii) under Financing Contracts for non-VW group brand vehicles (concentration limit: 10 per cent.);
- (b) that none of the Obligors is an Affiliate of the Seller;
- (c) that the related Financing Contracts have been entered into exclusively with Obligors which, if they are corporate entities have their registered office in England, Scotland, Northern Ireland or Wales or, if they are individuals have their place of residence in England, Scotland, Northern Ireland or Wales;
- (d) that (according to the Seller's records) no pending bankruptcy or insolvency proceedings are initiated against any of the Obligors;
- (e) that such Purchased Receivable is denominated and payable in Sterling;
- (f) that no Purchased Receivable is overdue;
- (g) that the related Financing Contracts shall be governed by the laws of England and Wales, Northern Ireland or Scotland (depending on where the Obligor is resident or incorporated);
- (h) that the relevant Financing Contracts constitute legal valid, binding and enforceable agreements with full recourse to the Obligor;
- (i) that the status and enforceability of the Purchased Receivables is not impaired due to warranty claims or any other rights of the Obligor (even if the Issuer knew or could have known on the Cut-Off Date of the existence of such defences or rights);
- (j) that the status and enforceability of the Purchased Receivables is not impaired by set-off rights and that no Obligor maintains deposits on accounts with VWFS;
- (k) that those related Financing Contracts which are regulated by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 comply in all material respects with the requirements of the Consumer Credit Act 1974, as amended, (the "CCA"), associated secondary legislation on consumer financing and the rules in the Consumer Credit Sourcebook within the FCA Handbook and, in particular contain legally accurate instructions in respect of the right of revocation of the Obligors and that none of the Obligors has used its right of

revocation within the term of revocation;

- (l) that such Purchased Receivable arises under a Financing Contract that (a) contains an obligation to pay a specified sum of money and is subject to no contingencies (other than an obligation to pay interest on overdue amounts), (b) does not require the Obligor under such Financing Contract to consent to the transfer, sale or assignment of the rights and duties of the Seller under such Financing Contract or to the sale to a third party of the Vehicle the subject thereof, and (c) does not contain a confidentiality provision that purports to restrict the Purchaser's or the Security Trustee's exercise of rights under the Receivables Purchase Agreement, including, without limitation, the right to review such Financing Contract;
- (m) that it can dispose of the Purchased Receivables free from rights of third parties and, to the best of the Seller's knowledge, the Purchased Receivables are not in a condition that can be foreseen to adversely affect the enforceability of the assignment;
- (n) the Seller is the legal and beneficial owner, free from any Security Interest, of the Purchased Receivables;
- (o) that such Purchased Receivable was generated in the ordinary course of the Seller's business from the sale of goods or provision of credit or other services to the relevant Obligor and the related Financing Contract was entered into in accordance with the Customary Operating Practices;
- (p) that other than the right to make partial early repayments as provided for in the CCA, there are no provisions in the Financing Contract related to such Purchased Receivable whereby the Obligor may reduce the amount of such Purchased Receivable payable by the Obligor below the level of the stated payments as at the date of commencement of such Financing Contract (excluding any change as a result of any change in the rate of Value Added Tax or the corporation tax or capital allowances regimes). However, at the discretion of the Servicer and in accordance with its Customary Operating Practices, the Obligor may be given an option to reschedule repayments in a manner that increases or decreases the term of such Financing Contract and the consequential finance income; provided, that the total capital repayment shall not be impacted by any such measure;
- (q) that the Seller had at the time of origination of the Financing Contract under which such Purchased Receivable arises the necessary licences pursuant to the CCA, the necessary interim permissions pursuant to the Financial Services and Markets Act 2000 and as at the date of the Receivables Purchase Agreement has the necessary permissions pursuant to the Financial Services and Markets Act 2000, and each Financing Contract

that is regulated by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 complies with the CCA, any statutory instrument or regulation made thereunder and the rules in the Consumer Credit Sourcebook within the FCA Handbook, and the Seller has not done anything that would cause such Purchased Receivable to be unenforceable under the CCA;

- (r) that on the relevant Cut-Off Date at least one instalment has been paid in respect of each of the Purchased Receivables and that the Purchased Receivables require substantially equal monthly payments to be made within seventy two (72) months of the date of origination of the Financing Contract and may also provide for a final balloon payment;
- (s) that the Seller has complied with all material laws and regulations under the Data Protection Rules with respect to such Purchased Receivable;
- (t) that the terms of the Financing Contract related to such Purchased Receivable require the Obligor to pay all insurance, repair/maintenance and taxes with respect to the related Vehicle;
- (u) that the Vehicle related to such Purchased Receivable is not recorded in the records of the Servicer as at such Purchase Date as having been (a) a total loss for insurance purposes or (b) stolen;
- (v) that the purchase of Receivables may not have the result that the total outstanding amount (for the avoidance of doubt, this refers to the Aggregate Discounted Receivables Balance) of Purchased Receivables resulting from Financing Contracts with one and the same Obligor exceeds 0.5% of the Aggregate Discounted Receivables Balance;
- (w) that each of the Purchased Receivables will mature no earlier than six (6) months and no later than seventy-one (71) months after the Cut-Off Date;
- (x) that applicable details of the Vehicle relating to such Purchased Receivable and the relevant motor finance contract have been submitted by VWFS for registration with HP Information Ltd; and
- (y) that the Obligor related to the Purchased Receivable is not:
 - (i) an Obligor who VWFS considers as unlikely to pay its obligations to VWFS and/or to an Obligor who is past due more than 90 days on any material credit obligation to VWFS; or
 - (ii) a credit-impaired Obligor or guarantor who, on the basis of information obtained (i) from the Obligor of the relevant Receivable, (ii) in the course of VWFS' servicing

of the Receivables or VWFS' risk management procedures, or (iii) from a third party:

- (1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the Purchased Receivables to the Issuer;
- (2) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to VWFS; or
- (3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by VWFS which are not securitised;

Assignment by the Seller to the Issuer of the benefit of the Receivables derived from Financing Contracts governed by the laws of England and Wales and Northern Ireland will take effect in equity only because no notice of the assignment will be given to Obligors. The assignment will be perfected following the occurrence of certain Notification Events. As described above, the Seller holds the benefit of the Scottish Receivables in trust for the Issuer prior to the occurrence of a Notification Event. Following the occurrence of a Notification Event the transfer of legal title to any Scottish Receivables to the Issuer would be perfected by assignments in favour of the Issuer entered into pursuant to the Receivables Purchase Agreement perfected by giving notice to the relevant Obligors. See the section "*Equitable Assignment*" in the Risk Factors section on page 11 of the Prospectus.

The Purchased Receivables acquired and transferred by assignment or held in trust under the Receivables Purchase Agreement have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes.

Repurchase of the Receivables and Ancillary Rights

- (i) Remedy for breach of representation and warranty

Under the Receivables Purchase Agreement, in the event of a breach of a warranty given by VWFS in relation to a Receivable and such breach materially and adversely affects the interests of the Issuer, the Seller shall have until the end of the Monthly Period which includes the sixtieth (60th) day (or, if the Seller elects, an earlier date) after the date that the Seller became aware or was notified of such breach to cure or correct such breach (the "**Cure Period**"). The Issuer's sole remedy will be to require the Seller to take one of the following remedial actions:

- a) remedy the matter giving rise to such breach if such is capable

of remedy provided that, if a remedy within the relevant Cure Period (as defined above) is not practicable, the Seller may remedy such breach by the last day of the following calendar month; or

- b) repurchase the relevant Purchased Receivable at a price equal to, or, in case of a breach of clause 9.1(h) (*Warranties and Representations*) of the Receivables Purchase Agreement, pay to the Issuer, the Settlement Amount of such Purchased Receivable at the end of the calendar month immediately preceding such repurchase provided that, if it is not practicable to repurchase such Purchased Receivable within the relevant Cure Period (as defined above), the Seller may repurchase such Purchased Receivable on the immediately following Payment Date.

The Servicer shall immediately notify the Issuer and the Security Trustee if the Servicer becomes aware of any breach of the Seller's representations and warranties set out in clause 9.1 or 9.2 (*Warranties and Representations*) of the Receivables Purchase Agreement.

Additionally, each of the Issuer and Security Trustee agree to notify VWFS promptly upon becoming aware of any breach of representation or warranty set out in clause 9.1 (*Warranties and Representations*) of the Receivables Purchase Agreement in relation to a Purchased Receivable. This will not constitute an obligation of the Issuer and/or the Security Trustee to investigate whether any such breach has occurred.

If the Seller breaches any warranty given in respect of itself in the Receivables Purchase Agreement as at each Additional Purchase Date and the breach materially and adversely affects the interests of the Issuer or the Noteholders, the Issuer may require VWFS to remedy the matter giving rise to such breach if such matter is capable of remedy provided that, if a remedy within the relevant Cure Period (as defined above) is not practicable, the Seller may remedy such breach by the last day of the following calendar month. The Seller also agrees, subject to certain exclusions and limitations, to indemnify the Issuer and the Security Trustee for any breach of its obligations under the Receivables Purchase Agreement and the other Transaction Documents to which it is a party, its failure to comply with any applicable law, rule or regulation imposed upon it by the laws of England and Wales or Scotland or the non-conformity of any Financing Contract with such law, rule or regulation or any product liability claim for damages for personal injury or damage to property or other similar or related claim, liability or action proceedings in respect of which are commenced in the courts of England and Wales or Scotland, arising in connection with any Receivable or Vehicle related thereto or Financing Contract.

(ii) Clean-Up Call Option

Under the Receivables Purchase Agreement, VWFS will have the right at its option but not the obligation, to require the Issuer to exercise the

Clean-Up Call Option and to repurchase the Purchased Receivables from the Issuer at any time when the Aggregate Discounted Receivables Balances of all such Purchased Receivables is less than 10 per cent. of the Aggregate Discounted Receivables Balance as of the Initial Cut-Off Date, provided that all payment obligations under the Notes will be met in full on the exercise of such option. VWFS shall give one month prior written notice of its intention to require the exercise of the Clean-Up Call Option. Such notice shall be published in accordance with Condition 11 of the Notes (the "**Clean-Up Call Option Notice**") and, in addition shall be published in the Servicer Report.

