

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 Directive 2003/71/EC 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 Base Prospectus dated 22 June 2022 (the "Base Prospectus"). In the event of any inconsistency between this document and the Base Prospectus, the Base Prospectus shall prevail.

DRIVER UK Multi-Compartment S.A.

acting for and on behalf of its Compartment Private Driver UK 2020-1

(incorporated with limited liability in Luxembourg with registered number B 189629)

	Class A Notes	Class B Notes
<i>Nominal Amount</i>	GBP 601,600,000	GBP 70,100,000
<i>Interest Rate</i>	the sum (subject to a floor of zero) of SONIA plus 0.62 per cent. per annum	the sum (subject to a floor of zero) of SONIA plus 1.25 per cent. per annum
<i>Issue Price</i>	100 per cent.	100 per cent.
<i>Scheduled Repayment Date</i>	25 June 2030	25 June 2030
<i>Final Maturity Date</i>	25 June 2031	25 June 2031
<i>Ratings on Issue</i>	AAA(sf) from S&P Global AAA(sf) from Fitch	None None

Issue Date/Closing Date	27 June 2022.
Underlying Assets	The Initial Receivables purchased by the Issuer from the Seller on the Closing Date and Additional Receivables purchased by the Issuer from the Seller on each Additional Purchase Date (the " Purchased Receivables ") comprise claims against Obligor in respect of payments due under Financing Contracts (excluding Excluded Amounts) for the provision of credit for the purchase of motor vehicles. 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.
Credit Enhancement	The risk for the Class A Noteholders that they will not receive the amount due to them under the Class A Notes as stated in this Prospectus is covered up to the General Cash Collateral Amount, by the investment of principal of the Class B Notes and the Subordinated Lender due to the subordination of the Class B Notes and the Subordinated Loan to the Class A Notes and by the excess of the Aggregate Discounted Receivables Balance over the sum of the total nominal amounts of the Class A Notes, the Class B Notes and the Subordinated Loan.
Redemption Provisions	Information on any optional and mandatory redemption of the Notes is summarised on page 89 " ABSTRACT OF THE CONDITIONS OF THE NOTES - Optional Redemption of the Notes / Clean-Up Call Option ".

<p>Credit Rating Agencies</p>	<p>Ratings have been assigned to the Class A Notes by Fitch Ratings Limited ("Fitch") and S&P Global Ratings UK Limited ("S&P Global"). 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 and S&P Global is established in the United Kingdom and registered under the UK CRA Regulation. The ratings issued by Fitch and S&P Global have been endorsed by Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited, respectively, pursuant to Article 4(3) of the CRA Regulation. Each of Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited is established in the European Union and registered under the CRA Regulation. VWFS considered the appointment of a small CRA when appointing the rating agencies in connection with the updates to this Transaction along with Fitch and S&P Global.</p> <p>The assignment of ratings to the Class A Notes or an outlook on these ratings is not a recommendation to invest in the Class A Notes and may be revised, suspended or withdrawn at any time.</p>
<p>Credit Ratings</p>	<p>Ratings were assigned to the Class A Notes as set out above on or before the Closing Date.</p> <p>The rating of the Class A Notes addresses the ultimate payment of principal and timely payment of interest according to the Conditions. The rating takes into consideration the characteristics of the Receivables and the structural, legal, tax and Issuer-related aspects associated with the relevant Notes. The ratings assigned to the relevant Class A 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 Series of Class A 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 Series of Class A Notes.</p>
<p>Listing</p>	<p>The Base Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "CSSF") of Luxembourg in its capacity as competent authority under Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The CSSF only approves this Base 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 this Base Prospectus or an endorsement of the Issuer that is subject to this Base Prospectus. 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 will be made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market is a regulated market upon their issuance. The Luxembourg Stock Exchange's regulated market for the purpose of Directive 2014/65/EU. The Base Prospectus constitutes a Base Prospectus for the</p>

	purpose of Article 8 of the Base Prospectus Regulation and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).
Obligations	The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of any of the Arranger and Lead Manager, the Seller, the Servicer (if different), the Swap Counterparties, 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.
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)(c) of the Securitisation Regulation and 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 the EU Securitisation Regulation and:</p> <ul style="list-style-type: none">(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, and pursuant to Article 12 of the Commission Delegated Regulation (EU) 625/2014, until regulatory technical standards are adopted by the Commission pursuant to and Article 6(7) of the EU Securitisation Regulation, , provided that the level of retention may reduce over time in compliance with Article 10 (2) of the Commission Delegated Regulation (EU) 625/2014. <p>As at the Initial Issue Date and any Further Issue Date, such interest will be comprised of an interest in randomly selected exposures equivalent to no less than 5 per cent. of the nominal amount of the securitised exposures.</p> <p>Please see pages 3-6 of the Prospectus for more information.</p>

