

## **IMPORTANT NOTICE**

**This document (the "Transaction Summary") does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Issuer. It does not comprise a prospectus for the purposes of EU Regulation (EU) 2017/1129 (as amended) or otherwise. The information set out in this Transaction Summary provides an overview of certain matters only and should be read in conjunction with the detailed information set out in the final Base Prospectus dated 20 November 2025 (the "Base Prospectus"). In the event of any inconsistency between this document and the Base Prospectus, the Base Prospectus shall prevail.**

**DRIVER UK Master S.A.**

**acting for and on behalf of its Compartment 7**

(incorporated with limited liability in Luxembourg with registered number B 162 723)

<b>Notes</b>	<b>Nominal Amount</b>	<b>Issue Price</b>	<b>Interest Rate</b>	<b>Scheduled Repayment Date</b>	<b>Final Maturity Date</b>	<b>Ratings</b>
All Series of Class A Notes	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	For each Series of Notes, the amount specified as such in the respective Final Terms	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	AAA (sf) by S&P  AAA sf by Fitch
Senior Schuldschein Loans	N/A	N/A	For each Senior Schuldschein Loan, the rate specified in Schedule 2 ( <i>Loan Conditions of the Senior Schuldschein Loans</i> ) of the Programme Agreement.	For each Senior Schuldschein Loan, the date specified in Schedule 2 ( <i>Loan Conditions of the Senior Schuldschein Loans</i> ) of the Programme Agreement.	For each Senior Schuldschein Loan, the date specified in Schedule 2 ( <i>Loan Conditions of the Senior Schuldschein Loans</i> ) of the Programme Agreement.	AAA (sf) by S&P  AAA sf by Fitch
All Series of Class B Notes	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	For each Series of Notes, the amount specified as such in the respective Final Terms	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	At least A+(sf) by S&P  At least A+sf by Fitch
Junior Schuldschein Loans	N/A	N/A	For each Junior Schuldschein Loan, the rate specified in Schedule 3 ( <i>Loan Conditions of the Junior Schuldschein Loans</i> ) of the Programme Agreement.	For each Junior Schuldschein Loan, the date specified in Schedule 3 ( <i>Loan Conditions of the Junior Schuldschein Loans</i> ) of the Programme Agreement.	For each Junior Schuldschein Loan, the date specified in Schedule 3 ( <i>Loan Conditions of the Junior Schuldschein Loans</i> ) of the Programme Agreement.	At least A+(sf) by S&P  At least A+sf by Fitch

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

<b>Programme Establishment</b>	Under this GBP 7,000,000,000 Programme for the Issuance of Asset Backed Notes (the " <b>Programme</b> "), Driver UK Master S.A., acting for and on behalf of its Compartment 7 (the " <b>Issuer</b> ") may from time to time issue asset backed floating rate Class A Notes and asset backed floating rate Class B Notes (together, the " <b>Notes</b> ") denominated in GBP (subject always to compliance with all legal and/or regulatory requirements). The applicable terms to any Notes will be agreed between the Issuer and the relevant purchaser prior to the issue of the Notes and will be set out in the Terms and the Notes Conditions attached to the relevant Global Note representing such Notes, as completed by the applicable Final Terms attached to such Global Note. In addition the Issuer may request Advances under Schuldschein Loans.
<b>Issuance in Series</b>	The Issuer will issue the relevant Class of Notes in series with the same or different issue dates, interest rates and scheduled repayment dates (but having the same interest payment dates) (each a " <b>Series</b> "). For each Series of Class A Notes, the Issuer will deliver a global registered note to a Common Safekeeper for Clearstream, Luxembourg and Euroclear. For each Series of Class B Notes, the Issuer will deliver a global registered note to a Common Depository for Clearstream, Luxembourg and Euroclear.
<b>Final Terms</b>	For each issue of Notes, final terms to the Base Prospectus (each such final terms referred to as " <b>Final Terms</b> ") will be provided as a separate document. The Final Terms must be read in conjunction with the Base Prospectus.
<b>Proceeds of issuance</b>	The proceeds of any Initial Notes, any Further Notes and the borrowings under the Schuldschein Loans will be used to finance the purchase by the Issuer of receivables arising against Obligors under financing agreements for the acquisition of vehicles granted to such Obligors by Volkswagen Financial Services (UK) Limited (" <b>VWFS</b> " or the " <b>Seller</b> ") pursuant to the terms and under the conditions of the Receivables Purchase Agreement.
<b>Underlying Assets</b>	<p>The Initial Receivables have been purchased by the Issuer from the Seller on the Closing Date and the Additional Receivables to be purchased from VWFS on each Additional Purchase Date (together the "<b>Purchased Receivables</b>") comprise claims against Obligors in respect of payments due under Financing Contracts (excluding Excluded Amounts) for the provision of credit for the purchase of motor vehicles.</p> <p>Although the borrower ("<b>Obligor</b>") is the registered keeper of the vehicle, VWFS retains title to the vehicles. The Financing Contracts contain provisions entitling, but not obliging, the Obligor to purchase the vehicle at the end of the hire period, normally on payment of a specified purchase fee.</p> <p>The Financing Contracts are governed by English, Scots or Northern Irish law and take the form of hire purchase agreements ("<b>HP Agreements</b>" or "<b>HP No Balloon</b>"), personal contract purchase agreements ("<b>PCP Agreements</b>" or "<b>PCP</b>") and lease purchase agreements ("<b>LP</b>" or "<b>LP Agreements</b>") between VWFS and Obligors.</p>
<b>Redemption Provisions</b>	Information on any optional and mandatory redemption of the Instruments is summarised on page 87 " <i>GENERAL ABSTRACT OF THE CONDITIONS OF THE NOTES - Optional Redemption of the Instruments / Clean-Up Call Option</i> " and on pages 46-74 of the sections entitled " <i>TRANSACTION OVERVIEW</i> ", " <i>THE PARTIES</i> ", " <i>THE NOTES</i> ", " <i>THE SECURITY</i> " and " <i>IMPORTANT TRANSACTION DOCUMENTS AND TRANSACTION FEATURES</i> " of the Base Prospectus.
<b>Credit Agencies</b> <b>Rating</b>	Ratings have been assigned to the relevant Notes by Fitch Ratings Limited (" <b>Fitch</b> ") and S&P Global Ratings UK Limited (" <b>S&amp;P</b> "). 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 " <b>EU</b> " and registered or certified under Regulation (EC) No 1060/2009 of the European Parliament (the " <b>CRA Regulation</b> "), as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 (" <b>CRA3</b> ") 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 European Union (Withdrawal) Act 2018 (" <b>EUWA</b> ") and as amended by the Credit Rating Agencies (Amendment, etc) (EU Exit) Regulations 2019 (the " <b>UK CRA Regulation</b> "). Each of Fitch and S&P is established in the United Kingdom and registered under the UK CRA Regulation. The ratings issued by Fitch and S&P have been endorsed by Fitch Ratings Ireland Limited and S&P Global Ratings Europe

	<p>Limited, respectively. Each of Fitch Ratings Ireland Limited and S&amp;P Global Ratings Europe Limited is established in the European Union and registered under the CRA Regulation. The assignment of ratings to the Notes or an outlook on these ratings is not a recommendation to invest in the and may be revised, suspended or withdrawn at any time. Furthermore, the Issuer has considered appointing a small credit rating agency in accordance with Article 8(d) of the CRA3.</p> <p><b>SONIA</b></p> <p><i>EU Benchmarks Regulation</i></p> <p>Amounts payable under the Notes are calculated by reference to Compounded Daily SONIA, which is provided by the Bank of England (the "<b>SONIA administrator</b>"). As at the date of the Base Prospectus, the SONIA administrator does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("<b>ESMA</b>") pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "<b>EU Benchmarks Regulation</b>"). As far as the Issuer is aware, Article 2 of the EU Benchmarks Regulation applies, such that the SONIA administrator, is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).</p> <p><i>UK Benchmarks Regulation</i></p> <p>As at the date of the Base Prospectus, the Bank of England, as administrator of SONIA, does not appear on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority ("<b>FCA</b>") pursuant to the Benchmarks Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "<b>UK Benchmarks Regulation</b>"). The Bank of England is exempt under Article 2 of the UK Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions.</p>
<b>Credit Ratings</b>	<p>As at the date of the Base Prospectus, to the extent rated, the Class A Notes are rated AAA (sf) by S&amp;P and AAAsf by Fitch. With respect to the relevant Class A Notes, the rating of AAA(sf) is the highest rating that S&amp;P assigns to long-term structured finance debts and the rating of AAAsf is the highest rating that Fitch assigns to long-term structured finance debts. As at the date of the Base Prospectus the Class B Notes are rated, to the extent rated, at least A+sf by Fitch and at least A+(sf) by S&amp;P. With respect to the relevant Class B Notes, the rating of A+sf is the fifth highest rating that S&amp;P assigns to long-term structured finance debts and the rating of A+(sf) is the fifth highest rating that Fitch assigns to long-term structured finance debts. The ratings issued by Fitch and S&amp;P have been endorsed by Fitch Ratings Ireland Limited and S&amp;P Global Ratings Europe Limited, respectively. The ratings of the Class A Notes indicate the ultimate payment of principal and the timely payment of interest. The ratings of the Class B Notes indicate the ultimate payment of principal and the timely payment of interest. The ratings should not be regarded as a recommendation by the Issuer, the Seller, the Servicer (if different from the Seller), the Arranger, the Lead Manager, the Security Trustee, the Principal Paying Agent, the Interest Determination Agent, the Registrar, the Data Protection Trustee, the Swap Counterparties, the Account Bank or the Rating Agencies to buy, sell or hold the Notes; the ratings are subject to revision or withdrawal at any time.</p> <p>The ratings assigned to the relevant Notes should be evaluated independently from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the Rating Agencies at any time. In the event that the ratings initially assigned to any Class of Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to such Class of Notes.</p>
<b>Listing</b>	<p>The Base Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "<b>CSSF</b>") of Luxembourg in its capacity as competent authority under Regulation (EU) 2017/1129 (the "<b>Prospectus Regulation</b>"). The CSSF only approves the Base Prospectus as</p>