- Consideration for repurchase:**
- (i) if such Receivable had not come into existence, VWFS shall pay to the Issuer an amount equal to the amount paid by the Issuer for such non-existent Receivable on the relevant Purchase Date, or
 - (ii) if such Receivable belongs to another person, VWFS shall pay to the Issuer an amount equal to the Settlement Amount for such non-existing Receivable on the Repurchase Date, and

such Settlement Amount will be equal to the present value of the Purchased Receivable on the last calendar day of the month prior to the Repurchase Date in which the buying back shall become effective using, as applicable, the Discount Rate.

Notification Events:

At any time after the occurrence of a Notification Event, each of the Issuer and the Security Trustee may:

- (a) give notice in its own name (and/or on behalf of the Servicer pursuant to the VWFS Power of Attorney) to all or any of the Obligors of the sale, assignment and assignation of all or any of the Purchased Receivables by delivering a Notification Event Notice; and/or
- (b) direct (and/or require the Servicer to direct) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Distribution Account or any other account which is specified by the Issuer or the Security Trustee; and/or
- (c) give instructions (and/or require the Servicer to give instructions) to immediately transfer amounts received in respect of Collections to the Distribution Account but (if applicable) which have not already been paid to the Issuer as Monthly Collections Part 1 or Monthly Collections Part 2 (as applicable); and/or
- (d) take such other action and enter into such documents as it reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of Purchased Receivables or to perfect, improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables (including, without limitation, entering

into supplemental transfer documents).

Servicing of the Receivables Pool:

Under the Servicing Agreement between the Issuer, the Security Trustee and VWFS, VWFS, *inter alia*, agrees to:

- (a) service and collect the Purchased Receivables in accordance with the Servicing Agreement;
- (b) transfer to the Distribution Account of the Issuer on each Payment Date the Collections for the relevant Monthly Period;
- (c) undertake to facilitate Bank of England, Securitisation Regulation and EMIR reporting for the Issuer; and
- (d) perform other tasks incidental to the above.

The appointment of the Servicer may be terminated by the Issuer upon the occurrence of any of the following events (the "**Servicer Replacement Event**"):

- (a) the Servicer fails to make any payment or deposit to be made by it to the Distribution Account and such failure to pay has not been remedied within five (5) Business Days after the earliest of (i) receipt by the Servicer of a written notice from Issuer of such failure to pay or (ii) the Servicer becoming aware of such failure to pay;
- (b) the Servicer fails to perform or observe in any material respect any material term, covenant or agreement hereunder applicable to it (other than as referred to in paragraph (a) above) and such failure shall remain unremedied for sixty (60) days (or if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Noteholder requiring the failure to be remedied, (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period);
- (c) any material written representation or warranty made by the Servicer in its capacity as such in the Servicing Agreement or any of the Transaction Documents proves to have been incorrect, in any material respect, when made or deemed to be made by reference to the facts and circumstances then subsisting (provided, that repurchase or exchange of a Receivable by VWFS in accordance with the Receivables Purchase Agreement shall be deemed to remedy such circumstances with respect to such Receivable), and such incorrect representation or warranty shall remain unremedied for sixty (60) days (or, if such failure is not capable of remedy, in the Servicer's sole discretion, five Business

Days) after receipt by the Servicer of written notice from the Issuer or any Noteholder requiring the circumstances causing or responsible for such misrepresentation to be remedied (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period);

- (d) the Servicer becomes subject to an Insolvency Event;

provided, however, that if a Servicer Replacement Event referred to under paragraph (a) to (c) above has occurred and was caused by an event beyond the reasonable control of the Servicer and if the respective delay or failure of performance is cured within a period of 150 days from the date on which the original failure to make payment, breach of term, covenant or agreement or breach of representation or warranty referred to under paragraph (a) to (c) occurred, a Servicer Replacement Event will be deemed not to have occurred.

Please see page 89 of the Prospectus "*ABSTRACT OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement*" for more information.

Delegation:

The Servicer is permitted to delegate some or all of its duties to other entities, including its Affiliates and subsidiaries, although the Servicer will remain liable for the performance of any duties that it delegates to another entity.

Please see page 89 of the Prospectus "*ABSTRACT OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement*" for more information.

Data Protection Agreement

Trust

VWFS has appointed Data Custody Agent B.V., as Data Protection Trustee under the provisions of the Data Protection Trust Agreement and made the Portfolio Decryption Key (which is for the identification of the names and addresses of the Obligor in respect of the Purchased Receivables) available to the Data Protection Trustee. The Data Protection Trustee will carefully safeguard the Portfolio Decryption Key and protect it against unauthorised access by any third party. Delivery of the Portfolio Decryption Key is permissible only to (i) (at the request of the Security Trustee) a replacement Servicer or (ii) to the Seller or, at the request of the Seller or the Security Trustee, to the replacement Data Protection Trustee subject to applicable data protection laws and banking secrecy provisions. The Data Protection Trustee has agreed to notify the Obligor of the assignment of the Purchased Receivables to the Issuer and instruct the Obligor to make all payments in respect of the Purchased Receivables to the Distribution Account of the Issuer upon the occurrence of a Notification Event.

SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled "Terms and Conditions of the Class A Notes" and "Terms and Conditions of the Class B Notes" for further detail in respect of the terms of the Notes.

FULL CAPITAL STRUCTURE OF THE NOTES

	Class A	Class B
Currency	Sterling	Sterling
Initial Notional Amount	444,600,000	68,100,000
Note Credit Enhancement	Class B Notes	None
Reserve Enhancement	General Cash Collateral Amount	General Cash Collateral Amount
Credit Issue Price	100 per cent.	100 per cent.
Interest Reference Rate	Compounded Daily SONIA	Compounded Daily SONIA
Interest Accrual Method	Actual/365	Actual/365
Determination Date	The first day of an Interest Period.	The first day of an Interest Period.
Payment Dates	25th of each month	25th of each month
Business Day Convention	Modified Following	Modified Following
First Payment Date	25 April 2024	25 April 2024
First Interest Period	from 25 March 2024 to 25 April 2024	from 25 March 2024 to 25 April 2024
Pre-Enforcement Redemption Profile	Following the end of the Revolving Period, Sequential	Following the end of the Revolving Period, Sequential
Post-Enforcement Redemption Profile	Sequential	Sequential
Clean-Up Call Option	Applicable	Applicable
Final Maturity Date	25 September 2031	25 September 2031
Form of the Notes	Registered	Registered
Application for Listing	Application for listing on the official list of the Luxembourg Stock Exchange	Application for listing on the official list of the Luxembourg Stock Exchange
Clearance/Settlement	Clearstream Luxembourg and Euroclear Global registered notes held under the NSS	Clearstream Luxembourg and Euroclear Global registered notes held by a common depository for Euroclear and Clearstream Luxembourg
Minimum Denomination	£100,000 (or any equivalent GBP amount which equal to at least EUR 100,000)	£100,000 (or any equivalent GBP amount which equal to at least EUR 100,000)

Ranking

The Class A Notes constitute direct, unconditional and secured obligations of the Issuer. The Class A Notes rank pari passu among themselves. The claims of the holders of the Class A Notes under the Class A Noteholders rank against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

The Class B Notes constitute direct, unconditional and secured obligations of the Issuer. The Class B Notes rank pari passu among themselves, but rank junior to the Class A Notes. The Class B Notes rank senior to the Subordinated Loan. The claims the Class B Noteholders under the Class B Notes rank against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

The Class A Notes will rank senior to the Class B Notes as to payments of interest and principal at all times.

Security

The Issuer, acting for and on behalf of its Compartment Driver UK eight has entered into a Trust Agreement, a Deed of Charge and Assignment and an Assignment in Security, governed by the laws of Germany, England and Scotland, as applicable.

Under the Trust Agreement, the Issuer has instructed and authorised the Security Trustee to act as trustee (*Treuhänder*) for the benefit of the Transaction Creditors pursuant to the terms of the Trust Agreement and the Deed of Charge and Assignment.

In the Trust Agreement, the Issuer undertakes to pay the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to all the Transaction Creditors (including the holders of the Notes) pursuant to the Transaction Documents (the "**Trustee Claim**").

To provide collateral for the respective Trustee Claim, the Issuer assigns to the Security Trustee all its claims and other rights arising from the German Transaction Documents (with the exception of claims and other rights arising from the Trust Agreement) for the avoidance of doubt (including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future German law contracts the Issuer has entered or may enter into in connection with the Transaction Documents.

In addition, the Issuer pledges to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement.

In addition, the Notes are secured and share the same Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge and Assignment (as supplemented) and the Assignment in Security.

The Security granted by the Issuer pursuant to the Deed of Charge and Assignment and the supplements thereto includes:

- (a) an assignment by way of first fixed security of the Benefit of all of its present and future right, title and

interest to, in and under the English Receivables and the Northern Irish Receivables;

- (b) an assignment by way of first fixed security of the Benefit of all of its present and future right, title and interest to, in and under:
 - (i) the Charged Transaction Documents;
 - (ii) each other contract, agreement, deed and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;
- (c) a first fixed charge over the Benefit of the Accounts of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and
- (d) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including the Issuer's uncalled capital (excluding any property or assets from time to time or for the time being effectively charged by way of fixed charge or assigned by way of security, but excepting from the foregoing exclusion the whole of the Issuer's undertaking, property assets and rights situated in Scotland or otherwise governed by Scottish law all of which are charged by the floating charge).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer granted and will grant Assignations in Security in favour of the Trustee, for itself and on trust for the Transaction Creditors relative to the Scottish Declarations of Trust under which VWFS holds and will hold in trust for the Issuer all its present and future rights, title and interest in, to and under, *inter alia*, the Scottish Receivables.

Scottish Declaration of Trust The Issuer and VWFS will execute a Scottish Declaration of Trust in respect of, *inter alia*, those of the relevant Receivables which are Scottish Receivables and VWFS will intimate and deliver such Scottish Declaration of Trust to the Issuer.

Interest Provisions Please refer to "*Full Capital Structure of the Notes*" as set out above.

Interest Deferral Accrued Interest not paid on a Class A Note on the Payment Date related to the Interest Accrual Period in which it accrued, will be an "**Interest Shortfall**" with respect to such Class A Note and will constitute a Foreclosure Event, if not paid for a period of five Business Days from the relevant Payment Date.