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 and Lead Manager

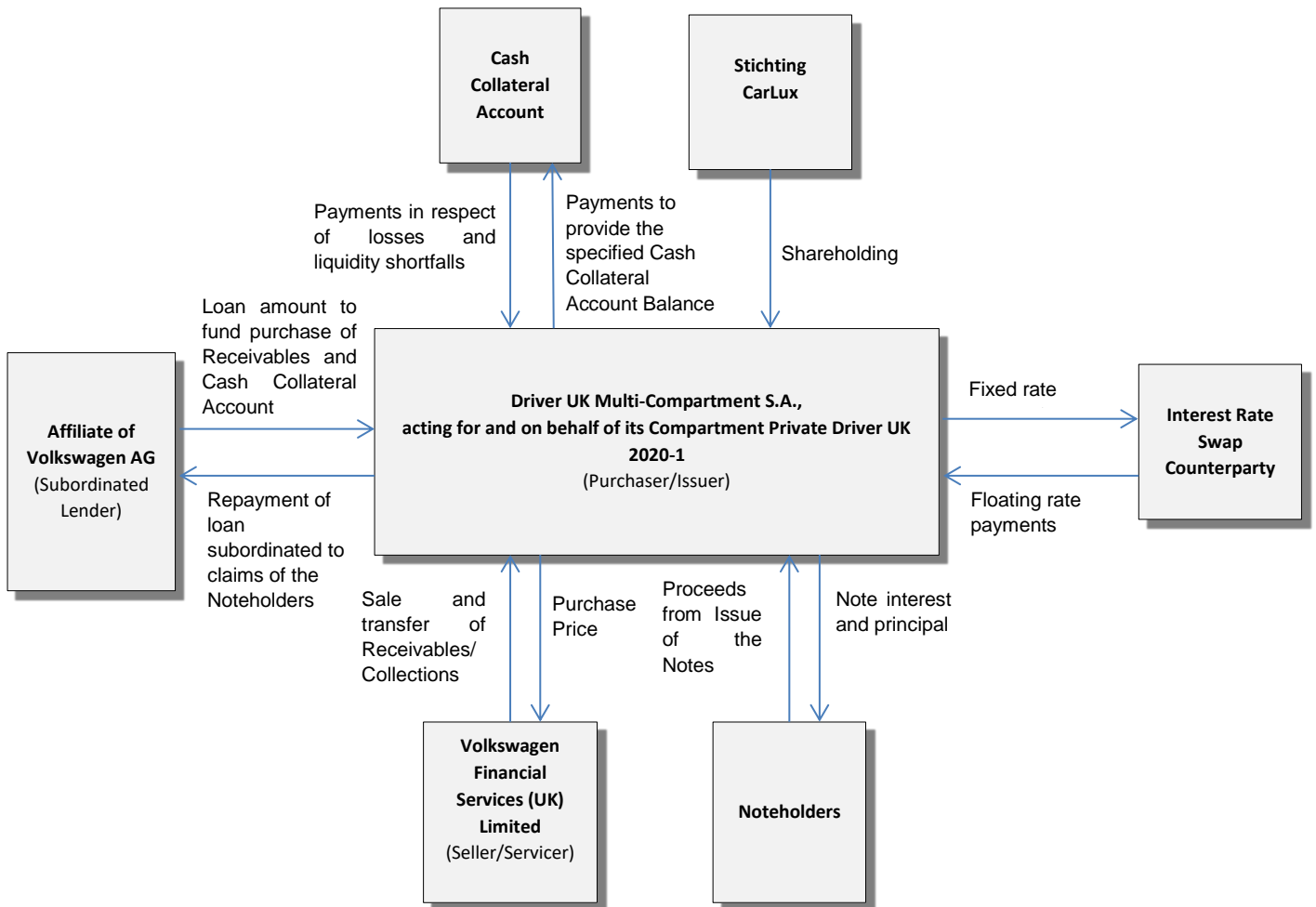
Lloyds Bank Corporate Markets

The Arranger and Lead Manager has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger and Lead Manager as to the accuracy or completeness of the information contained in this Transaction Summary. In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved.

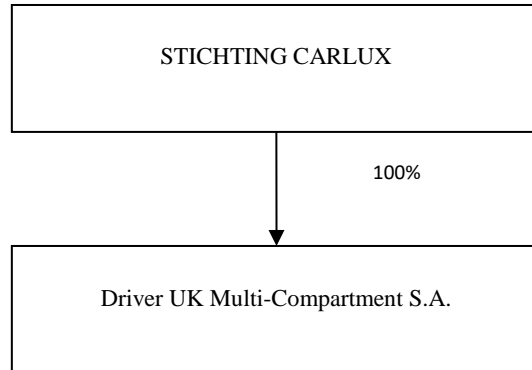
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DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP STRUCTURE



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 Private Driver UK 2020-1	22-24, Boulevard Royal, L-2449 Luxembourg	N/A	Please see page 181 of the Prospectus " <i>THE ISSUER</i> "
Seller/Originator	Volkswagen Financial Services (UK) Limited (" VWFS ")	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, United Kingdom	N/A	Please see pages 161-162 of the Prospectus " <i>THE SELLER AND SERVICER</i> "
Servicer	Volkswagen Financial Services (UK) Limited	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, United Kingdom	Appointed under the Servicing Agreement	Please see pages 161-162 of the Prospectus " <i>THE SELLER AND SERVICER</i> "
Subordinated Lender	Volkswagen Financial Services (UK) Limited (" VWFS ")	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, United Kingdom	Appointed under the Subordinated Loan Agreement	Please see page 53 of the Prospectus " <i>TRANSACTION OVERVIEW</i> "
Cash Collateral Account Bank, Accumulation Account Bank, Counterparty Downgrade Collateral Account Bank and Distribution Account Bank	Elavon Financial Services DAC,	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland.	Appointed under the Account Agreement	Please see page 54 of the Prospectus " <i>TRANSACTION OVERVIEW</i> " and page 190 " <i>CASH COLLATERAL ACCOUNT BANK, PAYING AGENT, REGISTRAR AND INTEREST</i> "

Party	Name	Address	Document under which appointed:	Further Information
				<i>DETERMINATION AGENT</i> "
Cash Administrator	U.S. Bank Global Corporate Trust Limited	5th Floor 125 Old Broad Street, London EC2N 1AR, United Kingdom	Appointed under the Account Agreement	Please see page 54 of the Prospectus " <i>TRANSACTION OVERVIEW</i> " and page 191 of the Prospectus " <i>CASH ADMINISTRATOR</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 188 of the Prospectus " <i>SECURITY TRUSTEE</i> "
Paying Agent and Interest Determination Agent	Elavon Financial Services DAC	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland.	Appointed under the Agency Agreement	Please see page 54 of the Prospectus " <i>TRANSACTION OVERVIEW</i> " and page 190 of the Prospectus " <i>CASH COLLATERAL ACCOUNT BANK, REGISTRAR, PAYING AGENT AND INTEREST DETERMINATION AGENT</i> "
Registrar	Elavon Financial Services DAC	Block E, Cherrywood Business Park, Loughlins-town, Dublin Ireland		Please see page 54 of the Prospectus " <i>TRANSACTION OVERVIEW</i> " and page 190 of the Prospectus " <i>CASH COLLATERAL ACCOUNT BANK, PAYING AGENT, REGISTRAR AND INTEREST DETERMINATION AGENT</i> "

Party	Name	Address	Document under which appointed:	Further Information
Corporate Services Provider	Circumference FS (Luxembourg) S.A.	22-24, Boulevard Royal, L-2449 Luxembourg	Appointed under the Corporate Services Agreement	Please see page 54 and 192 "CORPORATE ADMINISTRATION"
Listing Authority and Stock Exchange	Luxembourg Stock Exchange	35A Boulevard Joseph II, L-1840, Luxembourg	N/A	Please see page 50 of the Prospectus "OVERVIEW OF THE NOTES"
Clearing Systems	Clearstream Banking S.A. and Euroclear SA/NV	Clearstream: 42 Avenue J.-F. Kennedy, L-1885, Luxembourg Euroclear: 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium	N/A	Please see page 54 of the Prospectus "TRANSACTION OVERVIEW"
Rating Agencies	Fitch Ratings Limited (" Fitch ") and S&P Global Ratings UK Limited (" S&P ")	Fitch: 30 North Colonnade, London, E14 5G, United Kingdom S&P: 20 Canada Square, Canary Wharf, London E14 5LH, United Kingdom,	N/A	Please see page 54 of the Prospectus "TRANSACTION OVERVIEW"
Swap Counterparty	ING Bank N.V.,	ING Bank N.V.,:	Swap Agreement	Please see page 53 of the Prospectus "TRANSACTION"

Party	Name	Address	Document under which appointed:	<i>Further Information</i>
		Foppingadreef 7, P.O. Box 1800, NL-1000 BV Amsterdam, The Netherlands.		<i>OVERVIEW</i> " and page 187 of the Prospectus " <i>SWAP COUNTERPARTY</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 Receivables are sold by the Seller pursuant to the Receivables Purchase Agreement and arise from hire purchase agreements (including personal contract plans) granted to Obligors for the financing of the vehicles under the Financing Contracts.

