

VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED
(as the Subordinated Lender)

- and -

DRIVER UK MULTI-COMPARTMENT S.A.,
acting for and on behalf of its Compartment
Driver UK seven
(as the Issuer)

- and -

INTERTRUST TRUSTEES GMBH
(as the Security Trustee)

SUBORDINATED LOAN AGREEMENT



Matter ref 153290.000061
F2/7997673

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct, London EC1A 2FG

CONTENTS

CLAUSE		PAGE
1.	DEFINITIONS, INTERPRETATION AND COMMON TERMS	1
2.	THE SUBORDINATED LOAN	2
3.	USE OF PROCEEDS	3
4.	REPRESENTATIONS AND WARRANTIES	3
5.	PAYMENT AND CALCULATION OF INTEREST	5
6.	REPAYMENT	6
7.	CURRENCY OF ACCOUNT AND PAYMENT	6
8.	PAYMENTS	6
9.	ASSIGNMENT AND PARTICIPATION	7
10.	EVENTS OF DEFAULT	8
11.	SUBORDINATION	8

BETWEEN

- (1) **Volkswagen Financial Services (UK) Limited**, a company incorporated in England with registered number 02835230 and having its registered office at Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom (the "**Subordinated Lender**");
- (2) **Driver UK Multi-Compartment S.A.**, a public limited company (*société anonyme*) incorporated under the laws of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under registration number B 189.629 and having its registered office at 22-24 Boulevard Royal, L-2449 Luxembourg, acting for and on behalf of its Compartment Driver UK seven, as issuer (the "**Issuer**"); and
- (3) **Intertrust Trustees GmbH**, a private limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany and having its registered office at Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany under HRB 98921 (the "**Security Trustee**" which expression shall, where the context so admits, include all other persons for the time being acting as security trustee pursuant to the Trust Agreement and the Deed of Charge and Assignment).

WHEREAS

- (A) The Issuer was established as a limited liability company under Luxembourg law pursuant to the Luxembourg law of 22 March 2004 on securitisation ("**Luxembourg Securitisation Law**") on 8 August 2014. The sole shareholder of the Issuer is Stichting CarLux, a foundation duly incorporated and validly existing under the laws of The Netherlands, having its registered office at Museumlaan 2, 3581HK Utrecht, The Netherlands and registered with the trade register of the Chamber of Commerce in Amsterdam under number 34283304 (the "**Foundation**").
- (B) The Issuer (in its capacity as Purchaser) has entered into the Receivables Purchase Agreement, on the Issue Date, with the Seller pursuant to which it will purchase from the Seller the Purchased Receivables on or about the Purchase Date.
- (C) Pursuant to the Trust Agreement, the Deed of Charge and Assignment and the Assignment in Security, the Issuer will charge its interest in, *inter alia*, the Purchased Receivables to the Security Trustee to hold on trust for the Noteholders and the other Transaction Creditors (including the Subordinated Lender and the Security Trustee in respect of its Trustee Claim).
- (D) No later than the Issue Date, the Issuer intends to borrow funds, on the terms of this Agreement, by way of a Subordinated Loan, from the Subordinated Lender, and the Subordinated Lender is willing to grant such Subordinated Loan to the Issuer on such terms.

IT IS HEREBY AGREED as follows:

1. **DEFINITIONS, INTERPRETATION AND COMMON TERMS**

1.1 **Definitions**

Unless otherwise defined herein or the context requires otherwise, capitalised terms used in this Agreement shall have the meanings ascribed to them in Clause 1 of the Master

Definitions Schedule (the "**Master Definitions Schedule**") set out in the Incorporated Terms Memorandum (the "**Incorporated Terms Memorandum**") which is dated on or about the date hereof and signed, for purposes of identification, by each of the Transaction Parties. The terms of the Master Definitions Schedule are hereby expressly incorporated into this Agreement by reference. In addition:

"**Borrowing Date**" shall have the meaning assigned to such term in Clause 2.1 of this Agreement.

"**Monthly Report**" shall have the meaning assigned to such term in Clause 2.3 of this Agreement.

"**Subordinated Loan Interest Rate**" means 8.6728 per cent. per annum.

In the event of any conflict between the Master Definitions Schedule and this Agreement, this Agreement shall prevail.

1.2 Interpretation

Terms in this Agreement, except where otherwise stated or where the context otherwise requires, shall be interpreted in the same way as set forth in Clause 2 (*Interpretation*) of the Incorporated Term Memorandum.