Accrued Interest not paid on the Class B Notes on the Payment Date related to the Interest Period in which it accrued, will be an "**Interest Shortfall**" with respect to the Class B Notes and will be carried over to the next Payment Date and, if any Class A Note is still outstanding, will not constitute a Foreclosure Event as defined in clause 17.1 of the Trust Agreement.

Gross-up The Notes will not provide for gross-up of payments in the event that the payments on the Notes become subject to withholding taxes so that if the Issuer would have to withhold or deduct amounts on account of tax from payments due under the Notes, the Noteholders would receive reduced payments only.

Redemption Under the Receivables Purchase Agreement, VWFS will have the right at its option but not the obligation, to require the Issuer to exercise the Clean-Up Call Option and to repurchase the Purchased Receivables from the Issuer at any time when the Aggregate Discounted Receivables Balances of all such Purchased Receivables is less than 10 per cent. of the Aggregate Discounted Receivables Balance as of the Initial Cut-Off Date, provided that all payment obligations under the Notes will be met in full on the exercise of such option. VWFS shall give one month prior written notice of its intention to require the exercise of the Clean-Up Call Option. Such notice shall be published in accordance with Condition 11 of the Notes (the "**Clean-Up Call Option Notice**") and, in addition shall be published in the Servicer Report.

The "Clean-Up Call Option Settlement Amount" means the amount as set out in Clause 12.2 (*Clean-Up Call Option*) of the Receivables Purchase Agreement which shall, for the purposes of the definition of Collections, be treated as a "*Settlement Amount*".

The Clean-Up Call Option Settlement Amount shall be the lesser of:

- (a) an amount equal to the outstanding Discounted Receivables Balance which would have become due if the Clean-Up Call Option had not been exercised, calculated on the last calendar day of the month in which the repurchase is to become effective; and
- (b) an amount equal to the theoretical present value of the Purchased Receivables remaining to be paid in the

future, calculated using a discount rate equal to (i) the weighted average (based on the principal amount outstanding of all the Notes and the Subordinated Loan outstanding principal amount as of the end of the relevant Monthly Period) of the fixed rates under the Swap Agreement and the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. per annum, and plus (iii) 0.03 per cent. for administrative costs and fees. It shall be calculated on the last calendar day of the month in which the repurchase is to become effective.

For the purposes of calculating the Clean-Up Call Option Settlement Amount, the risk of losses inherent to the relevant Purchased Receivables shall be taken into account on the basis of the risk status of such Purchased Receivables assessed by VWFS immediately prior to the buyback becoming effective. The Clean-Up Call Option Settlement Amount shall be due on the Payment Date following the Clean-Up Call Option Notice and, for the purposes of the definition of Collections shall be treated as a Settlement Amount.

Foreclosure Event

Any of the following events:

- (a) with respect to the Issuer an Insolvency Event occurs; or
- (b) the Issuer defaults in the payment of any interest on the most senior Class of Notes then outstanding when the same becomes due and payable, and such default continues for a period of five Business Days; or
- (c) the Issuer defaults in the payment of principal of any Note on the Final Maturity Date.

It is understood that the interest and principal on the Notes other than interest on the most senior Notes will not be due and payable on any Payment Date prior to the Final Maturity Date except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority.

"Insolvency Event" means, with respect to Driver UK Multi-Compartment S.A., the Seller, the Servicer, the Security Trustee, as the case may be, each of the following events:

- (a) the making of an assignment, assignation, trust, conveyance, composition of assets for the benefit of its creditors generally or any substantial portion of its creditors;
- (b) the application for, seeking of, consents to, or acquiescence in, the appointment of a receiver, custodian, trustee, liquidator or similar official for it or a substantial portion of its property;
- (c) the initiation of any case, action or proceedings before any court or Governmental Authority against Driver UK Multi-Compartment S.A., the Seller, the Servicer or the Security Trustee under any applicable liquidation, insolvency,

composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same;

- (d) the levy or enforcement of a distress, diligence or execution or other process upon or sued out against the whole or any substantial portion of the undertaking or assets of Driver UK Multi-Compartment S.A., the Seller, the Servicer or the Security Trustee and such possession or process (as the case may be) shall not be discharged or otherwise shall not cease to apply within sixty days;
- (e) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to Driver UK Multi-Compartment S.A., the Seller, the Servicer or the Security Trustee under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws;
- (f) an order is made against Driver UK Multi-Compartment S.A., the Seller, the Servicer or the Security Trustee or an effective resolution is passed for its winding-up; and
- (g) Driver UK Multi-Compartment S.A., the Seller, the Servicer or the Security Trustee is deemed generally unable to pay its debts within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment (provided that, for the avoidance of doubt, any assignment, assignation, charge, pledge or lien made by the Issuer for the benefit of the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment shall not constitute an Insolvency Event in respect of the Issuer).

Foreclosure Event

The Security Trustee shall promptly give an Enforcement Notice to the Noteholders of the relevant Class and the Subordinated Lender and notify the Rating Agencies of the occurrence of a Foreclosure Event.

After the occurrence of a Foreclosure Event, the Security Trustee will at its reasonable discretion foreclose or cause the foreclosure on the Security, provided that Security granted under the Deed of Charge and Assignment shall be subject to enforcement in accordance with the provisions therein. Unless compelling grounds to the contrary exist, the foreclosure and enforcement shall be performed by collecting payments made into the Accounts on the Security or, *inter alia*, by assignment pursuant to clause 8.4(a) (*Authority to Collect; Assumption of Obligations; Further Assignment*). The provisions of the Corporate Services Agreement shall be unaffected by the foreclosure of the Security (subject to the provisions of clause 8.4 (*Authority to Collect; Assumption of Obligations; Further Assignment*) hereof).

Within fifteen (15) days after the occurrence of a Foreclosure Event, the Security Trustee shall give notice to the Noteholders, the Swap Counterparty and the Subordinated Lender, specifying the manner in

which it intends to foreclose on the Security, in particular, whether it intends to sell the Security, and apply the proceeds from such foreclosure to satisfy the obligations of the Issuer, subject to the Order of Priority set out in clause 21 (*Order of Priority*). If, within sixty days (60) after the publication of such notice, the Security Trustee receives written notice from a Noteholder or Noteholders, together representing more than 50 per cent. of the aggregate outstanding principal amount of the Class A Notes, objecting to the action proposed in the Security Trustee's notice, the Security Trustee shall not undertake such action (other than the collection of payments on the accounts for the Security). For the avoidance of doubt, the upon the occurrence of an Enforcement Event, the Security Trustee is not automatically required to liquidate the Purchased Receivables at market value.

Limited Recourse

The Notes and the Subordinated Loan represent obligations of the Issuer only and do not represent obligations of the Joint Lead Managers, the Arranger, the Security Trustee, VWFS or Volkswagen Bank GmbH, or any of its affiliates (together the "**Volkswagen Group**") or any Affiliate of the Issuer or any other third person or entity. Neither the Joint Lead Managers, nor the Arranger, nor the Security Trustee, nor VWFS, nor the Volkswagen Group, nor any affiliate of the Issuer, nor any other third person or entity, assume any liability to the Noteholders if the Issuer fails to make a payment due under the Notes or the Subordinated Loan.

All payment obligations of the Issuer under the Notes and the Subordinated Loan constitute limited recourse obligations to pay only the Available Distribution Amount which includes, *inter alia*, amounts received by the Issuer under the Purchased Receivables and under the other Transaction Documents. The Available Distribution Amount may not be sufficient to pay amounts accrued under the Notes, which may result in an Interest Shortfall as defined in the Master Definitions Schedule, however, an Interest Shortfall other than non-payment of interest on the most senior Class of the Notes (subject to the expiry of the 5 Business Day grace period) will not constitute a Foreclosure Event. The Notes shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Notes and the Subordinated Loan shall only be effected by the Security Trustee in accordance with the Trust Agreement. A Foreclosure Event will, following the service of an Enforcement Notice by the Security Trustee, result in the enforcement of the collateral held by the Security Trustee. If the Security Trustee enforces the claims under the Notes and/or the Subordinated Loan, such enforcement will be limited to those assets which were transferred to the Security Trustee and to any other assets of the Issuer. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all Noteholders the Subordinated Lender or Swap Counterparty in full, then any shortfall arising shall be extinguished and neither any Noteholder, nor the Security Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will be so available

thereafter.

If any of the events which require the Security Trustee to take action should occur, the Security Trustee will have legal access to the Security only. The Security Trustee itself is not a guarantor, nor have any guarantees been given by other parties, with respect to which the Security Trustee could assert claims on behalf of the Noteholders and/or the Subordinated Lender.

Non-petition

None of the Noteholders (nor any other Person acting on behalf of any of them) shall be entitled at any time until the expiry of at least one year and one day after the Final Maturity Date, to institute against the Issuer; or join in any institution against the Issuer of, any insolvency proceedings in connection with any obligations of the Issuer relating to the Notes, save for lodging a claim in the liquidation of the Issuer which is initiated by another Person who is not a Noteholder or a party to any Transaction Document.

Governing Law

The Notes are governed by German law.

RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to sections entitled "OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES", "TERMS AND CONDITIONS OF THE CLASS A NOTES", "TERMS AND CONDITIONS OF THE CLASS B NOTES" and "TRUST AGREEMENT" of the Prospectus for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Secured Creditors.

Noteholders Meeting provisions

Save in respect of a Benchmark Rate Modification undertaken in accordance with Condition 13.3 (*Amendments to the Conditions and Benchmark Rate Modification*) the Conditions may only be modified by majority vote and appointment a noteholders' representative (*gemeinsamer Vertreter*) for all Noteholders the relevant Class of Notes for the preservation of their rights pursuant to the provisions of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* - "**SchVG**") (section 5 (1) sentence 1 SchVG).

Modifications

The Incorporated Terms Memorandum, Account Agreement, Deed of Charge and Assignment, Receivables Purchase Agreement and Servicing Agreement provide that save for any correction of a manifest or proven error or variation of a formal, minor or technical nature, any amendment, restatement or variation of a Transaction Document is valid only in the case of amendments which do not materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor:

- (a) if it is notified by the party requesting such amendment to the Security Trustee and the Rating Agencies in writing, whereby fax, e-mail or letter shall be sufficient; and
- (b) it has been demonstrated to the reasonable satisfaction of the Security Trustee that such amendment is not materially prejudicial to the interests of the Noteholders and/or any other Transaction Creditor.