The Issuer purchased and accepted on 27 April 2020 the Initial Receivables as of the Initial Cut-Off Date.

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 the Seller any Additional Receivables if and to the extent offered by the Seller subject to the fulfilment of certain conditions. Such conditions include, inter alia, the requirement that the Additional Receivables meet the Eligibility Criteria set forth in the Receivables Purchase Agreement. Where the Additional Receivables include Scottish Receivables, pending perfection under Scots law of such sale by duly intimated assignation, the Seller 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 the Seller:

- (a) the Seller 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 Assignment 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.

The Seller will further make certain 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 Receivables*"). After the Revolving Period, the Issuer will no longer purchase and accept assignments of Additional Receivables.

The Seller will warrant to the Issuer in the Receivables Purchase Agreement (i) as at the Initial Cut-Off Date in respect of 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 all Receivables sold under the Receivables Purchase Agreement at the Initial Issue and the Additional Cut-Off Date (as applicable) meet the Eligibility Criteria set forth in the Receivables Purchase Agreement and were selected prior to or on the Initial Issue or the Additional Cut-Off Date (as applicable).

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 or Northern Ireland will take effect in equity only because no notice of the assignment will be given to Obligor. 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 Sale Agreement perfected by giving notice to the relevant Obligor.

For further information please see page 113 of the Prospectus ("*PURCHASED RECEIVABLES POOL*").

Composition of the Purchased Receivables Pool as of the Initial Cut-Off Date

Outstanding Aggregate Discounted Receivables Balance	GBP 867,329,592.37
Number of Financing Contracts	52,290
Average Outstanding Discounted Receivables Balance	GBP 16,586.91
Range of Outstanding Discounted Receivables Balance	Up to GBP 342,845.77
Weighted average contract rate	6.09 per cent
Range of contract rates	Up to 14.59%
Weighted average remaining term	31.34 months
Range of remaining terms	0 to 59 months
Weighted average original term	47.84 months

Range of original terms 11 to 72 months

Consideration (Initial Receivables Purchase Price)

GBP 332,893,364.72 (equal to the Aggregate Discounted Receivables Balance of the Purchased Receivables as of the Initial Cut-Off Date less (i) an amount of GBP 13,720,000 for overcollateralisation purposes less (ii) the Initial Cash Collateral Amount).

Representations and Warranties

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 or trust, made by it in respect of any Receivable assigned or held on trust 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 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 (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 or trust made by it in respect of any Purchased Receivables assigned or held on trust or scheduled to be assigned or held on trust pursuant to the Receivables Purchase Agreement and the exercise of its rights and the performance of its obligations in any such assignment or holding on trust 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 or holding on trust of Purchased Receivables in the manner contemplated herein or therein, 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 or holding on trust 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 England and will not cease to be treated as being resident for tax purposes in England by virtue of the application of Section 18 of the Corporation Tax Act 2009. It belongs in England 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 VWFS pursuant to underwriting standards which are no less stringent than those which also apply to Financing Contracts which will not be securitised. In particular, VWFS 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, VWFS 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 EU and the UK), 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.

The Purchased Receivables comprised in the Initial 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

The Seller 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 Receivable meets a number of conditions comprising (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: 55 per cent.); (ii) PCP used contracts (concentration limit: 50 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 or its Affiliate'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 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 and will therefore be subject to certain risks as set out in the risk factor entitled "*Equitable Assignment*" in the Risk Factors section 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, however, VWFS does not warrant the solvency (credit standing) of the relevant Obligors.

Repurchase of the Receivables and Ancillary Rights

1. Remedy for breach of representation and warranty

If the warranties given by the Seller in the Receivables Purchase Agreement in respect of the Purchased Receivables are breached on (i) the Initial Cut-Off Date in respect of the Initial Receivables or (ii) the relevant Additional Cut-Off Date in respect of the Additional Receivables and such failure materially and adversely affects the interests of the Issuer or the Noteholders, the Seller shall have until the end of the Monthly Period which includes the sixtieth (60th) day (or, if the Seller so 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 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; 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 as 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 (*Warranties and Representations*) of the Receivables Purchase Agreement set out of in the section "*PURCHASED RECEIVABLES – Eligibility Criteria*" of the Prospectus.

Each of the Issuer and the Security Trustee agrees to notify the Seller 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 of 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.

2. Administrative Call Option

Under the Receivables Purchase Agreement, VWFS will have the option but not the obligation, to require the Issuer to exercise the Clean-Up Call Option and to repurchase the outstanding Purchased Receivables from the Issuer at any time when the Aggregate Discounted Receivables Balance for all outstanding Purchased Receivables is less than 10 per cent. of the Maximum Discounted Receivables Balance.

Consideration for repurchase:

If any of the Receivables have not come into existence at the time of their transfer to the Issuer under the Receivables Purchase Agreement or belong to another Person other than the Seller, such transfer would not result in the Issuer acquiring title to such Receivable. The Issuer would not receive adequate value in return for its purchase price payment. This risk, however, will be mitigated by contractual representations and warranties and the contractual obligation that:

(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. 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 Collections ; 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 Obligor in respect of Purchased Receivables (including, without limitation, entering into supplemental transfer documents).

Servicing of the Receivables Pool:

VWFS has agreed to act as Servicer under the Servicing Agreement. In this capacity, VWFS has agreed to perform the following tasks according to its usual business practices as they exist from time to time:

- (a) service and collect the Receivables in accordance with the Servicing Agreement;
- (b) as long as the Monthly Remittance Condition is satisfied, transfer by the Payment Date of each month to the Distribution Account the Collections relating to the Monthly Period (and if the Monthly Remittance Condition is no longer satisfied, take the action set out in "**Commingling**" below);
- (c) repossess and sell Vehicles upon any default by any Obligor or sell the Vehicles upon termination of the Financing Contract where the Vehicle is returned to the Servicer; (save to the extent the Receivable relating to such Financing Contract is a Redelivery Purchased Receivable and has been repurchased by VWFS under the Redelivery Repurchase Agreement on the Redelivery Repurchase Date); and
- (d) perform other tasks incidental to the above.

"**Servicer Replacement Event**" means the occurrence of any event described in paragraphs (a) to (e) below:

- (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 of when due after the earliest of (i) receipt by the Servicer of a written notice from the Issuer or any Noteholder 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 paragraphs (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; or
- (e) the Servicer fails to renew, or suffers the revocation of, the necessary permissions pursuant to the Financial Services and Markets Act 2000 or licences to conduct its business under the Data Protection Laws, and such authorisations or licences are not replaced or reinstated within sixty days,

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.