1.3 Common Terms

(a) Incorporation of Common Terms

Except as provided below, the Common Terms apply to this Agreement and shall be binding on the Transaction Parties to this Agreement as if set out in full in this Agreement.

(b) Common Terms

In the event of any conflict between the provisions of the Common Terms and the provisions of this Agreement, the provisions of this Agreement shall prevail, subject always to compliance with Clause 10 (*Non-Petition and Limited Recourse*) of the Common Terms.

(c) Governing law and jurisdiction

This Agreement and all matters (including non-contractual duties and claims) arising from or connected with it shall be governed by German law in accordance with Clause 14 (*Governing Law*) of the Common Terms. Clause 15 (*Jurisdiction*) of the Common Terms applies to this Agreement as if set out in full in this Agreement.

2. THE SUBORDINATED LOAN

2.1 Subject to the terms and conditions set forth in this Agreement, the Subordinated Lender hereby agrees to make a loan (the "**Subordinated Loan**") to the Issuer, and the Issuer agrees to borrow such Subordinated Loan, in an aggregate principal amount of GBP 61,501,051.04 on the Closing Date (the "**Borrowing Date**").

2.2 The obligation of the Subordinated Lender to make the Subordinated Loan to the Issuer on the Borrowing Date shall be subject to the conditions precedent that:

- (a) on, or prior to the Borrowing Date, the Issuer shall have delivered, or caused to be delivered to the Subordinated Lender, in form and substance satisfactory to the Subordinated Lender, each of the following documents:
 - (i) a copy of the Issuer's Articles of Incorporation;
 - (ii) a copy of the resolutions of the board of directors of Driver UK Multi-Compartment S.A., acting for and on behalf of its Compartment Driver UK seven authorising the execution, delivery and performance by the Issuer of this Agreement;
 - (iii) a copy of the duly executed Receivables Purchase Agreement; and
 - (iv) such other approvals, documents, instruments, certificates and opinions as the Subordinated Lender may reasonably request.
- (b) on, or prior to the Borrowing Date, the Issuer shall have delivered, or caused to be delivered to the Subordinated Lender a confirmation, in form and substance satisfactory to the Subordinated Lender, that each of the representations and warranties of the Issuer contained in Clause 4.2 of this Agreement are true, complete and correct on and as of the Borrowing Date.
- (c) no Insolvency Event shall have occurred in respect of the Issuer and/or the Subordinated Lender.

2.3 The Issuer shall, at least two (2) Business Days prior to each Payment Date, deliver to the Subordinated Lender a report specifying (i) the outstanding principal amount of the Subordinated Loan as of the day such report is delivered, and (ii) the principal amount (if any) of the Subordinated Loan that the Issuer anticipates to repay on such Payment Date (each, a "**Monthly Report**").

3. **USE OF PROCEEDS**

The Issuer hereby agrees that the proceeds of the Subordinated Loan shall be used by the Issuer for the sole purpose of funding the acquisition of the Receivables pursuant to, and in accordance with, the Transaction Documents and to provide credit enhancement in respect of the Notes.

4. **REPRESENTATIONS AND WARRANTIES**

4.1 The Subordinated Lender hereby represents and warrants that:

- (a) it is able to pay its debts within the meaning of section 123(1) of the Insolvency Act 1986 and will not become unable to do so in consequence of entering into this Agreement;
- (b) centre of main interests (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated in the United Kingdom and it does not have a 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); and

- (c) 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.