In the case of amendments which materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor:

- (a) if it is notified by the party requesting such amendment to the Security Trustee and the Rating Agencies in writing, whereby fax, e-mail or letter shall be sufficient; and
- (b) the Issuer has received the written consent to such amendment from the Security Trustee and the Transaction Creditors that are materially and adversely affected.

The Conditions and any Transaction Document may be amended for the purposes of effecting a Benchmark Rate Modification without the consent of the Noteholders (subject to and in accordance with the mechanism in Condition 12 (*Amendments to the Conditions and Benchmark Rate Modification*)). Any Transaction Document may be amended with the consent of VWFS and the Security Trustee, but without the consent of any Noteholder, the Swap Counterparty, the Subordinated Lender, the Arranger, the Joint Lead Managers or any other Person if it is advised by a third party authorised under Article 28 of the UK Securitisation Regulation, as applicable, or a reputable international law firm that such

amendments are required for the Transaction to comply with the EU Securitisation Regulation or the UK Securitisation Regulation, as applicable, any regulatory and/or implementing technical standards adopted under the EU Securitisation Regulation or any directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom under the UK Securitisation Regulation. Insofar as such amendments relate to the originator or Seller, any amendments in order to comply with the EU Securitisation Regulation shall not result in any non-compliance with the UK Securitisation Regulation and insofar as such amendments relate to the Issuer, any amendments in order to comply with the UK Securitisation Regulation shall not result in any non-compliance with the EU Securitisation Regulation.

Relationship between Noteholders and other Secured Creditors The Security Trustee carries out the duties specified in the Trust Agreement as a trustee for the benefit of the Transaction Creditors. The Security Trustee shall exercise its duties thereunder with particular regard to the interests of the Transaction Creditors, giving priority to the interests of each Transaction Creditor in accordance with the Order of Priority, especially to the interests of the Noteholders.

Provision of Information to the Noteholders All information to be given to the Noteholders pursuant to Condition 6 of the Notes will be available and may be obtained (free of charge) at the specified office of the Issuer.

The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear as operator of the Euroclear system.

Communication with Noteholders All notices to the Noteholders regarding the Notes shall be (i) published on the website of the Luxembourg Stock Exchange (www.bourse.lu) as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require and (ii) be delivered to the applicable clearing systems for communication by them to the Noteholders. Any notice referred to under (ii) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was delivered to the respective clearing system. Any notice referred to under (i) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was published on the website of the Luxembourg Stock Exchange (www.luxse.com).

CREDIT STRUCTURE AND CASHFLOW

Please refer to sections "TRANSACTION OVERVIEW", "ABSTRACT OF THE CONDITIONS OF THE NOTES", "ABSTRACT OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS" of the Prospectus for further detail in respect of the credit structure and cash flow of the transaction

Monthly Payments

The monthly distribution of the Available Distribution Amount on each Payment Date in accordance with the Order of Priority. The "**Available Distribution Amount**" on each Payment Date comprises:

- (a) interest earned on the Accumulation Account and the Distribution Account; plus
- (b) amounts received as Collections received or collected by the Servicer, inclusive, for avoidance of doubt, the Monthly Collateral Part 1 and Monthly Collateral Part 2 (after any relevant netting); plus
- (c) payments from the Cash Collateral Account as provided for in clause 22.2 of the Trust Agreement; plus
- (d) (i) Net Swap Receipts under the Swap Agreement (ii) where the Swap Agreement has been terminated, any Swap Termination Payments due by the Issuer to the departing Swap Counterparty have been paid (after returning any Excess Swap Collateral to the Swap Counterparty), and no replacement Swap Counterparty has been found, an amount equal to the lesser of (A) the funds standing to the credit of the Counterparty Downgrade Collateral Account received by the Issuer and (B) the Net Swap Receipts that would have been required to be paid under the terminated Agreement had there been no termination of the Swap Agreement; and (iii) where the Swap Agreement has been terminated, amounts allocated in accordance with clause 20.08 of the Trust Agreement; plus
- (e) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus
- (f) any amounts provided for or converted into another currency which are not used and reconverted (if applicable) in accordance with clause 21.7 (Order of Priority) of the Trust Agreement; plus
- (g) the Interest Compensation Shortfall Redemption Amount; less
- (h) the Buffer Release Amount to be paid to VWFS, provided that no Credit Enhancement Increase Condition is in effect, the Buffer Release Amount will remain forming part of the Available Distribution Amount in the form of Collections under limb (b); less
- (i) the Interest Compensation Ledger Release Amount to be paid to VWFS, provided that no Credit Enhancement Increase Condition is in effect. For the avoidance of doubt if a Credit Enhancement Increase Condition is in effect, the Buffer Top-Up Amount and the Interest Compensation Ledger Release Amount will remain forming part of the Available Distribution Amount in the form of Collections under limb (b).

Summary of Order Priority

of Below is a summary of the relevant payment priorities. Full details of the payment
of priorities are set out in the "Order of Priority" section on pages 82 to 84 of the
Priority Prospectus.

<u>Pre-Foreclosure Event:</u>	<u>Foreclosure Event:</u>
<p>Prior to the occurrence of an Enforcement Event, distributions will be made on each Payment Date from the Available Distribution Amount according to the following order of priority (the "Order of Priority") as set forth in Clause 21.3 (<i>Order of Priority</i>) of the Trust Agreement:</p>	<p>Following the occurrence of an Enforcement Event, distributions will be made by the Security Trustee from the Available Distribution Amount and any proceeds of enforcement of the Security according to the following Order of Priority:</p>
<p>1. <i>first</i>, amounts due and payable in respect of taxes (if any) by the Issuer (for the avoidance of doubt, corporate income taxes payable in respect of the Retained Profit Amount will first be paid from the amounts standing to the credit of the Retained Profit Ledger);</p>	<p>1. <i>first</i>, amounts due and payable in respect of taxes (if any) by the Issuer (for the avoidance of doubt, corporate income taxes payable in respect of the Retained Profit Amount will first be paid from the amounts standing to the credit of the Retained Profit Ledger);</p>
<p>2. <i>second</i>, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment and (ii) <i>pari passu</i> to any successor of the Security Trustee (if applicable) appointed pursuant to Clauses 30 (<i>Termination by the Security Trustee for Good cause</i>) and 31 (<i>Replacement of the Security Trustee</i>) of the Trust Agreement or under any agreement replacing the Trust Agreement;</p>	<p><i>second</i>, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment, (ii) <i>pari passu</i> to any successor of the Security Trustee (if applicable) appointed pursuant to Clauses 30 (<i>Termination by the Security Trustee for Good Cause</i>) and 31 (<i>Replacement of the Security Trustee</i>) of the Trust Agreement or under any agreement replacing the Trust Agreement, and (iii) any fees, costs, expenses, indemnities and other amounts due and payable to any receiver, manager, receiver and manager, administrator or administrative receiver appointed in respect of the Issuer in accordance with the Deed of Charge and Assignment;</p>
<p>3. <i>third</i>, to the Servicer, the Servicer Fee;</p>	<p>3. <i>third</i>, to the Servicer, the Servicer Fee;</p>
<p>4. <i>fourth</i>, of equal rank amounts payable (i) to the directors of the Issuer; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to each Agent under the Agency Agreement; (iv) to the Account Bank and the Cash Administrator under the Account Agreement; (v) to the Rating Agencies the fees for the monitoring of the Issue; (vi) to the Joint Lead Managers under the Note Purchase Agreement; (vii) to the Data Protection Trustee under the Data Protection Trust Agreement; (viii) to</p>	<p>4. <i>fourth</i>, of equal rank amounts payable (i) to the directors of the Issuer; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to each Agent under the Agency Agreement; (iv) to the Account Bank and the Cash Administrator under the Account Agreement; (v) to the Rating Agencies the fees for the monitoring of the Issue; (vi) to the Joint Lead Managers under the Note Purchase Agreement; (vii) to the Data Protection Trustee under the</p>

<p>the Issuer in respect of other administration costs and expenses of the Issuer, including, without limitation, any costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange, any costs relating to any auditors' fees, any tax filing fees and any annual return or exempt company status fees and any Administrator Recovery Incentive; and (ix) to the Issuer the Retained Profit Amount to be credited to the Retained Profit Ledger;</p>	<p>Data Protection Trust Agreement; (viii) to the Issuer in respect of other administration costs and expenses of the Issuer, including, without limitation, any costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange, any costs relating to any auditors' fees, any tax filing fees and any annual return or exempt company status fees and any Administrator Recovery Incentive; and (ix) to the Issuer the Retained Profit Amount to be credited to the Retained Profit Ledger;</p>
<p>5. <i>fifth</i>, amounts payable by the Issuer to the Swap Counterparty in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreement (if any and <i>provided that</i> the Swap Counterparty is not the Defaulting Party and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade);</p>	<p>5. <i>fifth</i>, amounts payable by the Issuer to the Swap Counterparty in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreement (if any and <i>provided that</i> the Swap Counterparty is not the Defaulting Party and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade);</p>
<p>6. <i>sixth</i>, on a pro rata and <i>pari passu</i> basis, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period on the Class A Notes plus (b) Interest Shortfalls (if any) on the Class A Notes;</p>	<p>6. <i>sixth</i>, on a pro rata and <i>pari passu</i> basis, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period on the Class A Notes plus (b) Interest Shortfalls (if any) on the Class A Notes;</p>
<p>7. <i>seventh</i>, on a pro rata and <i>pari passu</i> basis, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period on the Class B Notes plus (b) Interest Shortfalls (if any) on the Class B Notes;</p>	<p>7. <i>seventh</i>, on a pro rata and <i>pari passu</i> basis, to the holders of the Class A Notes in respect of principal until the Class A Notes are redeemed in full;</p>
<p>8. <i>eighth</i>, to the Cash Collateral Account, until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;</p>	<p>8. <i>eighth</i>, on a pro rata and <i>pari passu</i> basis, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period on the Class B Notes plus (b) Interest Shortfalls (if any) on the Class B Notes;</p>
<p>9. <i>ninth</i>, on a pro rata and <i>pari passu</i> basis, (a) the Class A Amortisation Amount and (b) an amount equal to the Class A Accumulation Amount (which, during the Revolving Period, shall be credited to the Accumulation Account for the purposes of acquiring</p>	<p>9. <i>ninth</i>, on a pro rata and <i>pari passu</i> basis to the holders of the Class B Notes in respect of principal until the Class B Notes are redeemed in full;</p>

Additional Receivables);	
10. <i>tenth</i> , on a pro rata and <i>pari passu</i> basis, (a) the Class B Amortisation Amount and (b) an amount equal to the Class B Accumulation Amount (which, during the Revolving Period, shall be credited to the Accumulation Account for the purposes of acquiring Additional Receivables);	10. <i>tenth</i> , by the Issuer to the Swap Counterparty, any payments under the Swap Agreement other than those made under item fifth above;
11. <i>eleventh</i> , by the Issuer to the Swap Counterparty, any payments under the Swap Agreement other than those made under item fifth above;	11. <i>eleventh</i> , to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);;
12. <i>twelfth</i> , to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);	12. <i>twelfth</i> , to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
13. <i>thirteenth</i> , to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and	13. <i>thirteenth</i> , to pay all remaining excess to VWFS by way of a final success fee.
14. <i>fourteenth</i> , to pay all remaining excess to VWFS by way of a final success fee.	