Reporting Duties of the Servicer

Under the Servicing Agreement the Servicer has undertaken to report, amongst others, the following facts to the Issuer, the Security Trustee, the Principal Paying Agent, the Cash Administrator, the Rating Agencies, the Noteholders, the Registrar, the Subordinated Lender and the Swap Counterparties on each Servicer Report Performance Date:

- (a) the Available Distribution Amount and the aggregate amount to be distributed in relation to each Note and the Subordinated Loan on the immediately following Payment Date;
- (b) the repayment of the nominal amount attributed to each Note and to the Subordinated Loan as advanced together with the interest payment;

- (c) the nominal amount still outstanding on each Note and the Subordinated Loan as at each respective Payment Date;
- (d) the General Cash Collateral Amount remaining available on the immediately following Payment Date;
- (e) the sums corresponding to the administration fees and servicing fees;
- (f) the 12-Months Average Dynamic Net Loss Ratio;
- (g) the Class A Actual Overcollateralisation Percentage and the Class B Actual Overcollateralisation Percentage;
- (h) the Dynamic Net Loss Ratio;
- (i) the applicable Class A Targeted Overcollateralisation Percentage and the applicable Class B Targeted Overcollateralisation Percentage;
- (j) delinquency information for delinquency periods of up to 30 days, 30 to 60 days, 60 to 90 days, 90 to 120 days, 120 to 150 days, 150 to 180 days and greater than 180 days with respect to the number of delinquent Financing Contracts, the amount of delinquent Purchased Receivables and the total outstanding Discounted Receivables Balance of delinquent Financing Contracts;
- (k) in the event of the final Payment Date, the fact that such date is the final Payment Date;
- (l) stratification tables;
- (m) the Buffer Release Amount;
- (n) the Amortisation Factors with respect to any Series of Notes that qualify as an Amortising Series;
- (o) information on the occurrence of an Early Amortisation Event;
- (p) the amortisation profile of the outstanding pool;
- (q) the Class A Aggregate Discounted Receivables Balance Increase Amount and the Class B Aggregate Discounted Receivables Balance Increase Amount;
- (r) the sum of the credit balances (deposits) on the previous Payment Date of the Obligors of the

Purchased Receivables at bank accounts maintained with VWFS;

- (s) details of Purchased Receivables which are subject to:
 - a. COVID-19 Extensions; and
 - b. arrangements to pay agreed in the context of the Corona Pandemic; and
- (t) the Late Delinquency Ratio.

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 pages 98-99 of the Prospectus "*ABSTRACT OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS*" for more information.

Data Protection Agreement

Trust

VWFS has appointed Data Custody Agent Services B.V., as Data Protection Trustee under the provisions of the Data Protection Trust Agreement and, on 27 April 2020, has made the Portfolio Decryption Key (which is for the identification of the names and addresses of the Obligors 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 Obligors of the assignment of the Purchased Receivables to the Issuer and instruct the Obligors to make all payments in respect of the Purchased Receivables to the Distribution Account of the Issuer following delivery to it of a Notification Event Notice.

SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled "Terms and Conditions of the 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	For each Series of Notes, the amount specified as such in the respective Final Terms	For each Series of Notes, the amount specified as such in the respective Final Terms
Note Credit Enhancement	Class B Notes	None
Reserve Credit Enhancement	General Cash Collateral Amount	General Cash Collateral Amount
Issue Price	For each Series of Notes, the amount specified as such in the respective Final Terms	For each Series of Notes, the amount specified as such in the respective Final Terms
Interest Reference Rate	SONIA	SONIA
Relevant Margin	For each Series of Notes, the amount specified as such in the respective Final Terms	For each Series of Notes, the amount specified as such in the respective Final Terms
Interest Accrual Method	Actual/365	Actual/365
Interest Determination Date	The first day of an Interest Period	The first day of an Interest Period
Interest Payment Dates	25th of each month	25th of each month
Business Day Convention	Modified Following	Modified Following
First Interest Payment Date	For each Series of Notes, the date specified as such in the respective Final Terms	For each Series of Notes, the date specified as such in the respective Final Terms
First Interest Period	For each Series of Notes, the date specified as such in the respective Final Terms	For each Series of Notes, the date specified as such in the respective Final Terms
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	For each Series of Notes, the date specified as such in the respective Final Terms	For each Series of Notes, the date specified as such in the respective Final Terms
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	Clearstream Luxembourg and Euroclear
	Global registered notes held under the NSS	Global registered notes held by a common depository for Euroclear and Clearstream Luxembourg
Minimum Denomination	£100,000	£100,000
Ranking	<p>The Class A Notes of any Series constitute direct, unconditional and secured obligations of the Issuer. The Class A Notes rank pari passu among themselves. The claims of the Class A Noteholders under the Class A 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</p> <p>The Class B Notes of any Series constitute direct unconditional and secured obligations of the Issuer. The Class B Notes rank pari passu among themselves. The claims of 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.</p> <p>The Class A Notes will rank senior to the Class B Notes as to payments of interest and principal at all times.</p>	
Security	<p>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 (including, for the avoidance of doubt, as supplemented by the Supplement to the Deed of Charge and Assignment) and the Assignment in Security. The Security granted by the Issuer pursuant to the Deed of Charge and Assignment (including, for the avoidance of doubt, as supplemented by the Supplement to the Deed of Charge and Assignment) includes:</p>	

(a) an assignment by way of first fixed security 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 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 (other than the Deed of Charge and Assignment, the German Transaction Documents, the Luxembourg Transaction Documents, any Scottish Declaration of Trust and any Assignment in Security) (each an "**Other Charged Contract**"), (together, the "**Relevant Contracts**") 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 including, without limitation, 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) an assignment by way of first fixed security of all its right, title, interest and benefit, present and future, in, under and to all sums of money which may now be or hereafter are from time to time standing to the credit of the Accounts together with all interest accruing from time to time thereon and the debts represented thereby;

(d) an assignment by way of first fixed security of all of its present and future right, title and interest to, in and under the proceeds of any of the interests referred to (a) to (c) above; and

(e) 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 (including 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, and the whole of the Issuer's undertaking, property assets and rights situated in Scotland or otherwise governed by Scottish law).

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

Scottish Declaration of Trust

(a) the Seller 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 Assignment in Security as set out in the Deed of Charge and Assignment and the Issuer will procure that that assignment is intimated to the Seller and delivered to the Security Trustee.

Interest Provisions

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

Interest Deferral

Accrued Interest not paid on the Class A Notes on the Payment Date related to the Interest Period in which it accrued, will be an Interest Shortfall with respect to the Class A Notes and will constitute a Foreclosure Event if such Interest Shortfall continues 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 Payment Date.

Interest Shortfalls shall be paid in accordance with the Order of Priority.

Gross-up

The Issuer will not provide for gross-up of payments in the event that the payments on the Notes become subject to withholding taxes.

For more details, please read "*ABSTRACT OF THE CONDITIONS OF THE NOTES - Taxes*" on page 92 of the Prospectus.

Redemption

VWFS will have the option but not the obligation, to require the Issuer to exercise the Clean-Up Call Option and to repurchase the outstanding Purchased Receivables from the Issuer at any time when the Aggregate Discounted Receivables Balance for all outstanding Purchased Receivables is less than 10 per cent of the Maximum Discounted Receivables Balance.