	<p>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 "<b>Luxembourg Prospectus Law</b>"). Such approval should not be considered as an endorsement of the quality of the Notes that are subject to the Base Prospectus or an endorsement of the Issuer that is subject to the 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 upon their issuance. The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EU. The Base Prospectus constitutes, a base prospectus for the purpose of Article 8 of the Prospectus Regulation, and, will be published in electronic form on the website of the Luxembourg Stock Exchange (<a href="http://www.luxse.com">www.luxse.com</a>). The validity of the Base Prospectus will expire on 20 November 2026. After such date there is no obligation of the Issuer to issue supplements to the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies. The Base Prospectus is published on the website of Circumference FS (Luxembourg) S.A. (<a href="https://circumferencefs-luxembourg.com">https://circumferencefs-luxembourg.com</a>).</p> <p>Any websites referred to in the Base Prospectus does not form part of the Base Prospectus and has not been scrutinised or approved by the CSSF, except for any website referred to in the section of the Base Prospectus headed "<b>DOCUMENTS INCORPORATED BY REFERENCE</b>".</p>
<b>Obligations</b>	<p>The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of any of the Arranger, the Lead Manager, the Seller, the Servicer (if different), the relevant Swap Counterparty, the Security Trustee, the Account Bank, the Cash Administrator, the Registrar, the Principal Paying Agent, the Interest Determination Agent, the Corporate Services Provider, the Data Protection Trustee, or any of their respective affiliates or any other party (other than the Issuer) to the Transaction Documents. It should be noted further that the notes will only be capable of being satisfied and discharged from the assets of the Issuer.</p>
<b>U.S. Securities Act and Volcker Rule</b>	<p>The Notes offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "<b>Securities Act</b>"), or any state securities laws, nor has the Issuer been registered under the United States Investment Company Act of 1940 (the "<b>Investment Company Act</b>"). The Issuer will be relying on an exclusion or exemption from the definition of "Investment Company" under the Investment Company Act contained in section 3(c)(1) of the Investment Company Act, although there may be additional statutory or regulatory exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "Covered Fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule."</p>
<b>Retention Undertaking</b>	<p>VWFS shall, whilst any of the Instruments remain outstanding retain for the life of such Instruments a material net economic interest of not less than 5 per cent. with respect to the Transaction in accordance with SECN 5.2.8R(1)(d) in respect of the UK Securitisation Framework and Article 6(3)(d) of the EU Securitisation Regulation.</p> <p>VWFS undertakes that it will not reduce, hedge or otherwise mitigate its credit exposure to the material net economic interest for the purposes of SECN 5.2.4R in respect of the UK Securitisation Framework and Article 6(1) of the EU Securitisation Regulation and:</p> <ul style="list-style-type: none"> <li>(a) with respect to the UK Securitisation Framework, SECN 5.12.1R(1) provided that the level of retention may reduce in accordance with SECN 5.15.1R.</li> <li>(b) for the purposes of the EU Securitisation Regulation, Article 7 of the Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023 on supplementing the EU Securitisation Regulation with regard to regulatory technical standards specifying in greater detail the risk retention requirements for originators, sponsors, original lenders and services (the "<b>RRTS</b>") adopted by the Commission pursuant to Article</li> </ul>

	<p>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 RRTS.</p> <p>As at the Initial Issue Date and any Further Issue Date, such interest will be comprised of a retention of the first loss tranche equivalent to no less than 5 per cent. of the nominal amount of the securitised exposures.</p>
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**THE "RISK FACTORS" SECTION OF THE BASE PROSPECTUS CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.**

Arranger

**Lloyds Bank Corporate Markets**

Lead Manager

**Lloyds Bank  
Corporate Markets**

Senior Schuldschein  
Lenders

**Wells Fargo Bank,  
N.A., London Branch**

**Nordea Bank Abp,  
Swedish Branch**

Junior Schuldschein  
Lenders

**Wells Fargo Bank,  
N.A., London Branch**

**J.P. Morgan SE**

Swap Counterparty

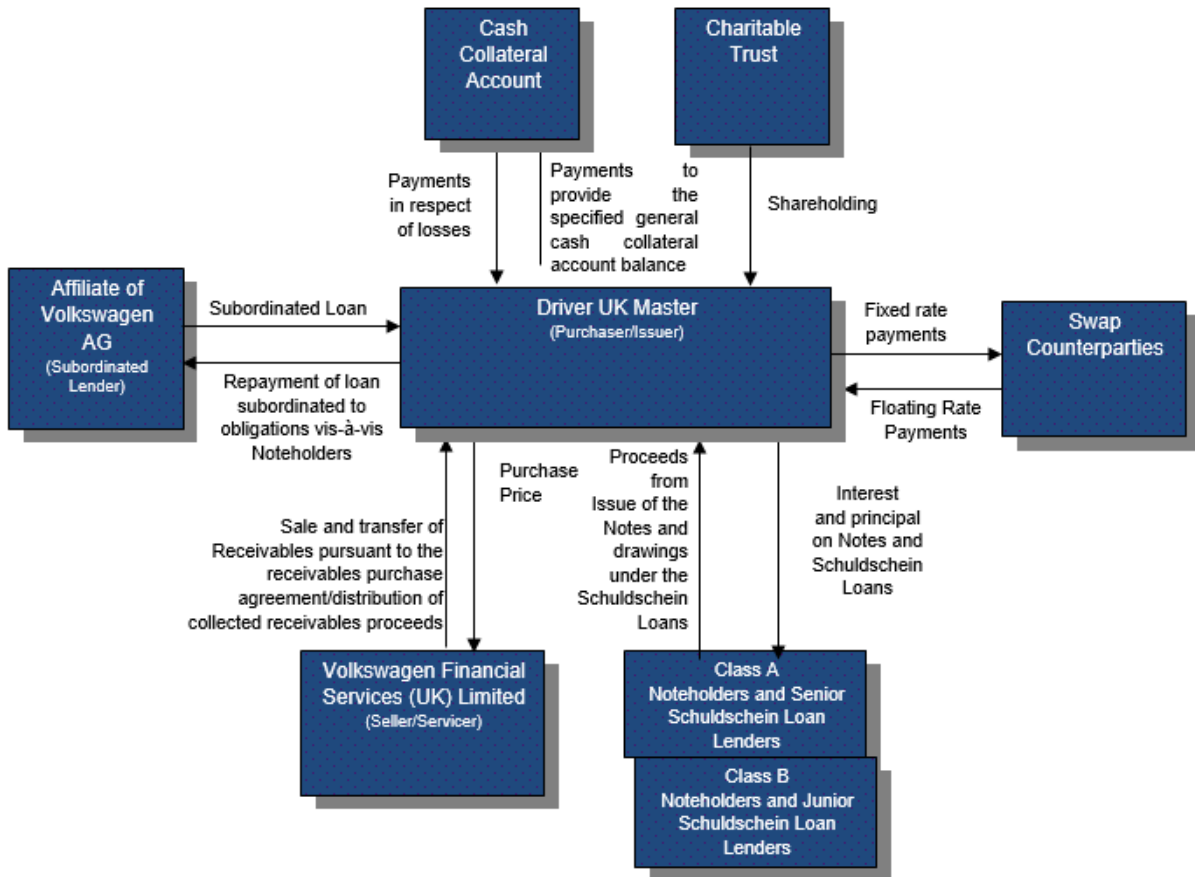
**Crédit Agricole Corporate and Investment Bank**

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

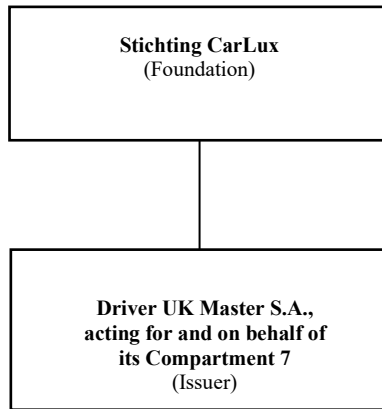
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DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



## DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP STRUCTURE



The above diagram illustrates the ownership structure of the Issuer, as follows:

- the Issuer is wholly owned by the Foundation, and
- the Issuer has an issued share capital of €29,000 consisting of 2,900 shares of €10.00 and the Foundation is the sole shareholder.

Neither the Issuer nor the Foundation is owned, controlled, managed, directed or instructed, whether directly or indirectly, by the Seller.

**TRANSACTION PARTIES ON THE CLOSING DATE**

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed:</b>	<b>Further Information</b>
<b>Issuer</b>	Driver UK Master S.A., acting for and on behalf of its Compartment 7	22 Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg	N/A	Please see page 178 of the Base Prospectus " <i>THE ISSUER</i> "
<b>Foundation</b>	Stichting CarLux	Museumlaan 2, 3581HK Utrecht, The Netherlands	N/A	Please see page 46 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> "
<b>Seller</b>	Volkswagen Financial Services (UK) Limited ("VWFS")	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom	N/A	Please see page 156 of the Base Prospectus " <i>THE SELLER AND SERVICER</i> "
<b>Servicer</b>	Volkswagen Financial Services (UK) Limited	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom	Appointed under the Servicing Agreement	Please see page 157 of the Base Prospectus " <i>THE SELLER AND SERVICER</i> "
<b>Cash Collateral Account Bank / Distribution Account Bank / Accumulation Account Bank / Counterparty Downgrade Collateral Account Bank / Cash Administrator / Principal Paying Agent and Interest Determination Agent</b>	The Bank of New York Mellon, London Branch	160 Queen Victoria Street, London EC4V 4LA, United Kingdom	Appointed under the Account Agreement and Trust Agreement	Please see pages 47 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> " and page 176 of the Base Prospectus " <i>PRINCIPAL PAYING AGENT, INTEREST DETERMINATION AGENT, CASH ADMINISTRATOR, REGISTRAR and ACCOUNT BANK</i> "
<b>Subordinated Lender</b>	Volkswagen Financial Services (UK) Limited ("VWFS")	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom	Appointed under the Subordinated Loan Agreement	Please see page 47 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> "
<b>Swap Counterparties</b>	Crédit Agricole Corporate and Investment Bank	12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France	Appointed under the Swap Agreements	Please see page 47 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> " and pages 175 of the Base Prospectus " <i>SWAP COUNTERPARTIE S</i> "