4.2 The Issuer hereby represents and warrants that as of the date hereof and the Borrowing Date:

- (a) **Organisation of the Issuer.** The Issuer is a public limited liability company (*société anonyme*) duly incorporated and validly existing under the laws of Luxembourg. The Issuer has the corporate power and authority to own its assets and to carry on its business as it is now being conducted or as it is proposed to be conducted. The Issuer is duly qualified to do business in all jurisdictions in which the ownership of its property or the conduct of its business makes such qualification necessary.
- (b) **Authorisation.** The execution, delivery and performance of this Agreement by the Issuer are within the corporate power and authority of the Issuer and have been duly authorised by all necessary corporate action.
- (c) **Validity.** This Agreement constitutes the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, except as the enforceability hereof may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally.
- (d) **Consents.** All consents, licenses, authorisations, approvals, exemptions or registrations or filings with any person (including, without limitation, shareholders or creditors of the Issuer), commission, board, agency, court or other Governmental Authority necessary in connection with the valid execution, delivery, performance, validity and enforceability of this Agreement by or against the Issuer have been obtained or effected and certified copies thereof have been provided to the Subordinated Lender.
- (e) **No Conflict.** The execution and delivery by the Issuer of this Agreement do not, and the performance by it of this Agreement will not, (i) violate any provision of the Issuer's constitutional documents, including its Articles of Incorporation or any law, rule, regulation, order, writ, judgment, decree, determination or award applicable to it, (ii) result in a breach of or constitute a default under any indenture, lease, loan or other agreement or any instrument to which the Issuer is a party or by which it or its properties may be bound or affected, or (iii) result in, or require the creation or imposition of, any security interest upon or with respect to any of the properties now owned or hereafter acquired by the Issuer, except pursuant to the Trust Agreement or any other Security Document.
- (f) **No Default.** The Issuer is not in violation of any law, rule, regulation, order, writ, judgment, decree, determination or award applicable to it or any indenture, lease, loan or other agreement to which it is a party or by which it or its properties may be bound or affected, the violation of which may reasonably be expected to have a material adverse effect upon the ability of the Issuer to perform any of its obligations under this Agreement.
- (g) **No Litigation.** There are no actions, suits or proceedings pending or, to the knowledge of the Issuer, threatened against the Issuer or the properties of the Issuer before any court, arbitrator, commission, board, agency or other authority.

- (h) **No Insolvency Event.** No Insolvency Event has occurred in respect of the Issuer.

5. PAYMENT AND CALCULATION OF INTEREST

5.1 Payment and calculation of Interest

On each Payment Date, the Issuer shall, to the extent that it has funds available therefore pursuant to, and in accordance with, Clause 21 (*Order of Priority*) of the Trust Agreement, pay to the Subordinated Lender any interest accrued but unpaid on the Subordinated Loan during the immediately preceding Interest Period by applying the Subordinated Loan Interest Rate to the Subordinated Loan Amount outstanding immediately prior to the relevant Payment Date and on the basis of a year of 365 days and the actual number of days elapsed in the relevant Interest Period and rounding the result up or down to the nearest full pence.

5.2 Default Interest and Penalty

- (a) If the Issuer fails to pay any amount (other than in payment of interest) due and payable by it pursuant to, and in accordance with, Clause 21 (*Order of Priority*) of the Trust Agreement on its due date, interest shall accrue on the overdue amount (at the opinion of the Subordinated Lender and with notice to the Issuer) from the due date up to the date of actual payment (both before and after judgment) at the rate which would have been payable for successive Interest Periods. Any interest accruing under this Clause 5.2 shall become due by the Issuer on demand by the Subordinated Lender but shall only be paid in accordance with the applicable Order of Priority, provided sufficient funds are available.
- (b) If the Issuer fails to pay any amounts in payment of interest pursuant to, and in accordance with, Clause 21 (*Order of Priority*) of the Trust Agreement on its due date, the Issuer shall pay liquidated damages to the Subordinated Lender in an amount determined by the Subordinated Lender as being, in respect of the period from the due date of payment until receipt by the Subordinated Lender of the relevant amount, the equivalent of interest at a rate determined in accordance with paragraph (a) above applied to the relevant overdue amount in accordance with Clause 21 (*Order of Priority*) of the Trust Agreement.
- (c) In the circumstances described in paragraphs (a) and (b) above, the Issuer shall be entitled to demonstrate that the damage actually suffered by the Subordinated Lender was less than the amounts determined in accordance therewith, and the Subordinated Lender shall be entitled to prove and claim for any higher damage.

5.3 No Gross-up

- (a) All payments to be made hereunder will be paid without deduction or withholding for or on account of any taxes, save as required by applicable law (or pursuant to FATCA), in which case they shall be made net of any such required deduction or withholding.
- (b) To the extent permitted by applicable law, the Subordinated Lender covenants with the Issuer that it will provide (including by way of updates) to the Issuer in such form and at such time as is reasonably requested by the Issuer (including by way of electronic certification) any information, representations, certifications, waivers and forms as may reasonably be requested by the Issuer to assist it in

complying with FATCA or any other Tax Information Arrangement (including any voluntary agreement entered into with a tax authority in connection with FATCA or any other Tax Information Arrangement), where applicable, and to determine whether any FATCA Deduction is required with respect to payments to the Subordinated Lender under the Transaction Documents. The Issuer will be entitled (to the extent permitted by applicable law) to disclose to any tax authority any information relating to the Subordinated Lender, this Agreement and the Transaction Documents required for the purposes of FATCA or any other Tax Information Arrangement, including (without limitation) any information, representations, certifications, waivers and forms provided pursuant to this Clause 5.3(b).