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 (5) 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).

Enforcement

The Security Trustee shall promptly and without undue delay 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 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).

Within fifteen (15) days after the occurrence of a Foreclosure Event, the Security Trustee shall give notice to the Noteholders, the Swap Counterparties 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 hereof. If, within sixty (60) days 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, or, provided that no Class A Notes are outstanding, the Class B 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, 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 Lead Manager,

the Arranger, the Security Trustee, VWFS, or any of its affiliates (together the "**Volkswagen Group**") or any Affiliate of the Issuer or any other third person or entity. Neither the Lead Manager, 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 or the Subordinated Lender or a 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 (Please see page 225 of the Prospectus "**TRUST AGREEMENT**"). 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.

For more details, please read "*ABSTRACT OF THE CONDITIONS OF THE NOTES - Applicable Law, Place of Performance and Place of Jurisdiction*" on page 93 of the Prospectus.

RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to sections entitled "ABSTRACT OF THE CONDITIONS OF THE NOTES", "CONDITIONS OF THE 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.

At any time (irrespective of a Foreclosure Event)

Save for purposes of complying with the EU Securitisation Regulation and the UK Securitisation Regulation in accordance with Condition 14.2 or in respect of a Benchmark Rate Modification undertaken in accordance with Condition 14.3, the Conditions of the Class A Notes may only be modified through contractual agreement to be concluded between the Issuer and all Class A Noteholders as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG)*) with a prior notification to the Rating Agencies (to the extent such Series of Notes is rated) or by a Noteholder's resolution solely by means of a voting without a meeting (*Abstimmung ohne Versammlung*) pursuant to Section 18 of the German Debenture Act adopted with unanimous consent of the Noteholders of the Class A Notes pursuant to Sections 5 to 22 of the German Debenture Act.

The Class B Noteholders may agree to amendments of the Conditions applicable to Class B Notes by majority vote and may appoint a noteholder's representative (*gemeinsamer Vertreter*) for all Class B Noteholders for the preservation of their rights (§ 5, paragraph (1) sentence 1 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG)*)).

Noteholders Meeting provisions

The manner of obtaining consents from the Noteholders may be either a meeting of the Noteholders or by way of a decision without a meeting of the Noteholders (*einer Abstimmung ohne Versammlung*), in each case as further provided in sections 5 to 22 of the SchVG.

Amendment of the Trust Agreement

Subject to clause 38.2 of the Trust Agreement, the Trust Agreement may also be amended from time to time in accordance with the provisions set out in sections 5 to 21 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen Schuldverschreibungsgesetz - SchVG*) with the consent of (a) the Issuer and (b) the Class A Noteholders evidencing not less than a Majority of the aggregate outstanding principal amount of the outstanding Class A Notes, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Trust Agreement or of modifying in any manner the rights of the Noteholders; provided that (x) no such amendment shall (i) reduce the interest rate of any Class of Notes (unless the amendment is made through the exercise of the Issuer's unilateral right to modify SONIA to an Alternative Base Rate pursuant to a Benchmark Rate Modification made in accordance with clause 38.5 of the Trust Agreement or principal amount of any Note or delay the Scheduled Repayment Date or Final Maturity Date of any Note without the consent of the respective Noteholder (other than any Benchmark Rate Modification) (each a "**Reserved Matter**") or (ii) reduce the percentage of the aggregate outstanding principal amount of the Class B Notes without the consent of the Class B Noteholders evidencing not less than a Majority of the aggregate outstanding principal amount of the outstanding Class B Notes, and provided further that (y) if any of the amendments relate to the amount, the currency or the timing of the cash-flow received by the Issuer under the Purchased Receivables, the application of such cash-flow by the Issuer, or the ranking of the Swap Counterparties in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparties, then the prior written consent of each Swap Counterparties will be required. The manner of obtaining consents from the Noteholders may be either a meeting of the Noteholders or by way of a decision without a meeting of the Noteholders (*einer Abstimmung ohne Versammlung*), in each case as further provided in sections 5 to 22 of the SchVG. The manner of obtaining any other consents of the Noteholders provided for in the Trust Agreement and of evidencing the authorisation of the execution thereof by the Noteholders will be subject to such reasonable requirements as the Security Trustee may prescribe, including the establishment of record dates. Upon full redemption of all Class A Notes, the foregoing sentence shall apply with the modification that the required Class A Noteholder consent as set out under (b) shall be replaced by consent of Class B Noteholders evidencing not less than a Majority of the aggregate outstanding principal amount of the outstanding Class B Notes.

Majority

Means, as the context may require, 75 per cent. of the aggregate outstanding principal amount of the outstanding notes of a given class.

Relationship between Classes of Noteholders

A Noteholder is subject to the risk to be outvoted and to lose rights towards the Issuer against his will in the case that the Noteholders agree pursuant to the Conditions to amendments of the Conditions by majority vote according to the German Debenture Act *Gesetz über Schuldverschreibungen aus Gesamtemissionen Schuldverschreibungsgesetz - SchVG* (German Debenture Act). In

the case of an appointment of a Noteholder's representative for all Noteholders a particular Noteholder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Noteholders. The German Debenture Act provides for a majority of 50 per cent. of the aggregate outstanding principal amount of the outstanding notes of a given class, unless such vote relates to:

- (a) amendments to the due dates, reduction or waiver of interest payable on the notes,
- (b) amendments to the maturity of the principal of the notes,
- (c) a reduction of the principal of the notes,
- (d) the subordination of the notes in insolvency proceedings against the Issuer,
- (e) the conversion of the notes into equity, other securities or other undertakings,
- (f) the replacement or release of security,
- (g) amendments to the currency of the notes,
- (h) a waiver or limitation of a noteholder's termination rights,
- (i) a replacement of the Issuer, and
- (j) amendments to the Trust Agreement,

in which case a majority requires 75 per cent. of the aggregate outstanding principal amount of the outstanding notes of a given class. In the case of an appointment of a Noteholder's representative for all Noteholders a particular Noteholder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Noteholders.

Relationship between Noteholders and other Secured Creditors

The Security Trustee shall exercise its duties under the Trust Agreement 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 12 (*Notices*) of the Notes will be available and may be obtained (free of charge) at the specified office of the Issuer.

A copy of the Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Communication with Noteholders

Notices to the Noteholders will be validly given if transmitted individually to the address set out in the Register for such Noteholder.

As long as a Global Note is registered in the name of the Registered Holder notices to each respective Noteholder may be validly given if transmitted to Euroclear and Clearstream Luxembourg for further communication to the persons shown as holders of the Notes in their

records. Any notice so given shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was given to Euroclear and Clearstream Luxembourg.