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed:</b>	<b>Further Information</b>
<b>Security Trustee</b>	CSC 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 47 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> "
<b>Corporate Services Provider</b>	Circumference FS (Luxembourg) S.A.	22 Boulevard Royal, L-2449 Luxembourg, Luxembourg	Appointed under the Corporate Services Agreement	Please see page 184 " <i>CORPORATE ADMINISTRATION AND ACCOUNTS</i> "
<b>Data Protection Trustee</b>	CSC Data Custody Agent Services (Netherlands) B.V.	Basisweg 10, 1043 AP Amsterdam, The Netherlands	Appointed under the Data Protection Trust Agreement	Please see page 47 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> "
<b>Registrar</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch	Vertigo Building – Polaris, 2-4 rue Eugène Ruppert L-2453 Luxembourg, the Grand Duchy of Luxembourg	Appointed under the Programme Agreement	Please see page 47 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> "
<b>Clearing Systems</b>	Clearstream Banking société anonyme and Euroclear Bank S.A./N.V.	Clearstream Banking: 42 Avenue JF Kennedy, L-1855, Luxembourg Euroclear Bank: 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium	N/A	Please see page 47 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> "
<b>Rating Agencies</b>	S&P Global Ratings UK Limited (" <b>S&amp;P</b> ") and Fitch Ratings Limited (" <b>Fitch</b> ")	S&P: 20 Canada Square, Canary Wharf, London E14 5LH, United Kingdom Fitch: 30 North Colonnade, London E14 5GN, United Kingdom	N/A	Please see page 47 of the Base Prospectus " <i>TRANSACTION OVERVIEW</i> "

## RECEIVABLES POOL AND SERVICING

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

### Sale of Portfolio

The Initial Receivables have been sold by the Seller pursuant to the Receivables Purchase Agreement and arose from loans granted to Obligors for the financing of the vehicles under the Financing Contracts. See further "**DESCRIPTION OF PORTFOLIO**" on page 102 of the Base Prospectus. Additional Receivables will be sold by VWFS to the Issuer pursuant to the Receivables Purchase Agreement, and arise from loans granted to Obligors for the financing of vehicles under the Financing Contracts.

On 27 November 2023 and each Additional Purchase Date, VWFS has sold to the Issuer and the Issuer has purchased from VWFS all right, title and interest of VWFS in the Initial Receivables and any Additional Receivables offered for sale on such Additional Purchase Dates.

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, any proceeds obtained by the Issuer from the issue of Further Notes and advances under Further Loans and any Subordinated Loan Increase Amounts to purchase from VWFS any Additional Receivables if and to the extent offered by VWFS subject to the fulfilment of certain conditions. Such conditions include, *inter alia*, the requirement that (a) the Additional Receivables meet the Eligibility Criteria set forth in the Receivables Purchase Agreement and (b) that the Additional Receivables are subject to the first floating charge pursuant to clause 3.5 (*Floating Charge*) of the Deed of Charge and Assignment. Where the Additional Receivables include Scottish Receivables, pending perfection under Scots law of such sale by duly intimated assignation, VWFS will hold the benefit of the Scottish Receivables and the other Scottish Trust Property in trust for the benefit of the Issuer on the terms of a Scottish Trust.

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

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

VWFS will further make certain the representations and warranties on each such Additional Purchase Date (as further described in page 104 of the Base Prospectus, under "**DESCRIPTION OF THE PORTFOLIO – Representations and Warranties of the Seller**"). After

the Revolving Period, the Issuer will no longer purchase and accept assignment of Additional Receivables.

For further information please see page 112 of the Base Prospectus ("**THE PURCHASED RECEIVABLES POOL**").

**Composition of the Purchased Loan Receivables Pool as at the Additional Cut-Off Date falling in October 2025**

Outstanding Aggregate  
Discounted Receivables  
Balance GBP 5,623,850,695.33

Number of Financing Contracts 329,475

Average Outstanding  
Discounted Receivables  
Balance GBP 17,069.13

Range of Outstanding  
Discounted Receivables  
Balance Up to GBP 419,032.29

Weighted average contract rate 9.21 per cent.

Range of contract rates Up to 16.30 per cent.

Weighted average remaining term 27.38 months

Range of remaining terms 60 months

Weighted average original term 47.80 months

Range of original terms 69 months

**Initial Receivables Purchase Price and Representations and Warranties**

GBP 5,155,199,103.05

The Seller 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 this Agreement and the other Transaction Documents to which the Seller is a party and to exercise its rights and perform its obligations thereunder;
- (b) all corporate actions required to be done, fulfilled and performed in order (a) to enable the Seller lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in each Transaction Document to which the Seller is a party or under any assignment, assignation or transfer made by it in respect of any Receivable assigned or transferred or scheduled to be assigned or transferred pursuant to this Agreement and (b) to ensure that the obligations expressed to be assumed by it in each Transaction Document to which the Seller is a party or under

any such assignment, assignation or transfer are legal, valid and binding on it, have been done, fulfilled and performed or shall be done, fulfilled or performed prior to the execution of such Transaction Document, assignment, assignation or transfer (as the case may be);

- (c) the execution by the Seller of each Transaction Document to which the Seller is a party and the making of each assignment, assignation or transfer made by it in respect of any Purchased Receivables assigned or transferred or scheduled to be assigned or transferred pursuant to this Agreement and the exercise of its rights and the performance of its obligations in any such assignment, assignation or transfer does not and will not conflict with or violate:
  - (i) its Memorandum or Articles of Association; or
  - (ii) (to an extent or in a manner which has or is likely to have a Material Adverse Effect) any law to which it is subject;
- (d) all approvals, authorisations, consents, orders or other actions of any person or of any governmental or regulatory body or official required in connection with the execution and delivery of each Transaction Document to which the Seller is a party and/or the making of each assignment, assignation or transfer of Purchased Receivables in the manner contemplated 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, assignation or transfer of any Receivables in the manner therein contemplated and the exercise by the Seller of its rights and the performance of its obligations thereunder with regard to such Receivables does not and will not conflict with, or constitute a material default under, any agreement, contract, mortgage, deed of charge or other instrument to which it is a party or by which it or any of its assets is otherwise bound;
- (g) all information furnished by or on behalf of the Seller in writing to any Lender and any Noteholder for purposes of or

in connection with the Transaction Documents or any transaction contemplated under the Transaction Documents is true and accurate in all material respects on and as at the date such information was furnished (except to the extent that such furnished information relates solely to an earlier date, in which case such information is true and accurate in all material respects on and as at such earlier date);

- (h) the Seller has not taken any corporate action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or any or all of its assets;
- (i) the Seller is resident for tax purposes in the United Kingdom and will not cease to be treated as being resident for tax purposes in the United Kingdom by virtue of the application of section 18 of the Corporation Tax Act 2009. It belongs in the United Kingdom for the purposes of United Kingdom VAT;
- (j) the Seller's centre of main interests is situated in the United Kingdom and it does not have an establishment branch, business establishment or other fixed establishment other than in the United Kingdom. The terms "centre of main interest" and "establishment" have the meanings given to them: in Article 3(1) and Article 2(10) respectively (i) of the EU Insolvency Regulation and (ii) in the EU Insolvency Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA and as amended by the Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) and Insolvency (Amendment) (EU Exit) Regulations 2020 (SI 2020/647);
- (k) the Purchased Receivables are originated in the ordinary course of the business of 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 SECN 2.2.11R(4) and Article 8 of Directive 2008/48/EC (as it applies in the UK and EU), in particular, the assessment: (i) will be performed on the basis of sufficient information, where appropriate obtained from the Obligor and, where necessary, on the basis of a consultation of the relevant database, and (ii) will be repeated before any significant increase in the total amount is granted after the conclusion of

the financial contract, in combination with an update of the Obligor's financial information; and

- (l) the Purchased Receivables comprised in the portfolio will not include: (i) any transferable securities for purposes of SECN 2.2.9R(5); (ii) any securitisation positions for purposes of SECN 2.2.10R; or (iii) any derivatives for purposes of SECN 2.2.16R(2), 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 (i) on the Closing Date but as if made at the Initial Cut-Off Date in relation to the Initial Receivables, and (ii) as at each Additional Cut-Off Date in relation to the Additional Receivables, acquired on such Additional Purchase Date, that each Purchased Receivable meets each of the following conditions (for the avoidance of doubt, when applying the conditions below the Receivables have been selected randomly and not with the intention to prejudice the Lenders and the Noteholders):

- (a) that the purchase of the Receivables may not have the result that the Aggregate Discounted Receivables Balance of all Purchased Receivables exceeds the following concentration limits with respect to the percentage of Discounted Receivables Balance generated under Financing Contracts for (i) used vehicles (concentration limit: 60 per cent.), (ii) PCP used contracts (concentration limit: 55 per cent) and (iii) under Financing Contracts for non-VW group brand vehicles (concentration limit: 10 per cent.);
- (b) that none of the Obligors is an Affiliate of the Seller;
- (c) that the related Financing Contracts have been entered into exclusively with Obligors which, if they are corporate entities have their registered office in England, Scotland, Northern Ireland or Wales or, if they are individuals have their place of residence in England, Scotland, Northern Ireland or Wales;
- (d) that (according to the Seller's records) no pending bankruptcy or insolvency proceedings are initiated against any of the Obligors;
- (e) that such Purchased Receivable is denominated and payable in Sterling;
- (f) that no Purchased Receivable is overdue;
- (g) that the related Financing Contracts shall be governed by the laws of England and Wales, Northern Ireland or Scotland (depending on where the Obligor is resident or incorporated);
- (h) that the relevant Financing Contracts constitute legal valid, binding and enforceable agreements with full recourse to the Obligor;