On any Payment Date after satisfaction of the amounts in clause 22.2(a) (Cash Collateral Account) of the Trust Agreement, any positive difference between the General Cash Collateral Amount and the Specified General Cash Collateral Account Balance shall be distributed according to the following Order of Priority, provided that no Credit Enhancement Increase Condition is in effect. Any amounts as set out below will only be distributed from any amounts remaining after the distribution in accordance with Clause 21.4 of the Trust Agreement:

1. first, to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);
2. second, to the Subordinated Lender, until the aggregate principal amount of the Subordinated Loan; has been reduced to zero and
3. third, to pay all remaining excess to VWFS by way of a final success fee.

General Credit Structure

The general credit structure of the transaction includes, broadly speaking, the following elements:

(a) Credit Support:

Overcollateralisation

In addition to the Subordinated Loan there will be overcollateralisation in the amount GBP 37,556,604.34 in the form of the additional Discounted Receivables

Balance as at the Closing Date. During the Revolving Period, Additional Receivables will be purchased at the Additional Receivables Purchase Price which includes overcollateralisation in the form of the Replenished Receivables Overcollateralisation Percentage.

Subordinated Loan

The Subordinated Lender will grant the Subordinated Loan in a nominal amount of GBP 74,750,897.18 to the Issuer on the Closing Date. The Subordinated Loan serves as credit enhancement and ranks below the Notes with respect to payment of interest and principal.

Cash Collateral Account

No later than the Closing Date, the Issuer will deposit GBP 7,434,150 into the Cash Collateral Account which will serve as the Cash Collateral Amount ("**Cash Collateral Amount**"). Drawings from the Cash Collateral Account will be made in accordance with the Order of Priority.

On each Payment Date, amounts payable under item *eight* of the Order of Priority set out in Clause 21.3 (*Order of Priority*) of the Trust Agreement shall be deposited in the Cash Collateral Account until the relevant balance equals the Specified General Cash Collateral Account Balance.

The funds in the Cash Collateral Account (other than the balance standing to the credit of the Interest Compensation Ledger and the Retained Profit Ledger) are referred to as the "**General Cash Collateral Amount**".

On each Payment Date prior to the occurrence of a Foreclosure Event the General Cash Collateral Amount shall be used:

- (a) first, to cover any shortfalls in the amounts payable under items first through seventh of the Order of Priority set out in clause 21.3 (*Order of Priority*) of the Trust Agreement;
- (b) second, to make payment of the amounts due and payable under clause 21.4 (*Order of Priority*) of the Trust Agreement; and
- (c) third, on the earlier of (i) the Final Maturity Date or (ii) the date on which the Aggregate Discounted Receivables Balance has been reduced to zero, to make payment of the amounts due and payable under items ninth, tenth, eleventh, twelfth, thirteenth and fourteenth of the Order of Priority set out in clause 21.3 (*Order of Priority*) of the Trust Agreement.

On each Payment Date following the occurrence of an Enforcement Event, the General Cash Collateral Amount and the balance standing to the credit of the Interest Compensation Ledger and the Retained Profit Ledger shall be applied in accordance with clause 21.5 (*Order of Priority*) of the Trust Agreement.

In addition, the Servicer is entitled to utilise the General Cash Collateral Amount to the extent and in the amounts as agreed with its auditors for the purposes of the Clean-Up Call Option. In connection with the exercise of the

Clean-Up Call Option, VWFS shall ensure that all amounts outstanding under the Notes and any obligations ranking pari passu with or senior to the Notes in the Order of Priority are discharged in full.

Monthly Collateral Account

For the purposes of the below, the "**Monthly Remittance Condition**" shall be no longer satisfied if any of the following events occur:

- (a) either the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer) (A) (i) no longer has a short-term rating for unsecured and un-guaranteed debt of at least "A-2" from S&P or a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, or (ii) where the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), is not the subject of an S&P short-term rating, a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P, or (iii) S&P notifies the Issuer and/or the Servicer that VWFS is no longer deemed eligible under the applicable rating criteria by S&P or (B) the profit and loss sharing agreement (Gewinnabführungsvertrag) between Volkswagen AG and the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), ceases to be in effect; or
- (b) for so long as the Class A Notes or the Class B Notes are rated by KBRA (irrespective of whether they are rated by Fitch at such time), the Fitch required ratings set out in paragraph (c) below are not satisfied; or
- (c) (i) either (A) Volkswagen AG no longer has a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch or (B) Volkswagen AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch; or (ii) in the chain of holdings between Volkswagen AG and the Servicer either (1) the profit and loss sharing agreement (Gewinnabführungsvertrag) between Volkswagen AG and the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), or the letter of comfort between the parent of VW Finance Europe B.V. and VW Finance Europe B.V. ceases to be in effect, or (2) any company in such chain is not a branded "Volkswagen", or (iii) Volkswagen AG directly or indirectly holds less than 75 per cent. of the shares of the Servicer.

VWFS, in its capacity as the Servicer, will be entitled to commingle funds representing Collections with its own funds during each Monthly Period in accordance with the following procedure:

- (a) if and as long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single transfer of such Collections to the

Distribution Account on the relevant Payment Date;

- (b) if and as long as the Monthly Remittance Condition is not satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period provided that, no later than fourteen (14) calendar days after the first day on which the Monthly Remittance Condition has not been satisfied (the "**Monthly Collateral Start Date**"), VWFS shall:
 - (i) advance an amount equal to sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 for the Monthly Period in which the Monthly Collateral Start Date falls plus, if the Monthly Collateral Start Date falls on a date prior to the Payment Date falling in such Monthly Period, an amount equal to sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 in respect of the preceding Monthly Period;
 - (ii) for any subsequent Monthly Period in which the Monthly Remittance Condition continues to not be satisfied (save in respect of any Monthly Collateral posted under limb (b)(i) above):
 - (1) on the fifteenth (15th) calendar day of the month preceding the first day of such Monthly Period, determine the amount representing the Monthly Collateral Part 1 in respect of the Monthly Period relating to such Payment Date and advance an amount equal to the Monthly Collateral Part 1 to the Distribution Account to be retained until the Payment Date relating to such Monthly Period; and
 - (2) on the first (1st) calendar day of the Monthly Period relating to such Payment Date, determine the amount representing the Monthly Collateral Part 2 in respect of the Monthly Period relating to such Payment Date and advance an amount equal to the Monthly Collateral Part 2 to the Distribution Account to be retained until the Payment Date relating to such Monthly Period;
- (c) provided it complies with its posting obligations in paragraph (b) above and its obligation to transfer Collections to the Distribution Account on the relevant Payment Date in accordance with the Servicing Agreement, VWFS will be entitled to hold, use and invest at its own risk the Collections without segregating such funds from its other funds and VWFS will be required to make a single transfer of Collections and other amounts collected by it to the Distribution Account on the relevant Payment Date. Otherwise, Collections and other amounts collected by it will be required to be remitted by it to the Distribution Account on the third Business Day

after receipt of such amounts;

- (d) on any Payment Date, VWFS' obligation to pay Collections for the relevant Monthly Period into the Distribution Account may be netted against its claim for repayment of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 for such Monthly Period and such Monthly Collateral Part 1 and Monthly Collateral Part 2 (after netting) will form part of the Available Distribution Amount on such Payment Date. If for such Monthly Period the Monthly Investor Report shows (a) that the sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 which has been transferred to the Distribution Account by VWFS for the relevant Monthly Period exceeds the Collections received by VWFS for such Monthly Period, such excess amount shall be released to VWFS outside the Order of Priority on the relevant Payment Date or (b) that the Collections received by VWFS for such Monthly Period exceed the sum of Monthly Collateral Part 1 and the Monthly Collateral Part 2 which has been transferred by VWFS for the relevant Monthly Period, an amount equal to such excess shall be paid into the Distribution Account by VWFS on the relevant Payment Date; and
- (e) if the Monthly Remittance Condition is satisfied again, any Monthly Collateral Part 1 and Monthly Collateral Part 2 standing to the credit of the Distribution Account shall be released to VWFS outside the Order of Priority on the next Payment Date following such satisfaction.

Classes of Notes

With respect to payments of interest and principal, the Class B Notes rank junior to the Class A Notes. See the section "*GENERAL ABSTRACT OF THE CONDITIONS OF THE NOTES – Order of Priority*" of the Prospectus.

(b) Hedging:

Swap Agreements

- The Issuer has entered into the Swap Agreement with Royal Bank of Canada (the "**Swap Counterparty**"). The Swap Agreement will hedge the floating interest rate risk on the Notes. The Swap Counterparty will be any entity which is an Eligible Swap Counterparty.
- Royal Bank of Canada (referred to in this section as "**Royal Bank**") is a Schedule I bank under the *Bank Act* (Canada), which constitutes its charter and governs its operations. Royal Bank's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec, H3B 3A9, Canada.
- Royal Bank is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 97,000+ employees who leverage their imaginations and

insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 27 other countries.