In addition, as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, all notices to the Noteholders regarding the Notes shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice referred to 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.bourse.lu). Should an official listing be absent, then such notices shall be published in the German Federal Gazette (*Bundesanzeiger*)

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 shall include in particular amounts calculated as follows:

- (a) interest earned on the Distribution Account and the Accumulation Account; plus
- (b) amounts received as Collections 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 20.3 of the Trust Agreement; plus
- (d) (i) Net Swap Receipts under the Swap Agreements, (ii) where the relevant 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 and (B) the Net Swap Receipts that would have been due from the Swap Counterparty on such date assuming that there had been no termination of such Swap Agreement; and
- (e) where the relevant Swap Agreement has been terminated, amounts allocated in accordance with clause 20.12 of the Trust Agreement, plus
- (f) in case of the occurrence of an Early Amortisation Event or after the end of the Revolving Period, transfers from the Accumulation Account to the Distribution Account pursuant to the Trust Agreement; minus
- (g) the Buffer Release Amount to be paid to VWFS, provided that no Insolvency Event occurred in respect of VWFS; plus
- (h) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus
- (i) 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
- (j) the Interest Compensation Order of Priority Amount; minus
- (k) the Interest Compensation Amount; plus
- (l) having calculated the amounts from (a) to (k) above, any positive differential on such Payment Date between the Interest Compensation Amount and the Interest Compensation Order of Priority Amount to be characterised as Buffer Top-Up Amount (if there is a Buffer Top-Up Shortfall Amount on such Payment Date up to a maximum of the Buffer-Top Up Shortfall Amount).

For more detail, please read "TRANSACTION OVERVIEW – THE NOTES – Available Distribution Amount" on pages 58-59 of the Prospectus.

Summary of Order of Priority

Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in the "Order of Priority" section on pages 85-86 and 233-236 of the Prospectus.

Pre-Foreclosure Event:

Foreclosure Event:

Prior to the occurrence of a Foreclosure 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 (*Order of Priority*) of the Trust Agreement:

1. first, amounts 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 be paid from the amounts standing to the credit of the Retained Profit Ledger);
2. second, 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) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clauses 30 (*Termination by the Security Trustee for Good Cause*) and 31 (*Replacement of the Security Trustee*) of the Trust Agreement or under any agreement replacing the Trust Agreement;
3. third, to the Servicer the Servicer Fee;
4. fourth, 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

Following the occurrence of a Foreclosure 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:

1. first, amounts 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 be paid from the amounts standing to the credit of the Retained Profit Ledger);
2. second, 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) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clauses 30 (Termination by the Security Trustee for Good Cause) and 31 (Replacement of the Security Trustee) 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;
3. third, to the Servicer the Servicer Fee;
4. fourth, 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

Agencies the fees for the monitoring of the Issue; (vi) to the Lead Manager under the Note Purchase Agreement; (vii) to the Data Protection Trustee under the 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 and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, 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;

5. fifth, amounts payable by the Issuer to the (respective) Swap Counterparty in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreements (if any and provided that the Swap Counterparty is not the Defaulting Party (as defined in the relevant Swap Agreement) 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); if the amounts available to the Issuer to make payment to a Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, the Issuer will use such amounts first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

the monitoring of the Issue; (vi) to the Lead Manager under the Note Purchase Agreement; (vii) to the Data Protection Trustee under the Data Protection Trust Agreement and (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 and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, 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;

5. fifth, amounts payable by the Issuer to the Swap Counterparty in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreements (if any and provided that the Swap Counterparty is not the Defaulting Party (as defined in the relevant Swap Agreement) 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); if the amounts available to the Issuer to make payment to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

6. sixth, on a pro rata and pari passu 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;
7. seventh, on a pro rata and pari passu 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;
8. eighth, to the Cash Collateral Account, until the General Cash Collateral Amount is equal to the Specified Cash Collateral Account Balance;
9. ninth, on a pro rata and pari passu basis, (1) the Class A Amortisation Amount to each Amortising Series of Class A Notes and (2) an amount no less than zero equal to the Class A Accumulation Amount;
10. tenth, on a pro rata and pari passu basis, (1) the Class B Amortisation Amount to each Amortising Series of Class B Notes and (2) an amount no less than zero equal to the Class B Accumulation Amount;
11. eleventh, by the Issuer to the Swap Counterparty, any payments under the Swap Agreements other than those made under item fifth above; if
6. sixth, on a pro rata and pari passu 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;
7. seventh, on a pro rata and pari passu basis to each Series of Class A Notes the amount of principal due on such Series of Class A Notes until the Class A Notes have been redeemed in full;
8. eighth, on a pro rata and pari passu 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;
9. ninth, on a pro rata and pari passu basis to each Series of Class B Notes the amount of principal due on such Series of Class B Notes until the Class B Notes have been redeemed in full;
10. tenth, by the Issuer to the Swap Counterparty, any payments under the Swap Agreements other than those made under item fifth above; if the amounts available to the Issuer to make payment to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;
11. eleventh, to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including,

the amounts available to the Issuer to make payment to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

without limitation, overdue interest);

12. twelfth, to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);
 13. thirteenth, to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
 14. fourteenth, to pay all remaining excess to VWFS by way of a final success fee.
12. twelfth, to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
 13. thirteenth, 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 20.3(a) (*Distribution Account; Accumulation Account; Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement, any positive difference between the General Cash Collateral Amount and the 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. A Credit Enhancement Increase Condition shall be deemed to be in effect if:

- (a) the Dynamic Net Loss Ratio for three consecutive Payment Dates exceeds (i) 0.25 per cent., if the Weighted Average Seasoning is less than or equal to 12 months (inclusive) (ii) 0.75 per cent., if the Weighted Average Seasoning is between 12 months (exclusive) and 22 months (inclusive), (iii) 2.00 per cent. if the Weighted Average Seasoning is between 22 months (exclusive) and 34 months (inclusive), or (iv) if the Weighted Average Seasoning is greater than 34 months, the Dynamic Net Loss Ratio shall not apply; or
- (b) the 12-Months Average Dynamic Net Loss Ratio exceeds (i) 0.60 per cent. during the Revolving Period or (ii) 1.20 per cent. after the end of the Revolving Period; or

- (c) the Late Delinquency Ratio exceeds 1.30 per cent. on any Payment Date on or before 25 June 2023; or
- (d) a Servicer Replacement Event occurs and is continuing; or
- (e) an Insolvency Event occurs with respect to VWFS; or
- (f) the Cash Collateral Account does not contain (A) the Specified General Cash Collateral Account Balance on three consecutive Payment Dates or (B) the Minimum Cash Collateral Account Balance at any Interest Determination Date.

Any amounts as set out below will only be distributed from any amounts remaining after the distribution in accordance with clause 21.3 (*Order of Priority*) of the Trust Agreement:

- (i) first, to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);
- (ii) second, to the Subordinated Lender, until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
- (iii) 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 of GBP 13,720,000 in the form of the additional Aggregate 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 granted the Subordinated Loan in a total initial nominal amount of GBP 52,993,364.72 to the Issuer on 27 April 2020. Subject to the terms of the Subordinated Loan Agreement, the Subordinated Lender may agree from time to time to grant additional advances up to a total amount of the Subordinated Loan of GBP 200,000,000 provided that the Subordinated Lender shall be required to grant additional advances to the extent required to increase the loan amount to the Subordinated Loan Increase Amount. The Subordinated Loan serves as credit enhancement and ranks below the Notes with respect to payment of interest and principal.