- (i) that the status and enforceability of the Purchased Receivables is not impaired due to warranty claims or any other rights of the Obligor (even if the Issuer knew or could have known on the Cut-Off Date of the existence of such defences or rights);
- (j) that the status and enforceability of the Purchased Receivables is not impaired by set-off rights and that no Obligor maintains deposits on accounts with VWFS;
- (k) that those related Financing Contracts which are regulated by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 comply in all material respects with the requirements of the Consumer Credit Act 1974, as amended, (the "CCA"), associated secondary legislation on consumer financing and the rules in the Consumer Credit Sourcebook within the FCA Handbook and, in particular contain legally accurate instructions in respect of the right of revocation of the Obligors and that none of the Obligors has used its right of revocation within the term of revocation;
- (l) that such Purchased Receivable arises under a Financing Contract that (a) contains an obligation to pay a specified sum of money and is subject to no contingencies (other than an obligation to pay interest on overdue amounts), (b) does not require the Obligor under such Financing Contract to consent to the transfer, sale or assignment of the rights and duties of the Seller under such Financing Contract or to the sale to a third party of the Vehicle the subject thereof, and (c) does not contain a confidentiality provision that purports to restrict the Purchaser's or the Security Trustee's exercise of rights under this Agreement, including, without limitation, the right to review such Financing Contract;
- (m) that it can dispose of the Purchased Receivables free from rights of third parties and, to the best of the Seller's knowledge, the Purchased Receivables are not in a condition that can be foreseen to adversely affect the enforceability of the assignment;
- (n) the Seller is the legal and beneficial owner, free from any Security Interest, of the Purchased Receivables;
- (o) that such Purchased Receivable was generated in the ordinary course of the Seller's business from the sale of goods or provision of credit or other services to the relevant Obligor and the related Financing Contract was entered into in accordance with the Customary Operating Practices;
- (p) that other than the right to make partial early repayments as provided for in the CCA, there are no provisions in the Financing Contract related to such Purchased Receivable whereby the Obligor may reduce the amount of such Purchased Receivable payable by the Obligor below the level of the stated payments as at the date of commencement of such Financing Contract (excluding any change as a result of any change in the rate of Value Added Tax or the corporation tax or capital allowances regimes). However, at the discretion of the Servicer and in accordance with its Customary Operating

Practices, the Obligor may be given an option to reschedule repayments in a manner that increases or decreases the term of such Financing Contract and the consequential finance income; provided, that the total capital repayment shall not be impacted by any such measure;

- (q) that the Seller had at the time of origination of the Financing Contract under which such Purchased Receivable arises the necessary licences pursuant to the CCA, the necessary interim permissions pursuant to the Financial Services and Markets Act 2000 and as at the date of this 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 or Northern Ireland will take effect in equity only because no notice of the assignment will be given to Obligors. The assignment will be perfected following the occurrence of certain Notification Events. As described above, the Seller holds the benefit of the Scottish Receivables in trust for the Issuer prior to the occurrence of a Notification Event. Following the occurrence of a Notification Event the transfer of legal title to any Scottish Receivables to the Issuer would be perfected by assignments in favour of the Issuer entered into pursuant to the Receivables Purchase Agreement perfected by giving notice to the relevant Obligors and/or registration in the Register of Assignations.

See the section "*Equitable Assignment*" in the Risk Factors section on page 12 of the Base 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 Obligor.

**Repurchase of the Receivables and Ancillary Rights**

**Remedy for breach of representation and warranty**

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

- (a) remedy the matter giving rise to such breach if such is capable of remedy provided that, if a remedy within the relevant Cure Period (as defined above) is not practicable, the Seller may remedy such breach by the last day of the following calendar month; or
- (b) repurchase the relevant Purchased Receivable at a price equal to, or, in case of a breach of clause 10.1(h) (*Warranties and Representations*) of the Receivables Purchase Agreement, pay to the Issuer the Settlement Amount of such Purchased Receivable at the end of the calendar month immediately preceding such repurchase provided that, if it is not practicable to repurchase such Purchased Receivable within the relevant Cure Period (as defined above), the Seller may repurchase such Purchased Receivable on the immediately following Payment Date.

The Servicer shall immediately notify the Issuer and the Security Trustee if the Servicer becomes aware of any breach of the Seller's representations and warranties set out in clause 10.1 or 10.2 (*Warranties and Representations*) of the Receivables Purchase Agreement.

Additionally, each of the Issuer and Security Trustee agree to notify VWFS promptly upon becoming aware of any breach of representation or warranty set out in clause 10.1 (*Warranties and Representations*) of the Receivables Purchase Agreement in relation to a Purchased Receivable. This will not constitute an obligation of the Issuer and/or the Security Trustee to investigate whether any such breach has occurred.

If the Seller breaches any warranty given in respect of itself in the Receivables Purchase Agreement as at each Additional Purchase Date and the breach materially and adversely affects the interests of the Issuer, the Lenders and/or the Noteholders, the Issuer may require VWFS to remedy the matter giving rise to such breach if such matter is capable of remedy provided that, if a remedy within the relevant Cure Period (as defined above) is not practicable, the Seller may remedy such breach by the last day of the following calendar month. The Seller also agrees, subject to certain exclusions and limitations, to indemnify the Issuer and the Security Trustee for any breach of its obligations under the Receivables Purchase Agreement and the other Transaction

Documents to which it is a party, its failure to comply with any applicable law, rule or regulation imposed upon it by the laws of England and Wales or Scotland or the non-conformity of any Financing Contract with such law, rule or regulation or any product liability claim for damages for personal injury or damage to property or other similar or related claim, liability or action proceedings in respect of which are commenced in the courts of England and Wales or Scotland, arising in connection with any Receivable or Vehicle related thereto or Financing Contract.

### **Clean-Up Call Option**

Under the Receivables Purchase Agreement, VWFS will have the right at its option but not the obligation, to require the Issuer to exercise the Clean-Up Call Option and to repurchase the Purchased Receivables from the Issuer at any time when the Aggregate Discounted Receivables Balances of all outstanding Purchased Receivables as at the end of the most recent Monthly Period is less than 10 per cent. of the Maximum Discounted Receivables Balance, provided that all payment obligations under the Instruments, and any obligations ranking *pari passu* with or senior to the Instruments in the Order of Priority, will be met in full on the exercise of such option. VWFS shall give one month prior written notice of its intention to require the exercise of the Clean-Up Call Option. Such notice shall be published in accordance with Notes Condition 10 and Loan Condition 9 (*Notices*) the "**Clean-Up Call Option Notice**") and, in addition shall be published in the Servicer Report.

### **Sale of Receivables to other Secured Vehicles**

The Issuer may on any Payment Date, for the purpose of a Term Takeout, offer to sell and assign to any member of Volkswagen Group or to a securitisation vehicle nominated by the Seller (in each case, the "**Transferee**") any or all Purchased Receivables (the "**Term Takeout Receivables**") provided that the Rating Agencies will have confirmed (by way of press release or otherwise) that the sale of the Term Takeout Receivables will not in and of itself result in a downgrade, withdrawal or qualification of the rating assigned to Instruments prior to the Term Takeout. If accepted by the Transferee, the purchase price to be paid by the Transferee acquiring the Term Takeout Receivables will be required to be:

- (a) no less than the outstanding Discounted Receivables Balance of the Term Takeout Receivables as at the respective Payment Date less an amount equal to the sum of (i) the amount of over-collateralisation applied to the Term Takeout in accordance with the capital structure of applicable term transaction and (ii) the amount required as cash collateral for the applicable term transaction;
- (b) in any event no less than the Aggregate Redeemable Amount; and
- (c) paid to the Distribution Account, provided that the purchase price will not be distributed according to the applicable Order

of Priority and it will be distributed, *firstly*, to the then outstanding Senior Instruments, until the Redeemable Amount of all then outstanding Senior Instruments has been redeemed in full, *secondly*, to the then outstanding Junior Instruments, until the Redeemable Amount of all then outstanding Junior Instruments has been redeemed in full, *thirdly*, to the Subordinated Loan and fourthly to the Seller by way of a final success fee.

The selection of Term Takeout Receivables will be made on a random basis and the proceeds from any Term Takeout will be paid into the Distribution Account but will not be applied according to the Order of Priority but instead be distributed as separately provided in clause (c) above. Any such randomly selected Term Takeout Receivable shall comply with the same warranties and representations as set out in clause 10.1 (*Warranties and Representations*) of the Receivables Purchase Agreement at the time of the transfer to the Transferee. For the avoidance of doubt, in case of Non-Amortising Instruments any redemption payments will be made in a way to redeem Schuldschein Loans by a principal amount of at least GBP 10,000,000 (or multiples thereof), and a certain number of Notes in their principal amount of at least GBP 100,000 (or multiples thereof).

**Consideration repurchase:**

- for**
- (a) 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
  - (b) 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 on the last calendar day of the month prior to 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 Obligors in respect of Purchased Receivables (including, without limitation, entering into supplemental transfer documents).

**Variation of Discount Rate:**

The Discount Rate represents the Issuer's costs of financing the Programme. The Discount Rate is calculated on the basis of (i) the expected weighted average (calculated based on the outstanding principal amount of the Instruments 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 administrative costs and fees plus (iv) the Interest Compensation Rate, and plus (v) an additional buffer to cover for potential interest rate increases at the Closing Date (as amended by the Deed of Amendment and Restatement) and the components of the Discount Rate are not static for the lifetime of the Programme and will vary in connection with the extension of each Instrument Revolving Period Expiration Date.

In order to ensure that the Discount Rate reflects the Issuer's costs of financing the Programme the Issuer grants the Seller under the Receivables Purchase Agreement an option (the "**Discount Rate Variation Option**") to permit the Seller to vary the Discount Rate with respect to:

- (a) the Purchased Receivables included in the Portfolio; and
- (b) the Additional Receivables to be purchased during the Revolving Period.

In exercising the Discount Rate Variation Option, the Seller shall calculate, with effect from the then current instrument revolving period expiration date applicable to the Instruments which have not commenced amortisation (the "**Renewal Date**"):

- (a) the expected weighted average (calculated based on the outstanding principal amount of the Instruments and the outstanding principal amount of the Subordinated Loan at the end of the Monthly Period immediately prior to the Renewal Date) of the fixed rates (stated as a percentage) payable by the Issuer under the Swap Agreements and the Subordinated Loan; plus

- (b) the Servicer Fee at a rate of 1 per cent. per annum; plus
- (c) 0.03 per cent. for administrative costs and fees; plus
- (d) the Interest Compensation Rate; plus
- (e) an additional buffer to cover for potential interest rate increases,

(the "**New Discount Rate**"). The New Discount Rate shall become the Discount Rate with effect on and from the relevant Renewal Date in relation to all the Purchased Receivables regardless of whether all Instruments are revolving or in amortisation.