6. REPAYMENT

- 6.1 On each Payment Date, the Issuer shall, to the extent that it has funds available therefore pursuant to, and in accordance with, Clause 21 (*Order of Priority*) of the Trust Agreement, pay to the Subordinated Lender all or any portion of the principal amount of the Subordinated Loan then due and payable in accordance with Clause 21 (*Order of Priority*) of the Trust Agreement.
- 6.2 Any remaining principal amount of the Subordinated Loan and any accrued but unpaid interest thereon shall subject to Clause 11 (*Subordination*) of this Agreement and Clause 21 (*Order of Priority*) of the Trust Agreement be due and payable no later than the Final Maturity Date.
- 6.3 The Issuer shall not make any payment in respect of the Subordinated Loan or otherwise under this Agreement, whether for principal, interest or otherwise, except in the manner provided for in Clause 21 (*Order of Priority*) of the Trust Agreement.

7. CURRENCY OF ACCOUNT AND PAYMENT

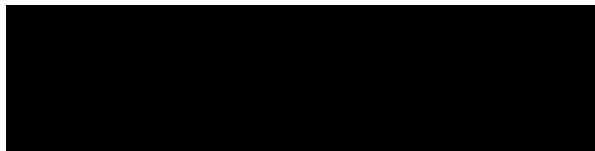
GBP is the currency of account and payment for each and every sum at any time due from the Issuer hereunder.

8. PAYMENTS

8.1 Payments to the Subordinated Lender

On each date on which this Agreement requires an amount to be paid by the Issuer, the Issuer shall make the same available to the Subordinated Lender in same day funds (and free of wire transfer fees, banking charges or other similar costs) to such account as specified below or with such bank as the Subordinated Lender shall specify from time to time in writing:

Payment to:
Swift Code:
In Favour of:
IBAN/Account No.:



8.2 Payments to the Issuer

No later than the Borrowing Date, the Subordinated Lender shall make the same available to the Issuer by payment in GBP (free of wire transfer fees, banking charges or other

similar costs) and in same day funds to such account as specified below or with such bank as the Issuer shall specify from time to time in writing:

Account:
Account Bank:
IBAN:
Beneficiary:



9. ASSIGNMENT AND PARTICIPATION

9.1 Binding Agreement

This Agreement shall be binding upon and inure to the benefit of each party hereto and its or any subsequent successors.

9.2 Assignments by the Subordinated Lender

- (a) The Subordinated Lender may assign to one or more members of the Volkswagen Group all or a portion of its rights under this Subordinated Loan Agreement provided, however, that (i) the Subordinated Lender's obligations under this Agreement shall remain unchanged, (ii) the Subordinated Lender shall remain solely responsible to the Issuer for the performance of such obligations, (iii) the Issuer shall continue to deal solely and directly with the Subordinated Lender in connection with the Subordinated Lender's rights and obligations under this Agreement, (iv) the Subordinated Lender shall notify the assignment to the relevant parties to the Transaction Documents and (v) the Subordinated Lender shall have secured the written consent from the Security Trustee prior to such assignment.
- (b) The Subordinated Lender may grant to one or more members of the Volkswagen Group sub-participations in all or a portion of its rights and obligations under this Agreement provided, however, that (i) the Subordinated Lender's obligations under this Agreement shall remain unchanged, (ii) the Subordinated Lender shall remain solely responsible to the Issuer for the performance of such obligations and (iii) the Issuer shall continue to deal solely and directly with the Subordinated Lender in connection with the Subordinated Lender's rights and obligations under this Agreement.
- (c) The Subordinated Lender may, in connection with any assignment or sub-participation or proposed assignment or sub-participation pursuant to this Clause 9.2, disclose to the assignee or sub-participant or proposed assignee or sub-participant any information relating to the Issuer furnished to the Subordinated Lender by or on behalf of the Issuer provided that, prior to any such disclosure, the assignee or sub-participant or proposed assignee or sub-participant shall agree to (i) preserve the confidentiality of any confidential information relating to the Issuer received by it from the Subordinated Lender and (ii) make no use of such information other than in connection with such assignment or sub-participation.

9.3 Assignments by the Issuer

The Issuer may not, without the Subordinated Lender's prior written consent (such consent not to be unreasonably withheld), at any time assign or transfer any of its rights or obligations hereunder.