Cash Collateral Account

The Issuer deposited GBP 3,400,000 into the Cash Collateral Account which will serve as the initial Cash Collateral Amount ("**Initial Cash Collateral Amount**")

such amount will be increased by an amount to increase it to 1.2 per cent. of the aggregate outstanding nominal amount of the Notes on such Further Issue Date. Drawings from the Cash Collateral Account will be made in accordance with the Order of Priority.

Monthly Collateral Account

An account of the Issuer established with the Monthly Collateral Account Bank.

For the purposes of the below, the "**Monthly Remittance Condition**" shall no longer be satisfied if any of the following events occur: (a) Volkswagen AG no longer has (i) (A) a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch or (B) a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch or (ii) the profit and loss sharing agreement (*Gewinnabführungsvertrag*) between Volkswagen AG and Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) ceases to be in effect or (iii) either (A) Volkswagen Financial Services AG (or any of its successors within the VW Group as parent of Volkswagen Finance Overseas B.V.) holds less than 100 per cent. of the shares of Volkswagen Finance Overseas B.V. (or any of its successors within the VW Group as parent of the Servicer) or (B) Volkswagen Finance Overseas B.V. (or any of its successors within the VW Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS (b) either Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) (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 Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) 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 Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) ceases to be in effect.

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; and
- (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 the 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 transfer 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 Servicer Report shows (a) that the sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 which has been transferred by VWFS for the relevant Monthly Period exceeds the Collections received by VWFS for such Monthly Period, such excess 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, 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 the 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 "*ABSTRACT OF THE CONDITIONS OF THE NOTES – Order of Priority*" of the Prospectus.

Bank Accounts and Cash Management

Payment of Collections

Under the Servicing Agreement between the Issuer, the Security Trustee and VWFS, VWFS, inter alia, agrees to transfer to the Distribution Account of the Issuer on each Payment Date the Collections for the relevant Monthly Period.

Collections

"Collections" means, with respect to any Purchased Receivable, the following amounts received during the 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; 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, 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 Obligor 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 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 Monthly Period. The Interest Compensation 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. If, on any Payment Date, the Interest Compensation Amount is greater than the Interest Compensation Order of Priority Required Amount, then after accounting for any Buffer Top-Up Amount to be reallocated as Available Distribution Amount, the excess shall be credited to the Interest Compensation Ledger.

Interest Compensation Order of Priority Amount

On any Payment Date, the sum of:

- (a) the amount of Interest Compensation Amount necessary to satisfy the Interest Compensation Order of Priority Required Amount due on such date; and
- (b) if the Interest Compensation Amount is insufficient to satisfy the Interest Compensation Order of Priority Required Amount due on such date, a drawing from the Interest Compensation Ledger in an amount equal to the shortfall, until the balance of the Interest Compensation Ledger is equal to zero.

Interest Compensation Order of Priority Required Amount

On each Payment Date the aggregate amount for all Financing Contracts that have been subject to Early Settlement during the 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 Order of Priority Required Amounts on any Payment Date. On 27 April 2020 VWFS

funded the Interest Compensation Ledger in an amount equal to the Interest Compensation Ledger Initial Amount. Thereafter VWFS will be entitled to receive any Interest Compensation Ledger Release Amounts outside of the Order of Priority.

Interest Compensation Ledger Release Amount

Means:

- (a) if an Insolvency Event in respect of VWFS has occurred and is continuing, zero; or
- (b)
 - (i) on any Payment Date prior to the exercise of the Clean-Up Call Option:
 - (1) until an amount equal to the Interest Compensation Ledger Initial Amount has been paid to VWFS, the amount standing to the credit of the Interest Compensation Ledger in excess of GBP 2,000,000; and
 - (2) thereafter, the amount standing to the credit of the Interest Compensation Ledger in excess of GBP 4,000,000; and
 - (3) in connection with the repurchase of a Purchased Receivable following a breach of representation and warranty set out in clause 9.1 (*Warranties and Representations*) of the Receivables Purchase Agreement, an amount equal to the element of the interest shortfall suffered by the Issuer as a result of the early settlement (by way of repurchase by VWFS) of that Purchased Receivable;
 - (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.

Buffer Top-Up Amount

On any Payment Date and subject to the Buffer Top-Up Conditions being satisfied, the Buffer Top-Up Amount (comprising an amount which would ordinarily be allocated to the Interest Compensation Ledger and released to VWFS as a result of the Interest Compensation Amount exceeding the Interest Compensation Order of Priority Amount on such date) will be included as part of the Available Distribution Amount (as Buffer Top-Up Amount) and available to be applied in accordance with the Order of Priority to compensate for any Buffer Top-Up Shortfall Amount on such date.

The Buffer Top-Up Amount shall be calculated as the lesser of:

- (a) the amount by which the Interest Compensation Amount exceeds the Interest Compensation Order of Priority Amount; and
- (b) the Buffer Top-Up Shortfall Amount,

For the avoidance of doubt, if on any Payment Date the Buffer Top-Up Conditions are not satisfied the Buffer Top-Up Amount shall be equal to zero.

Buffer Top-Up Conditions

Means, on the relevant Payment Date:

- (c) the Interest Compensation Amount is greater than the Interest Compensation Order of Priority Required Amount on such date; and
- (d) prior to the exercise of the Clean-Up Call, the balance standing to the credit of the Interest Compensation Ledger is at least the sum of:
 - (i) £4,000,000; and
 - (ii) in connection with the repurchase of a Purchased Receivable following a breach of representation and warranty set out in clause 9.1 (*Warranties and Representations*) of the Receivables Purchase Agreement, an amount equal to the element of the interest shortfall suffered by the Issuer as a result of the early settlement (by way of repurchase by VWFS) of that Purchased Receivable.

Buffer Top-Up Shortfall Amount

means, on any Payment Date, the product of :

- (a) the Future Discounted Receivables Balance; and
- (b) the Buffer Top-Up Shortfall Rate.

Buffer Top-Up Shortfall Rate

Means, on any Payment Date, (a) a percentage rate per annum calculated as (i) the weighted average (calculated based on the outstanding principal amount of the Notes and the outstanding principal amount of the Subordinated Loan at the end of the Monthly Period) of the fixed rates (stated as a percentage) payable by the Issuer under the Swap Agreements and the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. per annum, plus (iii) 0.03 per cent. for any administrative cost and fees plus (iv) the Interest Compensation Rate, minus (v) the Discount Rate, divided by (b) 12, provided that the rate so calculated may in no event be less than zero.