The Seller acknowledges under the Receivables Purchase Agreement that in exercising the Discount Rate Variation Option, the Aggregate Discounted Receivables Balance of the Portfolio will change following the application of the New Discount Rate and (if not remedied in accordance with this clause) this will impact the Senior Instrument Targeted Note Balance and the Junior Instrument Targeted Note Balance and could give rise to an Early Amortisation Event pursuant to limb (c) of the definition of Early Amortisation Event.

In connection with the exercise of the Discount Rate Variation Option, in order to ensure that the Aggregate Discounted Receivables Balance of the Portfolio calculated on the basis of the New Discount Rate remains unchanged, the Seller shall:

- (a) calculate the Aggregate Discounted Receivables Balance of the Portfolio (excluding, for the avoidance of doubt, Defaulted Receivables) immediately prior to the exercise of the Discount Rate Variation Option (the "Current Aggregate Discounted Receivables Balance"); and
- (b) calculate the Aggregate Discounted Receivables Balance of the Portfolio (excluding, for the avoidance of doubt, Defaulted Receivables) immediately following the exercise of the Discount Rate Variation Option (the "New Aggregate Discounted Receivables Balance").

If the New Aggregate Discounted Receivables Balance is lower than the Current Aggregate Discounted Receivables Balance (the "**Aggregate Discounted Receivables Balance Shortfall**"), the Seller will offer to sell and the Issuer will purchase Additional Receivables at the Additional Receivables Purchase Price which takes into account the New Discount Rate which shall be funded exclusively through a drawing under the Subordinated Loan in an amount necessary to remedy the Aggregate Discounted Receivables Balance Shortfall (the "**Borrowing Base Cure Amount**").

The exercise of the Discount Rate Variation Option is subject to the following conditions:

- (a) The Discount Rate Variation Option may only be exercised in connection with the extension of the instrument current revolving period expiration date applicable to all Instruments which have not commenced amortisation and will apply to all

Instruments whether or not such Instrument have commenced amortisation;

- (b) The Discount Rate Variation Option may be exercised by notice to the Issuer no later than on the 10th Business Day falling in the month of the then current instrument revolving period expiration date applicable to the Instruments which have not commenced amortisation (the "Discount Rate Variation Option Notice") which shall specify,
  - (i) the New Discount Rate and each component giving rise to the new Discount Rate;
  - (ii) the Current Aggregate Discounted Receivables Balance;
  - (iii) the New Aggregate Discounted Receivables Balance; and
  - (iv) the Borrowing Base Cure Amount, if any.
- (c) The Discount Rate Variation Option shall only be effective:
  - (i) on the relevant Renewal Date; and
  - (ii) if the Issuer has received confirmation from the Rating Agencies that the rating of the relevant Instruments, to the extent rated, will continue to have, for the Senior Instruments, a rating of AAA (sf) by S&P and AAAsf by Fitch and for the Junior Instruments, at least A+ (sf) by S&P and at least A+sf by Fitch, or, (b) the Issuer has received a new rating confirmation which states the same rating for the relevant Instruments, to the extent rated, as is applicable prior to the exercise of the Discount Rate Variation Option.

**Servicing of the Receivables Pool:**

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

- (a) service and collect the Purchased Receivables in accordance with the Servicing Agreement;
- (b) transfer to the Distribution Account of the Issuer on each Payment Date the Collections for the relevant Monthly Period;

- (c) undertake to facilitate Bank of England, Securitisation Regulation and EMIR reporting for the Issuer; and
- (d) perform other tasks incidental to the above.

Any of the following events (each a "**Servicer Replacement Event**"):

- (a) the Servicer fails to make any payment or deposit to be made by it to the Distribution Account and such failure to pay has not been remedied within five (5) Business Days after the earliest of (i) receipt by the Servicer of a written notice from the Issuer or any Lender 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 paragraph (a) above) and such failure shall remain unremedied for sixty (60) days (or if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Lender or 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 Lender or 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 Rules, 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.

Please see page 97 of the Base Prospectus "***ABSTRACT OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement***" for more information.

**Delegation:**

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

Please see page 97 of the Base Prospectus "***ABSTRACT OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement***" for more information.

**Data Protection Trust Agreement**

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

**SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES**

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

**FULL CAPITAL STRUCTURE OF THE NOTES**

	<b>Class A</b>	<b>Class B</b>
<b>Currency</b>	<b>Sterling</b>	<b>Sterling</b>
<b>Initial Notional Amount</b>	<b>For each Series of Notes, the amount specified as such in the respective Final Terms</b>	<b>For each Series of Notes, the amount specified as such in the respective Final Terms</b>
<b>Note Credit Enhancement</b>	<b>Class B Notes</b>	<b>None</b>
<b>Reserve Credit Enhancement</b>	<b>General Cash Collateral Amount</b>	<b>General Cash Collateral Amount</b>
<b>Issue Price</b>	<b>For each Series of Notes, the amount specified as such in the respective Final Terms</b>	<b>For each Series of Notes, the amount specified as such in the respective Final Terms</b>
<b>Interest Reference Rate</b>	<b>Compounded Daily SONIA</b>	<b>Compounded Daily SONIA</b>
<b>Relevant Margin</b>	<b>For each Series of Notes, the amount specified as such in the respective Final Terms</b>	<b>For each Series of Notes, the amount specified as such in the respective Final Terms</b>
<b>Interest Accrual Method</b>	<b>Actual/365</b>	<b>Actual/365</b>
<b>Interest Determination Date</b>	<b>The fifth London Banking Day before the Payment Date</b>	<b>The fifth London Banking Day before the Payment Date</b>
<b>Payment Dates</b>	<b>25<sup>th</sup> of each month</b>	<b>25<sup>th</sup> of each month</b>
<b>Business Day Convention</b>	<b>Modified Following</b>	<b>Modified Following</b>
<b>First Payment Date</b>	<b>For each Series of Notes, the date specified as such in the respective Final Terms</b>	<b>For each Series of Notes, the date specified as such in the respective Final Terms</b>
<b>First Interest Period</b>	<b>For each Series of Notes, the date specified as such in the respective Final Terms</b>	<b>For each Series of Notes, the date specified as such in the respective Final Terms</b>
<b>Pre-Enforcement Redemption Profile</b>	<b>Following the end of the Revolving Period, Sequential</b>	<b>Following the end of the Revolving Period, Sequential</b>
<b>Post-Enforcement Redemption Profile</b>	<b>Sequential</b>	<b>Sequential</b>
<b>Clean-Up Call Option</b>	<b>Applicable</b>	<b>Applicable</b>
<b>Final Maturity Date</b>	<b>For each Series of Notes, the date specified as such in the respective Final Terms</b>	<b>For each Series of Notes, the date specified as such in the respective Final Terms</b>
<b>Form of the Notes</b>	<b>Registered</b>	<b>Registered</b>
<b>Application for Listing</b>	<b>Application for listing on the official list of the Luxembourg Stock Exchange</b>	<b>Application for listing on the official list of the Luxembourg Stock Exchange</b>

<b>Clearance/Settlement</b>	<b>Clearstream Luxembourg and Euroclear Global registered notes held under the NSS</b>	<b>Clearstream Luxembourg and Euroclear Global registered notes held by a common depository for Euroclear and Clearstream Luxembourg</b>
<b>Minimum Denomination</b>	<b>£100,000 (or any equivalent GBP amount which equals at least EUR 100,000)</b>	<b>£100,000 (or any equivalent GBP amount which equals at least EUR 100,000)</b>
<b>Ranking</b>	<p>The Class A Notes of any Series constitute direct, secured, unconditional and unsubordinated obligations of the Issuer. The Class A Notes rank <i>pari passu</i> among themselves and with the Senior Schuldschein Loans. The Class A Notes rank senior to the Junior Instruments and the Subordinated Loan. The claims of the holders of the Class A Notes under the Class A Notes are ranked 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, secured, unconditional and unsubordinated obligations of the Issuer. The Class B Notes rank <i>pari passu</i> among themselves and with the Junior Schuldschein Loans, but rank junior to the Class A Notes and the Senior Schuldschein Loans. The Class B Notes rank senior to the Subordinated Loan. The claims of the holders of the Class B Notes under the Class B Notes are ranked 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>	
<b>Security</b>	<p>The Issuer, acting for and on behalf of its Compartment 7 will enter into a Trust Agreement, and the Supplement to the Deed of Charge and Assignment and an assignation in security, governed by the laws of Germany, England and Scotland, as applicable.</p> <p>Under the Trust Agreement, the Issuer has instructed and authorised the Security Trustee to act as trustee (<i>Treuhänder</i>) for the benefit of the Transaction Creditors pursuant to the terms of the Trust Agreement and the Deed of Charge and Assignment.</p> <p>In the Trust Agreement, the Issuer undertakes to pay the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to all the Transaction Creditors (including the holders of the Notes) pursuant to the Transaction Documents (the "<b>Trustee Claim</b>").</p> <p>To provide collateral for the respective Trustee Claim, the Issuer assigns to the Security Trustee all its claims and other rights arising from the German Transaction Documents (with the exception of claims and other rights arising from the Trust Agreement) for the avoidance of doubt (including the rights to unilaterally alter a legal relationship (<i>unselbständige Gestaltungsrechte</i>)) and from all present and future German law contracts the Issuer has entered or may enter into in connection with the Transaction Documents.</p> <p>In addition, the Issuer pledges to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement.</p>	

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

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

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

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

**Scottish Declaration of Trust**

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

**Interest Provisions**

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

**Interest Deferral**

Accrued Interest not paid on a Class A Note on the Payment Date related to the Interest Accrual Period in which it accrued, including but not limited to any Accrued Interest resulting from the correction of any miscalculation

of interest payable on an Instrument related to the last Interest Period immediately preceding the Payment Date, will be an "**Interest Shortfall**" with respect to such Class A Note and will constitute a Foreclosure Event, if not paid for a period of five Business Days from the relevant Payment Date.

Accrued Interest not paid on the Class B Notes on the Payment Date related to the Interest Period in which it accrued, including but not limited to any Accrued Interest resulting from the correction of any miscalculation of interest payable on an Instrument related to the last Interest Period immediately preceding the Payment Date, will be an "**Interest Shortfall**" with respect to the Class B Notes will be carried over to the next Payment Date.