- Royal Bank had, on a consolidated basis, as at July 31, 2023, total assets of C\$1,957.7 billion (approximately US\$1,484.0 billion¹), equity attributable to shareholders of C\$112.3 billion (approximately US\$85.1 billion) and total deposits of C\$1,215.6 billion (approximately US\$921.4 billion). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are qualified by reference to, Royal Bank's unaudited Interim Condensed Consolidated Financial Statements included in its quarterly Report to Shareholders for the fiscal period ended July 31, 2023.
- The senior long-term debt² of Royal Bank has been assigned ratings of A (stable outlook) by S&P Global Ratings, A1 (stable outlook) by Moody's Investors Service and AA- (stable outlook) by Fitch Ratings. The legacy senior long-term debt³ of Royal Bank has been assigned ratings of AA- by S&P Global Ratings, Aa1 by Moody's Investors Service and AA by Fitch Ratings. Royal Bank's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol "RY." Its preferred shares are listed on the Toronto Stock Exchange.
- On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Statement is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of Canada, by writing to 200 Bay Street, South Tower, Toronto, Ontario, M5J 2J5, Canada, or by calling 416-842-2000, or by visiting rbc.com/investorrelations⁴.
- The delivery of this Official Statement does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.
- The information in the preceding paragraphs has been provided by the Royal Bank of Canada for use in this Prospectus and Royal Bank of Canada is solely responsible for the accuracy of the preceding paragraphs. Except for the preceding paragraphs, Royal Bank of Canada in its capacity as Swap Counterparty, and its Affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.
- To the best knowledge and belief of the Issuer, the above information has

¹ As at July 31, 2023: C\$1.00 = US\$0.758

² Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Canadian Bank Recapitalization (Bail-in) regime.

³ Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Bail-in regime.

⁴ This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Statement.

been accurately reproduced. The Issuer is able to ascertain from the above information published by the Swap Counterparty that no facts have been omitted which would render the reproduced information inaccurate or misleading.

- Under the Swap Agreement the Issuer will undertake to pay to the Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class A Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 4.9030 per cent. per annum on the basis of the actual number of days elapsed in an Interest Period divided by 360. The Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Class A Notes, calculated on the basis of Compounded Daily SONIA plus 0.60 per cent. per annum on the basis of the actual number of days elapsed in an Interest Period divided by 360, and subject to a floor of zero.
- Furthermore, under the Swap Agreement the Issuer will undertake to pay to the Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class B Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 5.6440 per cent. *per annum* on the basis of the actual number of days elapsed in an Interest Period divided by 360. The Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Class B Notes, calculated on the basis of Compounded Daily SONIA plus 1.35 per cent. *per annum* on the basis of the actual number of days elapsed in an Interest Period divided by 360, and subject to a floor of zero.
- Payments under the Swap Agreement will be exchanged on a net basis on each Payment Date. Payments made by the Issuer under the Swap Agreement (other than termination payments related to an event of default where the Swap Counterparty is a defaulting party, or termination event due to the failure by the Swap Counterparty to take required action after a downgrade of its credit rating) rank higher in priority than all payments on the Notes. Payments by the Swap Counterparty to the Issuer under the Swap Agreement will be made into the Distribution Account and will, to the extent necessary, be increased to ensure that such payments are free and clear of all taxes.

Events of default under the Swap Agreement applicable to the Issuer are limited to, and (among other things) events of default applicable to the Swap Counterparty include, the following:

- (1) failure to make a payment under the Swap Agreement when due, if such failure is not remedied within three Business Days of notice of such failure being given; or
- (2) the occurrence of certain bankruptcy and insolvency events.

Termination events under the Swap Agreement include, among other things, the following:

- (1) illegality of the transactions contemplated by the Swap Agreement; or
- (2) an Enforcement Event under the Trust Agreement occurs or any Clean-Up Call or prepayment in full, but not in part, of the Notes occurs; or
- (3) failure of the Swap Counterparty to maintain its credit rating at certain levels required by the Swap Agreement, which failure may not constitute a termination event if (in the time set forth in the applicable Swap Agreement) the Swap Counterparty:
 - (i) posts an amount of collateral (in the form of cash and/or securities) as set forth in the Swap Agreement; or
 - (ii) obtains a guarantee from an institution with an acceptable rating; or
 - (iii) transfers its rights and obligations under the Swap Agreement to an Eligible Swap Counterparty.

Upon the occurrence of any event of default or termination event specified in the Swap Agreement, the non-defaulting party, an affected party or the party which is not the affected party (as the case may be, depending on the termination event) may, after a period of time set forth in the Swap Agreement, elect to terminate the Swap Agreement. If the Swap Agreement is terminated due to an event of default or a termination event, a Swap Termination Payment may be due to the Swap Counterparty by the Issuer out of its available funds. The amount of any such Swap Termination Payment may be based on the actual cost or market quotations of the cost of entering into a similar swap transaction or such other methods as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement. Any such Swap Termination Payment could, if market rates or other conditions have changed materially, be substantial. Under certain circumstances, Swap Termination Payments required to be made by the Issuer to the Swap Counterparty will rank higher in priority than all payments on the Notes. In such event, the Purchased Lease Receivables and the General Cash Collateral Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes. If a Swap Termination Payment is due to the Swap Counterparty, any Swap Replacement Proceeds shall to the extent of that Swap Termination Payment be paid directly to the Swap Counterparty causing the event of default or termination event without regard to the Order of Priority as specified in the Swap Agreement.

The Swap Counterparty may, at its own cost, transfer its obligations under the Swap Agreement to a third party which is an Eligible Swap Counterparty. There can be no assurance that the credit quality of the replacement Swap Counterparty will ultimately prove as strong as that of the original Swap Counterparty. Any Swap Termination Payments exceeding Swap Replacement Proceeds will be paid to such Swap Counterparty in accordance with the Order of Priority.

**Bank Accounts
and Cash
Management**

Payment of Collections

Under the Servicing Agreement between the Issuer, the Security Trustee and VWFS, VWFS, *inter alia*, agree as long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single transfer of such

Collections to the Distribution Account on the relevant Payment Date (and if as long as the Monthly Remittance Condition is not satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period only in accordance with the procedure outlined in detail in "ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT" set out in "Commingling").

Collections

With respect to any Purchased Receivable, the following amounts received during the relevant Monthly Period:

- (a) all payments received by the Servicer related to such Purchased Receivable in the form of cash, cheques, SWIFT payments, wire transfers, direct debits, bank giro credits or other form of payment made by an Obligor in respect of such Purchased Receivable, including PCP Recoveries, excess mileage charges, Enforcement Proceeds and Insurance Proceeds and any Written-Off Purchased Receivable Repurchase Price;
- (b) any payments received by the Servicer under any Ancillary Rights related to such Purchased Receivable;
- (c) any and all amounts received by the Servicer (or the Seller) (after expenses of recovery, repair and sale in accordance with Customary Operating Practices) in connection with any sale or other disposition of the Vehicle related to such Purchased Receivable, including, except where included in (d) below, an amount equal to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the Seller (or, the Servicer, exercising the Ancillary Rights assigned to the Issuer on the Issuer's behalf) is entitled to make in connection with any Vehicle related to such Purchased Receivable not including any amount in respect of VAT for which the Seller is required to account to the relevant tax authority in relation to such sale or other disposition;
- (d) any payments received by the Servicer (or the Seller) by way of recoveries in

respect of any such Purchased Receivable that has become a Defaulted Receivable or a Terminated Receivable including an amount equal to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the Seller (or, the Servicer, exercising the Ancillary Rights assigned to the Issuer on the Issuer's behalf) is entitled to make in connection with any Vehicle related to such Purchased Receivable; plus

- (e) the aggregate Settlement Amounts paid by VWFS to the Issuer on such Payment Date pursuant to clause 9 (*Repurchase*) of the Receivables Purchase Agreement or any payment received by the Issuer on such Payment Date pursuant to clause 11 (*Payment for non-existent Receivables*) of the Receivables Purchase Agreement, and clause 3 (*Redelivery Repurchase Price*) of the Redelivery Repurchase Agreement,

but shall not include any payments constituting Excluded Amounts. For the avoidance of doubt, following the Monthly Collateral Start Date, Collections shall include the Monthly Collateral Part 1 and Monthly Collateral Part 2 posted by VWFS onto the Distribution Account in accordance with its obligations under the Servicing Agreement, as adjusted to reflect actual Collections received in respect of the relevant Monthly Period.

Ancillary Rights

Means, in relation to a Purchased Receivable, all remedies for enforcing the same including, for the avoidance of doubt and without limitation:

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Purchased Receivable relates and all guarantees (if any) (including, for the avoidance of doubt, any Enforcement Proceeds received by the Seller or its agents);
- (b) the benefit of all covenants and

undertakings from Obligors and from guarantors under the Financing Contract to which such Receivable relates and under all guarantees (if any);

- (c) the benefit of all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);
- (d) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract (including the right (but not the obligation) to make any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the Seller would otherwise be entitled to make in connection with any Vehicle related to such Purchased Receivable) other than rights specifically relating to the Vehicle itself (with such rights specifically relating to the Vehicle including, without limitation, the right of ownership but excluding the rights to any PCP Recoveries and (as referred to above) to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995);
- (e) any Insurance Proceeds received by the Seller or its agents pursuant to Insurance Claims in each case insofar as the same relate to the Financing Contract to which such Receivable relates; plus
- (f) the benefit of any rights, title, interest, powers and benefits of the Seller in and to PCP Recoveries.

Excluded Amounts

Comprise the following, which are not sold to the Issuer:

- (a) any Supplemental Servicer Fee, (b) any credit protection, asset value or other insurance premiums payable by Obligors to the relevant insurers via the Servicer, (c) the VAT Component on payments received by the Servicer, (d) any amounts (together with any VAT thereon) payable by an Obligor in respect of refurbishment charges, wear-and-tear and other similar types of recoveries and charges (other than excess mileage charges), (e) any amount of VAT payable by an Obligor in respect of excess mileage charges, (f) any option to purchase fee specified in the Financing Contract; and (g) any cashflows from maintenance

contracts.

Interest Compensation Available Amount

The element of the Discount Rate which with respect to any Payment Date is available to compensate the Issuer for interest shortfalls suffered by the Issuer as a result of the Early Settlement of Purchased Receivables during the relevant Monthly Period. The Interest Compensation Available Amount shall be calculated on each Payment Date as the product of (a) the Interest Compensation Rate divided by 12, and (b) the Future Discounted Receivables Balance.