Retained Profit Ledger

The Issuer will has established the Retained Profit Ledger on 25 March 2021. On each Payment Date the Retained Profit Ledger will be credited with the Retained Profit Amount in accordance with the applicable Order of Priority. Amounts may be debited from the Retained Profit Ledger from time to time to pay corporate income taxes in respect of the Retained Profit Amount and for any dividend payments to the Issuer's shareholder.

TRIGGERS TABLES

Rating Triggers Table

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>		<u>Possible effects of Trigger being breached include the following</u>
Account Bank	Short-term ratings "F1" from Fitch <i>or</i> "A-1" from S&P Global	Long-term ratings "A" from Fitch <i>and</i> "A" from S&P Global <i>or</i> "A+" from S&P Global	Should the Account Bank cease to have the Account Bank Required Rating or fails to maintain an Account Bank Required Guarantee, the Account Bank shall notify the Issuer and the Security Trustee thereof in no less than 30 (thirty) and no more than thirty three (33) calendar days from the downgrade or from the date it failed to obtain or maintain an Account Bank Required Guarantee (as the case may be), at its own cost (for the avoidance of doubt, this shall cover the legal fees as separately agreed in a side letter between, amongst others, the Issuer and the Account Bank in accordance with Clause 15.2 of the Account Agreement) and the Account Bank shall use all endeavours within its control during the remedy period which is sixty (60) calendar days to assist the Issuer 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 or, (iii) (in the case of a rating from S&P only) take any other action in order to maintain the rating of the Notes or to restore the rating of the Notes
	The consequences of the relevant required rating being breached and time periods are set out in more detail in " <i>TRUST AGREEMENT - Accounts</i> " on page 229 of the Prospectus.		
Servicer	<p>Fitch, S&P Global</p> <p>The "Monthly Remittance Condition" shall no longer be satisfied if any of the following events occur:</p> <p>(a) Volkswagen AG no longer has (i) (A) a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch or (B) a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch; or (ii) the profit and loss sharing agreement (<i>Gewinnabführungsvertrag</i>) between Volkswagen AG and Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its</p>	<p>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:</p> <p>(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 and</p> <p>(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</p>	

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
	<p>successors within the VW Group as parent of the Servicer, as applicable) ceases to be in effect or (iii) either (A) Volkswagen Financial Services AG (or any of its successors within the VW Group as parent of Volkswagen Finance Overseas B.V.) holds less than 100 per cent. of the shares of Volkswagen Finance Overseas B.V. (or any of its successors within the VW Group as parent of the Servicer), or (B) Volkswagen Finance Overseas B.V. (or any of its successors within the VW Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS;</p> <p>(b) either Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) (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 Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) 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 (<i>Gewinnabführungsvertrag</i>) between Volkswagen AG and Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of</p>	<p>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:</p> <p>With regard to any Payment Date, VWFS will:</p> <p>(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;</p> <p>(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):</p> <p>(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</p> <p>(2) on the on the first (1st) calendar day of the Monthly Period relating to such Payment Date, on the next following Business Day, 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</p>

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
	<p>the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) ceases to be in effect.</p>	<p>retained until the Payment Date relating to such Monthly Period;</p> <p>(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;</p> <p>(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 Servicer Report shows (a) that the sum of the Monthly Collateral Part 1 and the Monthly Collateral Part 2 which has been transferred by VWFS for the relevant Monthly Period exceeds the Collections received by VWFS for such Monthly Period, such excess 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</p>

<u>Transaction Party</u>	<u>Required Ratings/Triggers</u>	<u>Possible effects of Trigger being breached include the following</u>
		<p>transferred by VWFS for the relevant Monthly Period, such excess shall be paid into the Distribution Account by VWFS on the relevant Payment Date; and</p> <p>(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.</p>
	<p>The consequences of the relevant required rating being breached and time periods are set out in more detail in "<i>Monthly Collateral</i>" on pages 70-72 of the Prospectus.</p>	

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 of the property, business, undertakings, assets or revenues of VWFS having an aggregate value in excess of GBP 20 million has 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, unless in any such case the Security Trustee certifies that in its reasonable opinion such event will not materially prejudice the ability of VWFS to observe or perform its obligations under the Transaction Documents or the enforceability or collectability of the Receivables;</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</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 Collections; 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>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 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 9 (Repurchase) of the Receivables Purchase Agreement or (ii) pay any amount required pursuant to clause 9 (Repurchase) of the</p>	
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	<p>Receivables Purchase Agreement.</p> <p>(h) Failure to perform: the Seller shall fail to perform or observe any material term, covenant or agreement under the Receivables Purchase Agreement applicable to it (other than as referred to in paragraphs (a) or (g) above) and such failure shall remain unremedied for 180 days (or if such failure is not capable of remedy, in the Seller's sole discretion, 15 Business Days after receipt by the Seller of written notice from the issuer or any Noteholder requiring the failure to be remedied (which Notification Event shall be deemed to occur only upon the last day of the relevant period)) and the Security Trustee certifies that in its reasonable opinion such failure is materially prejudicial to the Noteholders.</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 or any Noteholder 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</p>	<p>After a Servicer Replacement Event, the Issuer is entitled to dismiss the Servicer as outlined in the Servicing Agreement.</p>

	<p>or agreement hereunder applicable to it (other than as referred to in paragraphs (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);</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</p>	
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	<p>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)</p> <p>(d) the Servicer becomes subject to an Insolvency Event; or</p> <p>(e) the Servicer fails to renew, or suffers the revocation of, the necessary permissions pursuant to the Financial Services and Markets Act 2000 or licences to conduct its business under the Data Protection Rules, and such authorisations or licences are not replaced or reinstated within sixty days,</p> <p>provided, <i>however</i>, that if a Servicer Replacement Event referred to under paragraph (a), or (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</p>	
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	Replacement Event will be deemed not to have occurred.	
Foreclosure Event	<p>The Security shall be subject to foreclosure upon the occurrence of a Foreclosure Event. A Foreclosure Event shall occur when:</p> <p>(a) with respect to the Issuer an Insolvency Event occurs;</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 (5) 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 Subordinated Loan and on the Notes (other than interest on the Class A Notes) will not be due and payable on any Payment Date (other than 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>Upon the occurrence of a 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.</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) (<i>Authority to Collect; Assumption of Obligations; Further Assignment</i>) of the Trust Agreement.). The provisions of the Corporate Services Agreement shall be unaffected by the foreclosure of the Security (subject to the provisions of clause 8.4 (<i>Authority to Collect; Assumption of Obligations; Further Assignment</i>) hereof)</p> <p>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>

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 in GBP	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 10,000 per annum	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
Corporate Services Provider under the Corporate Services Agreement	Not expected to be more than 30,000 per annum	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
Each Agent under the Agency Agreement	Not expected to be more than 10,000 per annum	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
The Account Bank and the Cash Manager under the Account Agreement	Not expected to be more than 5,000 per annum	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date
Other Fees and expenses of the Issuer	Not expected to be more than 100,000 per annum	Ahead of all outstanding Notes	Monthly in arrear on each Payment Date