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

**Redemption** Under the Receivables Purchase Agreement, VWFS will have the right at its option but not the obligation, to require the Issuer to exercise the Clean-Up Call Option and to repurchase the Purchased Receivables from the Issuer at any time when the Aggregate Discounted Receivables Balances of all outstanding Purchased Receivables as at the end of the most recent Monthly Period is less than 10 per cent. of the Maximum Discounted Receivables Balance, provided that all payment obligations under the Instruments, and any obligations ranking *pari passu* with or senior to the Instruments in the Order of Priority, will be met in full on the exercise of such option. VWFS shall give one month prior written notice of its intention to require the exercise of the Clean-Up Call Option. Such notice shall be published in accordance with Notes Condition 10 and Loan Condition 9 (*Notices*) the "**Clean-Up Call Option Notice**") and, in addition shall be published in the Servicer Report.

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

- (a) an amount equal to the outstanding Discounted Receivables Balance which would have become due if the Clean-Up Call Option had not been exercised, calculated on the last calendar day of the month in which the repurchase is to become effective; and
- (b) an amount equal to the theoretical present value of the Purchased Receivables remaining to be paid in the future, calculated using a discount rate equal to (i) the weighted average (based on the principal amount outstanding of all the Instruments and the Subordinated Loan outstanding principal amount as of the end of the relevant Monthly Period) of the fixed rates under the Swap Agreement and the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. per annum, and plus (iii) 0.03 per cent. for administrative costs and fees. It shall be calculated on the last calendar day of the month in which the repurchase is to become effective.

For the purposes of calculating the Clean-Up Call Option Settlement Amount, the risk of losses inherent to the relevant Purchased Receivables shall be taken into account on the basis of the risk status of such Purchased Receivables assessed by VWFS immediately prior to the buyback

becoming effective. The Clean-Up Call Option Settlement Amount shall be due on the Payment Date following the Clean-Up Call Option Notice and, for the purposes of the definition of Collections shall be treated as a Settlement Amount.

### **Foreclosure Event**

The Security shall be subject to foreclosure upon the occurrence of a Foreclosure Event. A Foreclosure Event shall occur when:

- (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 Instruments 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 Instrument on the Final Maturity Date.

It is understood that the interest and principal on the Subordinated Loan and on the Instruments (other than interest on the most senior Instruments then outstanding) 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.

**"Insolvency Event"** means, with respect to Driver UK Master 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 Master 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 Master 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 Master 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 Master S.A., the Seller, the Servicer or the Security Trustee or an effective resolution is passed for its winding-up; and
- (g) Driver UK Master 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 Lenders, the Noteholders 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*) 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 (*Authority to Collect; Assumption of Obligations; Further Assignment*) of the Trust Agreement).

Within fifteen (15) days after the occurrence of a Foreclosure Event, the Security Trustee shall give notice to the Lenders, the Noteholders, the Swap Counterparties and the Subordinated Lender, specifying the manner in which it intends to foreclose and enforce on the Security, in particular, whether it intends to sell the Security, and apply the proceeds from such foreclosure to satisfy the obligations of the Issuer, subject to the Order of Priority set out in clause 21 (*Order of Priority*) of the Trust Agreement. If, within sixty (60) days after the publication of such notice, the Security Trustee receives written notice from a Lender or Lenders or a Noteholder or Noteholders together representing more than 50 per cent of the aggregate outstanding principal amount of the Senior Instruments, or, provided that no Senior Instruments are outstanding, the Junior Instruments, 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 Instruments and the Subordinated Loan represent obligations of the Issuer only, and do not represent obligations of the Arranger, the Lead Manager, the Lenders, the Security Trustee, VWFS or VW Bank or any of

its Affiliates (together the "**Volkswagen Group**") or any Affiliate of the Issuer or any other third person or entity. Neither the Arranger, nor the Lead Manager, nor the Lenders, 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 Instruments 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 Instruments, 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 Instruments (subject to the expiry of the 5 Business Day grace period) will not constitute a Foreclosure Event. The Instruments shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Instruments 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 Instruments 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, all Lenders, the Subordinated Lender or Swap Counterparties in full, then any shortfall arising shall be extinguished and neither any Noteholder, any Lender, nor the Security Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will be so available thereafter.

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

**Non-petition**

None of the Noteholders (nor any other Person acting on behalf of any of them) or the Lenders 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 Instruments, save for lodging a claim in the liquidation of the Issuer which is initiated by another Person who is not a Noteholder or a party to any Transaction Document.

**Governing Law**

The Notes are governed by German law.

**RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS**

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

**Noteholders provisions**

**Meeting**

Save in respect of a Benchmark Rate Modification undertaken in accordance with Notes Condition 12(c) (*Amendments to the Conditions and Benchmark Rate Modification*) or Loan Condition 11.3 (*Amendments to the Conditions and Benchmark Rate Modification*), as applicable, the Conditions may only be modified through contractual agreement to be concluded between the Issuer and all Noteholders of each Series of the relevant Class of Notes or all Lenders of the relevant Schuldschein Loan 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 or Lender's, as applicable, resolution adopted with unanimous consent of the Noteholders of such Series of the relevant Class of Notes or the Lenders of the relevant Schuldschein Loan, as applicable, pursuant to Sections 5 to 22 of the aforementioned act. The German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG)*) shall apply *mutatis mutandis* to the Schuldschein Loans.

**Amendment under the General Amendments  
Trust Agreement**

Subject to clause 38 (*Amendments*) of the Trust Agreement, and save for any correction of a manifest or proven error or variation of a formal, minor or technical nature which may be made by the Security Trustee without the consent or sanction of any of the Noteholders, any of the Lenders, the Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person, any amendment, restatement or variation of a Transaction Document, is valid only if made in accordance with clause 5 (*Amendments, Accession*) of the Incorporated Terms Memorandum.

VWFS will be entitled to unilaterally amend any term or provision of the Trust Agreement, with the consent of the Issuer but without the consent of any Lender, any Noteholder, any Swap Counterparties, the Subordinated Lender, the Arranger, the Lead Manager or any other Person; provided that such amendment shall only become valid:

- (a) if it is notified to the Security Trustee, the Rating Agencies and the Issuer and VWFS have received a confirmation (x) from the Security Trustee that in the sole professional judgment of the Security Trustee (as advised by, and/or relying upon the written opinion of, any independent merchant bank and/or legal advisers and/or other expert as it may need), such amendment will not be materially prejudicial to the interests of any such Transaction Creditor and (y) the Rating Agencies that the ratings then assigned to the Instruments will not be adversely affected by such amendment; and
- (b) 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, then the consent of each Swap Counterparty will be required; and
- (c) in case of amendments which materially and adversely affect the interests of the Issuer, the Security Trustee, the Swap Counterparties and/or the Subordinated Lender if such Transaction Parties that are materially and adversely affected have consented to such amendment.

### **Modification of Swap Documents**

- (a) Each Swap Counterparty and the Issuer shall be entitled:
  - (i) to amend the Swap Agreements to ensure that the terms hereof, and the parties obligations thereunder, are in compliance with the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation, as amended from time to time, ("EMIR") and/or the then subsisting technical standards under EMIR; or
  - (ii) to amend or waive (subject at all times to Article 15 (Dispute resolution), Chapter VII of the technical standards under EMIR (which relate to, inter alia, non-financial counterparties, risk-mitigation techniques for over the counter derivative contracts not cleared by a central counterparty) any of the time periods set out Part 6(c) of the schedules to the Swap Agreements.
- (b) The Servicer or the relevant Transaction Party(ies), as the case may be, and the Issuer shall be entitled to amend the Servicing Agreement or any other Transaction Documents to ensure that the terms thereof, and the parties obligations thereunder, are in compliance with EMIR and/or the then subsisting technical standards under EMIR;

in each case, with the consent of the Issuer but without the consent of any Lender, any Noteholder, the Subordinated Lender or any other Person; provided that such amendment or waiver shall only become valid if it is notified to the Security Trustee and the Rating Agencies, and the Issuer and the Swap Counterparties or the Servicer or the relevant Transaction Party(ies), as the case may be, have received a confirmation from the Security Trustee that in the sole professional judgment of the Security Trustee, such amendment or waiver will not be materially prejudicial to the interests of any such Transaction Creditor.

#### **General:**

Notwithstanding *General Amendments* and *Modification of Swap Documents* above, VWFS will be entitled to amend any term or provision of the Trust Agreement with the consent of the Security Trustee, but without the consent of any Lender, any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person if it is advised by a third party authorised under Part 6 of the SR 2024 in respect of the UK Securitisation Framework or a reputable international law firm that such amendments are required for the Programme to comply with the EU Securitisation Regulation or the UK Securitisation Framework, as applicable, or any regulatory and/or implementing technical standards adopted under the EU Securitisation Regulation or any directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom

under the UK Securitisation Framework. Any such amendment shall only become valid, by giving ten

(10) Business Days prior notice to the Lenders, the Noteholders and the Rating Agencies in writing, including by e-mail. Insofar as such amendments relate to the originator or Seller, any amendments in order to comply with the EU Securitisation Regulation shall not result in any non-compliance with the UK Securitisation Framework and insofar as such amendments relate to the Issuer, any amendments in order to comply with the UK Securitisation Framework shall not result in any non-compliance with the EU Securitisation Regulation.

The Security Trustee shall have the right to request a reputable international law firm to confirm the legal validity of such amendment and/or to describe the legal effects of such amendment and to incur reasonable expenses for such consultation which shall be reimbursed by VWFS.