Interest Compensation Ledger Allocable Amount

On each Payment Date an amount equal to the excess of the Interest Compensation Surplus Amount over the sum of (i) Buffer Top-Up Shortfall Amount and (ii) an amount equal to any shortfall on the Interest Compensation Ledger to meet the Interest Compensation Ledger Targeted Amount, if any, which shall be credited to the Interest Compensation Ledger outside the Order of Priority.

Interest Compensation Interim Amount

On each Payment Date an amount equal to the difference between the Interest Compensation Available Amount and the Interest Compensation Required Amount. If the Interest Compensation Interim Amount is a negative then an amount equal to the negative difference shall be classified as "**Interest Compensation Shortfall Amount**". If an Interest Compensation Shortfall Amount exists a drawing from the Interest Compensation Ledger shall be made in an amount equal to the Interest Compensation Shortfall Amount, until the balance of the Interest Compensation Ledger is equal to zero and such amount shall be classified as "**Interest Compensation Shortfall Redemption Amount**" and shall form part of the Available Distribution Amount. If the Interest Compensation Interim Amount is positive then such positive amount shall be classified as "**Interest Compensation Surplus Amount**" which may be released to VWFS or the Issuer in accordance with the definition of Interest Compensation Ledger Allocable Amount.

Interest Compensation Required Amount

On each Payment Date the aggregate amount for all Financing Contracts that have been subject to Early Settlement during the relevant Monthly Period

calculated as the Discounted Receivables Balance for the Financing Contract subject to Early Settlement less the net present value of the future payments for the same Financing Contract calculated using the relevant internal rate of return (rather than the Discount Rate).

Interest Compensation Ledger

The ledger maintained on the Cash Collateral Account. The Interest Compensation Ledger will not form part of the General Cash Collateral Amount. The Interest Compensation Ledger will be available to pay Interest Compensation Shortfall Redemption Amount on any Payment Date. VWFS will be entitled to receive any Interest Compensation Ledger Release Amounts outside of the Order of Priority prior to the occurrence of a Credit Enhancement Increase Condition. Upon the occurrence of a Credit Enhancement Increase Condition the Interest Compensation Ledger Release Amount will form part of the Available Distribution Amount.

Interest Compensation Ledger Release Amount

Means:

- (a) if no Credit Enhancement Increase Condition is in effect:
 - (i) on any Payment Date prior to the exercise of the Clean-Up Call Option the amount standing to the credit of the Interest Compensation Ledger in excess of the Interest Compensation Ledger Targeted Amount; or
 - (ii) following the exercise of the Clean-Up Call Option, the balance standing to the credit of the Interest Compensation Ledger,

which shall be paid to the Seller; and

- (b) if a Credit Enhancement Increase Condition is in effect, the balance standing the credit of the Interest Compensation Ledger will form part of the Available Distribution Amount.

Summary of key Swap Terms The Issuer has entered into the Swap Agreement with Royal Bank of Canada (the "Swap Counterparty"). The Swap Agreement will hedge the floating interest rate risk on the Notes. The Swap Counterparty will be any entity which is an Eligible Swap Counterparty.

TRIGGERS TABLES
Rating Triggers Table

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Long-term ratings</u>	<u>Possible effects of Trigger being breached include the following</u>
Account Bank Required Rating	<p>Short-term ratings</p> <p>"A-1" from S&P <i>and</i></p> <p>if the entity does not have a long-term senior debt rating or credit assessment by KBRA, such other ratings that are consistent with the then current rating methodology of KBRA as being the minimum ratings that are required to support the then rating of the Notes <i>or</i></p> <p>"F1" from Fitch <i>or</i></p>	<p>Long-term ratings</p> <p>"A" from S&P <i>or</i></p> <p>"A+" from S&P <i>and</i></p> <p>"BBB-" from KBRA</p> <p>"A" from Fitch</p>	<ul style="list-style-type: none"> • Collateral posting • guarantee of Swap Counterparty's obligations • replacement of Swap Counterparty
Account Bank Required Guarantee	<p>"A-1" from S&P <i>and</i></p> <p>if the entity does not have a long-term senior debt rating or credit assessment by KBRA, such other ratings that are consistent with the then current rating methodology of KBRA as being the minimum ratings that are required to support the then rating of the Notes <i>or</i></p> <p>"F1" from Fitch <i>or</i></p>	<p>"A" from S&P <i>or</i></p> <p>"A+" from S&P <i>and</i></p> <p>"BBB-" from KBRA</p> <p>"A" from Fitch</p>	
Eligible Swap Counterparty	<p>(i) Having a rating of not less than the counterparty ratings for the S&P Collateral Framework Option then in effect pursuant to the Swap Agreement; or (ii) having the Minimum S&P Collateralised Counterparty Rating and posts collateral in the amount and manner set forth in the Swap Agreements or (iii) obtaining a guarantee from a party having the minimum required counterparty ratings for the S&P Collateral Framework Option then in effect;</p>	<p>(i) Having a rating of not less than the counterparty ratings for the S&P Collateral Framework Option then in effect pursuant to the Swap Agreement; or (ii) having the Minimum S&P Collateralised Counterparty Rating and posts collateral in the amount and manner set forth in the Swap Agreements or (iii) obtaining a guarantee from a party having the minimum required counterparty ratings for the S&P Collateral Framework Option then in effect;</p>	

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
	For so long as the Class A Notes or the Class B Notes are rated by KBRA (irrespective of whether they are rated by Fitch at such time), the Fitch required ratings set out below;	For so long as the Class A Notes or the Class B Notes are rated by KBRA (irrespective of whether they are rated by Fitch at such time), the Fitch required ratings set out below; and
	"F1" from Fitch or "F3" from Fitch and which either posts collateral in the amount and manner set forth in the Swap Agreement or obtains a guarantee from a person having the ratings set or	"A" from Fitch or "BBB-" from Fitch and which either posts collateral in the amount and manner set forth in the Swap Agreement or obtains a guarantee from a person having the ratings set
<i>Monthly Remittance Condition shall no longer be satisfied if any of the following events occur:</i>	Volkswagen AG no longer has a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch; or	Volkswagen AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch; or
		In the chain of holdings between Volkswagen AG and the Servicer either (1) the profit and loss sharing agreement (<i>Gewinnabführungsvertrag</i>) between Volkswagen AG and the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), or the letter of comfort between the parent of VW Finance Europe B.V. and VW Finance Europe B.V. ceases to be in effect, or (2) any company in such chain is not a branded "Volkswagen", or (iii) Volkswagen AG directly or indirectly holds less than 75 per cent. of the shares of the Servicer.

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
	<p>For so long as the Class A Notes or the Class B Notes are rated by KBRA (irrespective of whether they are rated by Fitch at such time), the Fitch required ratings set out above; <i>or</i></p> <p>The parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer) no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P, <i>or</i></p>	<p>For so long as the Class A Notes or the Class B Notes are rated by KBRA (irrespective of whether they are rated by Fitch at such time), the Fitch required ratings set out above;</p> <p>The parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer) no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, <i>or</i></p> <p>where the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), is not the subject of an S&P short-term rating, a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P, or S&P notifies the Issuer and/or the Servicer that VWFS is no longer deemed eligible under the applicable rating criteria by S&P, or the profit and loss sharing agreement (<i>Gewinnabführungsvertrag</i>) between Volkswagen AG and the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), ceases to be in effect.</p>

Account Bank Required Rating	Short-term ratings "F1" from Fitch <i>or</i> "A-1" from S&P such ratings that are consistent with the then current rating methodology of KBRA as being the minimum ratings that are required to support the then rating of the Notes.	Long-term ratings "A" from Fitch <i>and</i> "A" from S&P <i>or</i> "A+" from S&P <i>and</i> "BBB-" from KBRA	The Account Bank shall within sixty (60) calendar days from the downgrade assist the Issuer operationally to, and the Issuer shall: (i) transfer the Accounts held with it to an Eligible Collateral Bank or (ii) find an irrevocable and unconditional guarantor providing the Account Bank Required Guarantee.
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The consequences of the relevant required rating being breached and time periods are set out in more detail in "*TRUST AGREEMENT - Accounts*" on page 230 of the Prospectus.

	<u>Short-term ratings</u>	<u>Long-term ratings</u>	<u>Possible effects of Trigger being breached include the following</u>
Servicer	Volkswagen AG no longer has a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch <i>or</i> For so long as the Class A Notes or the Class B Notes are rated by KBRA (irrespective of whether they are rated by Fitch at such time), the Fitch required ratings set out above; <i>or</i>	Volkswagen AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch, <i>or</i> in the chain of holdings between Volkswagen AG and the Servicer either (1) the profit and loss sharing agreement (<i>Gewinnabführungsvertrag</i>) between Volkswagen AG and the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), or the letter of comfort between the parent of VW Finance Europe B.V. and VW Finance Europe B.V.	VWFS, in its capacity as Servicer, will be entitled to commingle funds representing Collections with its own funds during each Monthly Period in accordance with the following procedure: (a) if and as long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single transfer of such monthly Collections to the Distribution Account on the relevant Payment Date; (b) If and as long as the Monthly Remittance Condition is not satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period provided that, no later than fourteen (14) calendar days after the first day on which the Monthly Remittance Condition has not been satisfied (the " Monthly Collateral Start Date "), VWFS shall: (i) advance an amount equal to sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 for the Monthly Period in which the

ceases to be in effect, or (2) any company in such chain is not a branded "Volkswagen", or (iii) Volkswagen AG directly or indirectly holds less than 75 per cent. of the shares of the Servicer.

For so long as the Class A Notes or the Class B Notes are rated by KBRA (irrespective of whether they are rated by Fitch at such time), the Fitch required ratings set out above;

The parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer) no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P.

The parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer) no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, or

where the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), is not the subject of an S&P short-term rating, a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P, or

S&P notifies the Issuer

Monthly Collateral Start Date falls plus, if the Monthly Collateral Start Date falls on a date prior to the Payment Date falling in such Monthly Period, an amount equal to sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 in respect of the preceding Monthly Period;

(ii) for any subsequent Monthly Period in which the Monthly Remittance Condition continues to not be satisfied (save in respect of any Monthly Collateral posted under limb (b)(i) above):

(1) on the fifteenth (15th) calendar day of the month preceding the first day of such Monthly Period, determine the amount representing the Monthly Collateral Part 1 in respect of the Monthly Period relating to such Payment Date and advance an amount equal to the Monthly Collateral Part 1 to the Distribution Account to be retained until the Payment Date relating to such Monthly Period; and

(2) on the first (1st) calendar day of the Monthly Period relating to such Payment Date, determine the amount representing the Monthly Collateral Part 2 in respect of the Monthly Period relating to such Payment Date and advance an amount equal to the Monthly Collateral Part 2 to the Distribution Account to be retained until the Payment Date relating to such Monthly Period;

(c) provided it complies with its posting obligations in paragraph (b) above and its

and/or the Servicer that VWFS is no longer deemed eligible under the applicable rating criteria by S&P, or

the profit and loss sharing agreement (Gewinnabführungsvertrag) between Volkswagen AG and the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), ceases to be in effect.

obligation to transfer Collections to the Distribution Account on the relevant Payment Date in accordance with the Servicing Agreement, VWFS will be entitled to hold, use and invest at its own risk the Collections without segregating such funds from its other funds and VWFS will be required to make a single transfer of Collections and other amounts collected by it to the Distribution Account on the relevant Payment Date. Otherwise, Collections and other amounts collected by it will be required to be remitted by it to the Distribution Account on the third Business Day after receipt of such amounts;

- (d) on any Payment Date, VWFS' obligation to pay Collections for the relevant Monthly Period into the Distribution Account may be netted against its claim for repayment of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 for such Monthly Period and such Monthly Collateral Part 1 and Monthly Collateral Part 2 (after netting) will form part of the Available Distribution Amount on such Payment Date. If for such Monthly Period the Monthly Investor Report shows (a) that the sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 which has been transferred to the Distribution Account by VWFS for the relevant Monthly Period exceeds the Collections received by VWFS for such Monthly Period, such excess amount shall be released to VWFS outside the Order of Priority on the relevant Payment Date or (b) that the Collections received by VWFS for such Monthly Period exceed the sum of Monthly Collateral Part 1 and the Monthly Collateral Part 2 which has been transferred by VWFS for the relevant Monthly Period, an amount equal to such excess shall be paid into the Distribution Account by VWFS on the relevant Payment Date; and
- (e) if the Monthly Remittance Condition is satisfied again, any Monthly Collateral Part 1 and Monthly Collateral Part 2 standing to the credit of the Distribution Account shall be released to VWFS outside the Order of Priority on the next Payment Date following such satisfaction.

The consequences of the relevant required rating being breached and time periods are set out in more detail in "*Monthly Collateral*" on pages 67-70 of the Prospectus.

Non-Rating Triggers Table

<u>Nature of Trigger</u>	<u>Description of Trigger</u>	<u>Consequence of Trigger</u>
Notification Event	<p>The occurrence of any of the following events:</p> <p>(a) Non-Payment: VWFS or the guarantor fails to pay any amount due under any Transaction Documents within three Business Days after the earlier of its becoming aware of such default and its receipt of written notice by or on behalf of the Security Trustee requiring the same to be remedied;</p> <p>(b) Attachment: all or any part, whose aggregate value exceeds 10 (ten) per cent., of the value of any property, business, undertakings, assets or revenues of VWFS having been attached as a result of any distress, execution or diligence being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within 30 days;</p> <p>(c) Insolvency Event: an Insolvency Event, in respect of VWFS or the Servicer;</p> <p>(d) Security Interest: VWFS creates or grants any Security Interest or permits any Security Interest to arise or purports to create or grant any Security Interest or purports to permit any Security Interest to arise (i) over or in relation to (1) any Purchased Receivable; (2) any right, title or interest or the Issuer in relation to a Purchased Receivable or the Collections; or (3) any proceeds of or sums received or payable in respect of a Purchased Receivable, in each case other than as permitted under the Transaction Documents;</p> <p>(e) Dispute: VWFS disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under the Receivables Purchase Agreement and as a result, in the reasonable opinion of the Security Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of VWFS to perform its obligations under the Transaction</p>	<p>Each of the Issuer and the Security Trustee may:</p> <p>(a) give notice in its own name (and/or on behalf of the Servicer pursuant to the VWFS Power of Attorney) to all or any of the Obligor of the sale, assignment and assignation of all or any of the Purchased Receivables by delivering a Notification Event Notice; and/or</p> <p>(b) direct (and/or require the Servicer to direct) all or any of the Obligor to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Distribution Account or any other account which is specified by the Issuer or the Security Trustee; and/or</p> <p>(c) give instructions (and/or require the Servicer to give instructions) to immediately transfer amounts received in respect of Collections to the Distribution Account but (if applicable) which have not already been paid to the Issuer as Monthly Collections Part 1 or Monthly Collections Part 2 (as applicable); and/or</p> <p>(d) take such other action and enter into such documents as it reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of Purchased Receivables or to perfect, improve, protect, preserve or enforce their rights against the Obligor in respect of Purchased Receivables (including, without limitation, entering into supplemental transfer documents).</p>

	<p>Documents or the enforceability, collectability or origination of the Purchased Receivables is or is likely to be materially prejudiced;</p> <p>(f) Illegality: it becomes impossible or unlawful for VWFS to continue its business and/or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Security Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of VWFS to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables is or is likely to be materially prejudiced;</p> <p>(g) Failure to repurchase: VWFS fails to (i) repurchase a Non-Conforming Receivable having become obliged to do so pursuant to Clause 10 (<i>Repurchase</i>) of the Receivables Purchase Agreement or (ii) pay any amount required pursuant to Clause 11 (<i>Payment for non-existent Receivables</i>) of the Receivables Purchase Agreement.</p>	
<p>Servicer Replacement Event</p>	<p>The occurrence of any event described in paragraphs (a) to (e) below:</p> <p>(a) the Servicer fails to make any payment or deposit to be made by it to the Distribution Account and such failure to pay has not been remedied within five (5) Business Days after the earliest of (i) receipt by the Servicer of a written notice from the Issuer of such failure to pay or (ii) the Servicer becoming aware of such failure to pay;</p> <p>(b) the Servicer fails to perform or observe in any material respect any material term, covenant or agreement hereunder applicable to it (other than as referred to in paragraph (a) above) and such failure shall remain unremedied for sixty (60) days (or if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer requiring the failure to be</p>	<p>The Issuer is entitled to dismiss the Servicer and is required to appoint a successor servicer in accordance with the provisions of the Servicing Agreement.</p>

	<p>remedied, (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period);</p> <p>(c) any material written representation or warranty made by the Servicer in its capacity as such in the Servicing Agreement or any of the Transaction Documents proves to have been incorrect, in any material respect, when made or deemed to be made by reference to the facts and circumstances then subsisting (provided, that repurchase or exchange of a Receivable by VWFS in accordance with the Receivables Purchase Agreement shall be deemed to remedy such circumstances with respect to such Receivable), and such incorrect representation or warranty shall remain unremedied for sixty (60) days (or, if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer requiring the circumstances causing or responsible for such misrepresentation to be remedied (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period); or</p> <p>(d) the Servicer becomes subject to an Insolvency Event.</p> <p>provided, however, that if a Servicer Replacement Event referred to under paragraph (a), to (c) above has occurred and was caused by an event beyond the reasonable control of the Servicer and if the respective delay or failure of performance is cured within a period of 150 days from the date on which the original failure to make payment, breach of term, covenant or agreement or breach of representation or warranty referred to under paragraph (a) to (c) occurred, a Servicer Replacement Event will be deemed not to have occurred.</p>	
<p>Foreclosure Event</p>	<p>The Security shall be subject to foreclosure upon the occurrence of a Foreclosure Event. A Foreclosure Event shall occur when:</p>	<p>The Security Trustee shall promptly give an Enforcement Notice to the Noteholders of the relevant Class and the</p>

	<p>(a) with respect to the Issuer an Insolvency Event occurs; or</p> <p>(b) the Issuer defaults in the payment of any interest on the most senior Class of Notes then outstanding when the same becomes due and payable, and such default continues for a period of five Business Days; or</p> <p>(c) the Issuer defaults in the payment of principal of any Note on the Final Maturity Date.</p> <p>It is understood that the interest and principal on the Notes other than interest on the Class A Notes will not be due and payable on any Payment Date prior to the Final Maturity Date except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority.</p>	<p>Subordinated Lender and notify the Rating Agencies of the occurrence of a Foreclosure Event.</p> <p>Upon the occurrence of Foreclosure Event, the Security may be claimed exclusively by the Security Trustee. Payments on such Security thereafter will have effect only if made to the Security Trustee. After the occurrence of the Foreclosure Event, payments on the obligations of the Issuer may not be made as long as, in the opinion of the Security Trustee, such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer with higher rank.</p> <p>After the occurrence of a Foreclosure Event the Security Trustee will at its reasonable discretion foreclose or cause foreclosure on the Security, provided that Security granted under the Deed of Charge and Assignment shall be subject to enforcement in accordance with the provisions therein. Unless compelling grounds to the contrary exist, the foreclosure shall be performed by collecting payments made into the Accounts on the Security or, inter alia, by assignment pursuant to clause 8.4(a) (Authority to Collect; Assumption of Obligations; Further Assignment). The provisions of the Corporate Services Agreement shall be unaffected by the foreclosure of the Security (subject to the provisions of clause 8.4 (Authority to Collect; Assumption of Obligations; Further Assignment) hereof).</p>
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FEES

The following table sets out the on-going fees to be paid by the Issuer to the transaction parties.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicer Fee	1% per annum (inclusive of VAT)	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
Security Trustee	Not expected to be more than £3,500 per annum	Ahead of all outstanding Notes	On the Closing Date and on each anniversary thereafter in advance
Corporate Services Provider under the Corporate Services Agreement	Not expected to be more than £30,000 per annum	Ahead of all outstanding Notes	On the Closing Date and thereafter semi-annually in advance
Each Agent under the Agency Agreement	Not expected to be more than £6,500 per annum	Ahead of all outstanding Notes	On the Closing Date and on each anniversary thereafter in advance
The Account Bank and the Cash Administrator under the Account Agreement	Not expected to be more than £6,000 per annum	Ahead of all outstanding Notes	On the Closing Date and on each anniversary thereafter in advance
Other Fees and expenses of the Issuer	Not expected to be more than £55,000 per annum	Ahead of all outstanding Notes	Annually