10. EVENTS OF DEFAULT

If any of the following events ("**Events of Default**") shall occur and be continuing:

- (a) although there are sufficient funds available pursuant to, and in accordance with, Clause 21 (*Order of Priority*) of the Trust Agreement, the Issuer fails to pay, within five (5) Business Days from the date such payment becomes due and payable, any principal of the Subordinated Loan or any interest accrued thereon in accordance with the terms hereof and the Order of Priority; or
- (b) any representation or warranty by the Issuer herein proves to have been incorrect in any material respect when made or deemed made and such misrepresentation has a material adverse effect on the ability of the Issuer to perform its payment obligations hereunder; or
- (c) the Issuer fails to perform or observe:
 - (i) any term, representation, warranty or agreement contained in Clause 4.2 hereof; or
 - (ii) any other term, representation or warranty or agreement to be performed or observed by the Issuer under this Agreement, if the failure to perform or observe such other term, representation or warranty or agreement remains unremedied for thirty (30) days after written notice thereof having been given to the Issuer by the Subordinated Lender; or
- (d) an Insolvency Event with respect to the Issuer occurs; or
- (e) the Trust Agreement or any other Security Document (or any security interest purported to be created thereunder) ceases, for any reason, to be in full force and effect or is declared to be null and void, or the validity or enforceability thereof is contested by the Issuer or the Issuer denies that it has any or further liability or obligation thereunder (or with respect thereto);

then, and in any such event, subject to Clause 11 (*Subordination*) of this Agreement, the Subordinated Lender may, by notice to the Issuer and the Rating Agencies, declare that the principal amount of the Subordinated Loan, together with interest accrued in respect thereof or any other amount then outstanding shall be due and payable, whereupon the Issuer shall pay such interests, principal and/or such other amount to the Subordinated Lender, in accordance with Clause 21 (*Order of Priority*) of the Trust Agreement provided however, that such payments by the Issuer to the Subordinated Lender shall be subordinated (*nachrangig*) and deferred (*gestundet*) until such time when all Noteholders have received full and final payment in respect of the Notes. The parties hereto agree that an Event of Default pursuant to this Clause 10 alone shall not cause an Enforcement Event to occur.

11. SUBORDINATION

- 11.1 The Subordinated Lender agrees with the Issuer that any amount owed to it by the Issuer hereunder or otherwise in connection herewith or in connection with any Transaction Document or any of the transactions contemplated hereby or thereby shall not become due and payable unless and until all amounts required to be paid to any person identified or otherwise described in Clause 21 (*Order of Priority*) of the Trust Agreement ranking prior to the payment of such amount to the Subordinated Lender have been paid, provided for or discharged in full either by the Issuer or through payment of enforcement

proceeds of the Purchased Receivables and the related Ancillary Rights by the Security Trustee and (ii) payment can be effected from a net profit (net income for the year plus profit carryforward)(*Gewinn*) or from other free assets in excess of liabilities (*freies Vermögen*) recorded in the commercial financial statements or from any liquidation surplus (*Liquidationsüberschuss*).

11.2 The Subordinated Lender hereby covenants with the Issuer that if, whether in the liquidation of the Issuer or upon the occurrence of an Enforcement Event or otherwise (and notwithstanding the provisions of this Clause 11), any amount is received by it in respect of the Subordinated Loan or any interest thereon, other than pursuant to, and in accordance with, Clause 21 (*Order of Priority*) of the Trust Agreement, such amount shall be received and held by the Subordinated Lender as trustee (*Treuhänder*) for the Issuer and shall be paid over to the Issuer forthwith upon receipt; provided that this Clause 11.2 shall have effect only to the extent that it does not and is not deemed to constitute or create any mortgage, charge or other security interest of any kind.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and year first before written.

EXECUTION PAGE

**Driver UK Multi-Compartment S.A., acting for and on behalf of its Compartment
Driver UK seven**
as the *Issuer*

Address: 22-24 Boulevard Royal, L-2449 Luxembourg
Fax: +352/26 45 96 28
E-mail: driveruk@circumferencefs.lu

By: _____

By: _____

Volkswagen Financial Services (UK) Limited
as the *Subordinated Lender*

By: _____

Address: Volkswagen Financial Services (UK) Limited
Brunswick Court, Yeomans Drive
Blakelands, Milton Keynes MK14 5LR
United Kingdom
Email: ABSOperations@vwfs.co.uk
Attn: ABS Operations

Intertrust Trustees GmbH
as the *Security Trustee*

By: _____

Address: Eschersheimer Landstraße 14
60322 Frankfurt am Main
Germany
Fax: +49 69 64350 8925
Attn.: Hanna Wagner/Rhainy Harris