Subject to *Modification of Swap Documents* above, the Trust Agreement may also be amended from time to time with the consent of (a) the Issuer and (b) the Lenders of the Senior Schuldschein Loans and the Noteholders of the Class A Notes evidencing not less than a majority of the aggregate outstanding principal amount of the outstanding Senior Instruments, 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 Lenders and the Noteholders; provided that (x) no such amendment shall (i) reduce the interest rate of any Instrument (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) or principal amount of any Instrument or delay the Scheduled Repayment Date or Final Maturity Date of any Instrument without the consent of the respective Lender or 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 Junior Instrument without the consent of the Lenders of the Junior Schuldschein Loans and the Noteholders of the Class B Notes evidencing not less than a majority of the aggregate outstanding principal amount of the outstanding Junior Instruments, 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 Counterparty will be required. The manner of obtaining consents from the Lenders and Noteholders may be either a meeting of the Lenders or Noteholders or by way of a decision without a meeting of the Lenders or the Noteholders. The manner of obtaining any other consents of the Lenders or the Noteholders provided for in the Trust Agreement and of evidencing the authorisation of the execution thereof by the Lenders will be subject to such reasonable requirements as the Security Trustee may prescribe, including the establishment of record dates. Upon full redemption of all Senior Instruments, the foregoing sentence shall apply with the modification that the required Lender of a Senior Schuldschein Loan or Noteholder of a Class A Notes consent as set out under (b) shall be replaced by consent of Lenders of the Junior Schuldschein Loans or Noteholders of the Class B Notes evidencing not less than a majority of the aggregate outstanding principal amount of the outstanding Junior Instruments.

<b>Relationship between Classes of Noteholders</b>	Notwithstanding the provisions of the German Debenture Act ( <i>Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG)</i> ) the Issuer and Noteholders have specified that as long as the Notes are outstanding, the Notes Conditions of any Series may only be modified through contractual agreement to be concluded between the Issuer and all the Noteholders of each Series with a prior notification to the Rating Agencies, to the extent such Series is rated, as provided for in Section 4 of the German Debenture Act or by a Noteholder's resolution adopted with unanimous consent of the Noteholders of such Series pursuant to Sections 5 to 22 of the aforementioned act.
<b>Relationship between Noteholders and other Secured Creditors</b>	The Security Trustee carries out the duties specified in the Trust Agreement as a security trustee for the benefit of the Transaction Creditors. The Security Trustee shall exercise its respective duties hereunder 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 Lenders and the Noteholders. If there is a conflict between the interest of the Senior Instruments holders and any other Transaction Creditor, the interests of the Senior Instruments holders shall prevail.
<b>Provision of Information to the Noteholders</b>	<p>All information to be given to the Noteholders pursuant to Notes Condition 6 of the Notes will be available and may be obtained (free of charge) at the specified office of the Issuer.</p> <p>The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear as operator of the Euroclear system.</p>
<b>Communication with Noteholders</b>	All notices to the Noteholders regarding the Notes shall be (i) published on the website of the Luxembourg Stock Exchange ( <a href="http://www.luxse.com">www.luxse.com</a> ) as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require and (ii) be delivered to the applicable clearing systems for communication by them to the Noteholders. Any notice referred to under (ii) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was delivered to the respective clearing system. Any notice referred to under (i) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was published on the website of the Luxembourg Stock Exchange ( <a href="http://www.luxse.com">www.luxse.com</a> ).

### 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 Base Prospectus for further detail in respect of the credit structure and cash flow of the transaction

#### Monthly Payments

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

- (a) interest accrued on the Distribution Account and the Accumulation Account; plus
- (b) amounts received as Collections received or collected by the Servicer, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus
- (c) payments from the Cash Collateral Account as provided for in clause 22.2 of the Trust Agreement; plus
- (d) (i) Net Swap Receipts under the Swap 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 Swap Termination Payments sitting on the Counterparty Downgrade Collateral Account received by the Issuer and (B) the Net Swap Receipts that would have been due from the relevant Swap Counterparty on such date assuming that there had been no termination of such Swap Agreement; plus
- (e) where the relevant Swap Agreement has been terminated, amounts allocated in accordance with clause 20.8 of the Trust Agreement; plus
- (f) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus
- (g) 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
- (h) the Interest Compensation Shortfall Redemption Amount; less
- (i) the Buffer Release Amount to be paid to VWFS, provided that no Credit Enhancement Increase Condition is in effect. For the avoidance of doubt if a Credit Enhancement Increase Condition is in effect, the Buffer Release Amount will remain forming part of the Available Distribution Amount in the form of Collections under limb (b); less
- (j) the Interest Compensation Ledger Release Amount to be paid to VWFS, provided that no Credit Enhancement Increase Condition is in effect. For the avoidance of doubt if a Credit Enhancement Increase Condition is in effect, the Buffer Top-Up Amount and the Interest Compensation Ledger Release Amount will remain forming part of the Available Distribution Amount in the form of Collections under limb (b).

For the avoidance of doubt, interest accruing on the Counterparty Downgrade Collateral Account (other than amounts payable under clause 20.9 and clause 20.10 (*Distribution Account; Accumulation Account; Account, Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement), to the extent

established, and the Cash Collateral Account will not form part of the Available Distribution Amount. Such accrued interest and earned income will be retained on the relevant Account and (i) in the case of the Counterparty Downgrade Collateral Account, interest accruing in respect of amounts other than Swap Termination Payments received by the Issuer, be paid to the relevant Swap Counterparty in accordance with the Swap Agreements; (ii) in the case of the Counterparty Downgrade Collateral Account, interest accruing in respect of Swap Termination Payments received by the Issuer, be paid to the Subordinated Lender and/or VWFS in accordance with the priority of payment set out in clause 20.10 (*Distribution Account; Accumulation Account; Counterparty Downgrade Collateral Account; Swap Provisions*) unless otherwise specified in the Trust Agreement and (iii) in the case of interest accruing on the Cash Collateral Account, form part of the General Cash Collateral Amount and will be applied accordingly in accordance with clause 22 (Cash Collateral Account) of the Trust Agreement.

**Summary of Order Priority** of Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in the "**Order of Priority of Distributions**" section on pages 84 to 86 of the Base Prospectus.

<u>Pre-Enforcement Event:</u>	<u>Enforcement Event:</u>
<p>Prior to the occurrence of an Enforcement Event, distributions will be made on each Payment Date from the Available Distribution Amount, subject to clause 21 (<i>Order of Priority</i>) of the Trust Agreement, the Cash Collateral Account, according to the following Order of Priority as set forth in clause 21.3 (<i>Order of Priority</i>) of the Trust Agreement:</p>	<p>Following the occurrence of an Enforcement Event, distributions will be made by the Security Trustee from the Available Distribution Amount and any proceeds from the enforcement of the Security in accordance with the following Order of Priority:</p>
<p>1. <i>first</i>, amounts due and payable in respect of taxes (if any) by the Issuer (for the avoidance of doubt, corporate income taxes payable in respect of the Retained Profit Amount will first be paid from the amounts standing to the credit of the Retained Profit Ledger);</p>	<p>1. <i>first</i>, amounts due and payable in respect of taxes (if any) by the Issuer (for the avoidance of doubt, corporate income taxes payable in respect of the Retained Profit Amount will first be paid from the amounts standing to the credit of the Retained Profit Ledger);</p>
<p>2. <i>second</i>, amounts (excluding any payments under the Trustee Claim) due and payable (i) to the Security Trustee under the Agreement or the Deed of Charge and Assignment and (ii) <i>pari passu</i> to any successor of the Security Trustee (if applicable) appointed pursuant to clauses 30 (<i>Termination by the Security Trustee for Good Cause</i>) and 31 (<i>Replacement of the Security Trustee</i>) of the Trust Agreement or under any agreement replacing the Trust Agreement;</p>	<p>2. <i>second</i>, amounts (excluding any payments under the Trustee Claim) due and payable (i) to the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment, (ii) <i>pari passu</i> to any successor of the Security Trustee (if applicable) appointed pursuant to clauses 30 (<i>Termination by the Security Trustee for Good Cause</i>) and 31 (<i>Replacement of the Security Trustee</i>) of the Trust Agreement or under any agreement replacing the Trust Agreement and (iii) any fees, costs, expenses, indemnities and other amounts due and payable to any receiver, manager, receiver and manager, administrator or</p>

	administrative receiver appointed in respect of the Issuer in accordance with the Deed of Charge and Assignment;
3. <i>third</i> , to the Servicer the Servicer Fee;	3. <i>third</i> , to the Servicer, the Servicer Fee;
4. <i>fourth</i> , of equal rank amounts due and payable (i) to the directors of the Issuer; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to each Agent under the Agency Agreement; (iv) to the Account Bank and the Cash Administrator under the Account Agreement; (v) to the Rating Agencies the fees for the monitoring of the Programme; (vi) to the Lead Manager under the Programme 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, any costs relating to any auditors' fees, any tax filing fees and any annual return or exempt company status fees and any Administrator Recovery Incentive; and (ix) to the Issuer the Retained Profit Amount to be credited to the Retained Profit Ledger;	4. <i>fourth</i> , of equal rank amounts due and payable (i) to the directors of the Issuer; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to each Agent under the Agency Agreement; (iv) to the Account Bank and the Cash Administrator under the Account Agreement; (v) to the Rating Agencies the fees for the monitoring of the Programme; (vi) to the Lead Manager under the Programme 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, any costs relating to any auditors' fees, any tax filing fees and any annual return or exempt company status fees and any Administrator Recovery Incentive; and (ix) to the Issuer the Retained Profit Amount to be credited to the Retained Profit Ledger;
5. <i>fifth</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, amounts due and 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);	5. <i>fifth</i> , on a <i>pro rata</i> and <i>pari passu</i> basis amounts due and 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);
6. <i>sixth</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, amounts due and payable in respect of (a) interest accrued during the immediately preceding Interest	6. <i>sixth</i> , <i>pari passu</i> and rateably to each other amounts due and payable in respect of (a) interest accrued on the Senior Instruments during the

Period on the Senior Instruments plus (b) Interest Shortfalls (if any) on the Senior Instruments;	immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on all Senior Instruments;
7. <i>seventh</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, amounts due and payable in respect of (a) interest accrued during the immediately preceding Interest Period on the Junior Instruments plus (b) Interest Shortfalls (if any) on the Junior Instruments;	7. <i>seventh</i> , <i>pari passu</i> and on a <i>pro-rata</i> basis, to each Senior Instrument the amount of principal due on such Senior Instruments until all Senior Instruments have been redeemed in full;
8. <i>eighth</i> , to the Cash Collateral Account, until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;	8. <i>eighth</i> , <i>pari passu</i> and rateably to each other amounts due and payable in respect of (a) interest accrued on the Junior Instruments during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on all Junior Instrument;
9. <i>ninth</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, (1) the Senior Instrument Amortisation Amount to each Amortising Senior Instrument and (2) an amount no less than zero equal to the Senior Instrument Accumulation Amount;	9. <i>ninth</i> , <i>pari passu</i> and on a <i>pro-rata</i> basis, to each Junior Instrument the amount of principal due on such Junior Instrument until all Junior Instruments have been redeemed in full;
10. <i>tenth</i> , on a <i>pro rata</i> and <i>pari passu</i> basis, (1) the Junior Instrument Amortisation Amount to each Amortising Junior Instrument and (2) an amount no less than zero equal to the Junior Instrument Accumulation Amount;	10. <i>tenth</i> , by the Issuer to the Swap Counterparty, any payments under the Swap Agreements other than those made under item <i>fifth</i> above;
11. <i>eleventh</i> , by the Issuer to the Swap Counterparty, any payments under the Swap Agreements other than those made under item <i>fifth</i> above;	11. <i>eleventh</i> , to the Subordinated Lender amounts due and payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);
12. <i>twelfth</i> , to the Subordinated Lender amounts due and payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);	<i>twelfth</i> , to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
12. <i>thirteenth</i> , to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and	13. <i>thirteenth</i> , to pay all remaining excess to VWFS by way of a final success fee.
14. <i>fourteenth</i> , to pay all remaining excess to VWFS by way of a final success fee.	

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On any Payment Date after satisfaction of the amounts in clause 20.3 (*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 Specified Cash Collateral Account Balance shall be distributed prior to the occurrence of an Enforcement Event according to the following Order of Priority, provided that no Credit Enhancement Increase Condition is in effect and provided that for any Payment Date on which a Term Takeout occurs, the Specified General Cash Collateral Account Balance shall be calculated by using the aggregate outstanding principal amount of the Instruments following the redemption of the Instruments that occurs on such Payment Date as a result of such Term Takeout:

- first*, to the Subordinated Lender, amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);
- second*, to the Subordinated Lender, until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
- 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**

**Further Receivables Overcollateralisation Amount** means, with respect to any Further Issue Date, an amount equal to the product of (i) the Further Receivables Overcollateralisation Percentage and (ii) the Further Discounted Receivables Balance.

**Further Receivables Overcollateralisation Percentage** means 2.415 per cent. For the avoidance of doubt, the Seller shall be entitled to vary the Further Receivables Overcollateralisation Percentage in accordance with the Receivables Purchase Agreement.

**Junior Instrument Actual Overcollateralisation Percentage** means, with respect to any Payment Date, one (1) minus the quotient of (a) the nominal amount of all outstanding Senior Instruments and Junior Instruments divided by (b) the sum of (i) the Aggregate Discounted Receivables Balance and (ii) any amounts standing to the credit of the Accumulation Account, in each case of (a) and (b) as determined as of the end of the Monthly Period.

**Junior Instrument Targeted Overcollateralisation Amount** means, on each Payment Date the Junior Instrument Targeted Overcollateralisation Percentage multiplied by the sum of:

- (a) the Aggregate Discounted Receivables Balance; and
- (b) the amounts standing to the credit of the Accumulation Account, in each case as of the end of the Monthly Period.

means:

- (a) 20.32 per cent. during the Revolving Period until a Credit Enhancement Increase Condition shall be in effect;
- (b) 22.32 per cent. after expiration of the Revolving Period until the Credit Enhancement Increase Condition is in effect; and

- (c) 100 per cent. until the Final Maturity Date once the Credit Enhancement Increase Condition has occurred.

**Replenished Receivables Overcollateralisation Percentage** means 3.6 per cent.

**Senior Instrument Actual Overcollateralisation Percentage** means, with respect to any Payment Date, one (1) minus the quotient of (a) the nominal amount of all outstanding Senior Instruments divided by (b) the sum of (i) the Aggregate Discounted Receivables Balance and (ii) any amounts standing to the credit of the Accumulation Account, in each case of (a) and (b) as determined immediately as of the end of the Monthly Period.

**Senior Instrument Targeted Overcollateralisation Amount** means, on each Payment Date the Senior Instrument Targeted Overcollateralisation Percentage multiplied by the sum of:

- (a) the Aggregate Discounted Receivables Balance; and
- (b) the amounts standing to the credit of the Accumulation Account,

in each case as of the end of the Monthly Period.

**Senior Instrument Targeted Overcollateralisation Percentage** means:

- (a) 31.12 per cent. during the Revolving Period until a Credit Enhancement Increase Condition shall be in effect;
- (b) 33.12 per cent. after expiration of the Revolving Period until the Credit Enhancement Increase Condition is in effect; and
- (c) 100 per cent. until the Final Maturity Date once the Credit Enhancement Increase Condition has occurred.

**Variation of Further Receivables Overcollateralisation Percentage**

In order to ensure that VWFS, in its capacity as originator, complies with its obligations pursuant to SECN 5.2.8R(1)(d) in respect of the UK Securitisation Framework and Article 6(3)(d) of the EU Securitisation Regulation, the Issuer hereby grants the Seller an option to vary the Further Receivables Overcollateralisation Percentage (the "**Further Receivables Overcollateralisation Percentage Variation Option**") on any relevant Payment Date when the following conditions are satisfied:

- (a) the Issuer intends to issue Further Instruments on such Payment Date;
- (b) the sum (expressed as a percentage) of (i) one (1) minus the quotient of (x) the sum of the outstanding principal amount of the Senior Instruments and the outstanding principal amount of the Junior Instruments and the outstanding balance of the Subordinated Loan divided by (y) the sum of the nominal balance of the Portfolio and any amounts standing to the credit of the Accumulation Account and (ii) the quotient of (x) the amounts standing to the credit of the Cash Collateral Account divided by (y) the sum of the nominal balance of the Portfolio and any amounts standing to the credit of the Accumulation Account is less than 6 per cent. after having applied the Order of Priority on such Payment Date.

In exercising the Further Receivables Overcollateralisation Percentage Variation Option, on each Payment Date the Seller shall calculate the required Further

Receivables Overcollateralisation Percentage in order for the sum (expressed as a percentage) of (i) one (1) minus the quotient of (x) the sum of the outstanding principal amount of the Senior Instruments and the outstanding principal amount of the Junior Instruments and the outstanding balance of the Subordinated Loan divided by (y) the sum of the nominal balance of the Portfolio and any amounts standing to the credit of the Accumulation Account and (ii) the quotient of (x) the amounts standing to the credit of the Cash Collateral Account divided by (y) the sum of the nominal balance of the Portfolio and any amounts standing to the credit of the Accumulation Account being equal or greater than 6 per cent. after having applied the Order of Priority on such Payment Date (the "**New Further Receivables Overcollateralisation Percentage**").

The New Further Receivables Overcollateralisation Percentage shall be included in the Servicer Report for the relevant Monthly Period.

The Seller acknowledges that the New Further Receivables Overcollateralisation Percentage shall only apply to such Payment Date on which the conditions set out above have been satisfied. After such Payment Date the Further Receivables Overcollateralisation Percentage shall again be 2.415 per cent.

For the sake of clarification, the Issuer acknowledges that the Seller may exercise the Further Receivables Overcollateralisation Percentage Variation Option on each Payment Date on which the conditions set out above have been satisfied, may it also be several times during the Revolving Period.

#### **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) 0.30 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), or (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) 0.50 per cent. during the first 12 months (inclusive) following the Renewal Date, (ii) 0.80 per cent. after the 13th month (inclusive) until the 24th month (inclusive) following the Renewal Date (iii) 1.20 per cent. after the 24th month following the Renewal Date; or
- (c) the Late Delinquency Ratio exceeds 1.30 per cent. on any Payment Date on or before 25 November 2026, provided that this event will be waived following a Term Takeout if the Issuer receives a Rating Agency confirmation that the sale of the Receivables will not result in a downgrade of the outstanding Instruments on or before the Payment Date immediately following the occurrence of such event; 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 the Specified General Cash Collateral Account Balance on two consecutive Payment Dates.

#### **Subordinated Loan**

The Subordinated Lender agreed to make a Subordinated Loan to the Issuer in an aggregate principal amount of GBP 635,120,529.50 to the Issuer on 27 November 2023.

### **Cash Collateral Account**

On the Closing Date, the Issuer has deposited the Initial Cash Collateral Amount in the Cash Collateral Account. On each Payment Date, the Specified General Cash Collateral Account Balance will be equal to the greater of (a) 1.45 per cent. of the aggregate nominal amount of the Instruments outstanding as at the end of the Monthly Period and (b) the lesser of (i) 0.60 per cent. of the Maximum Discounted Receivables Balance, and (ii) the aggregate nominal amount of the Instruments outstanding as of the end of the Monthly Period. The Issuer has agreed to keep the Cash Collateral Account at all times with a bank that has the Account Bank Required Ratings. Should the Account Bank cease to have the Account Bank Required Ratings, the Account Bank shall promptly notify the Issuer and the Security Trustee thereof and within sixty (60) calendar days, 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), the Account Bank shall transfer any amount standing to the credit of any Account to an Eligible Collateral Bank which shall be appointed by the Issuer within the sixty (60) calendar day period referred to above (and the Issuer undertakes to the Security Trustee to take such action) and notified to the Account Bank.

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

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

For the avoidance of doubt, the Servicer is entitled to utilise the General Cash Collateral Amount for the purposes of the Clean-Up Call Option. In connection with the exercise of the Clean-Up Call Option, VWFS shall ensure that all amounts outstanding under the Instruments and any obligations ranking *pari passu* with or senior to the Instruments in the Order of Priority are discharged in full.

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

Upon the earliest to occur of (i) the Final Maturity Date; (ii) the date on which all then outstanding Instruments and the Subordinated Loan have been fully redeemed and repaid respectively, or (iii) of the date on which the Clean-Up Call Option has been exercised, the Cash Collateral Account shall be closed and VWFS shall be entitled to the sums remaining in the Cash Collateral Account together with the

interests accrued thereof (except for any Retained Profit Amounts remaining in the Cash Collateral Account, to which the Issuer is entitled). After closing of the Cash Collateral Account, VWFS is entitled to any Purchased Receivables still being collected.

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.

### **Monthly Collateral Account**

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

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

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

- (a) if and as long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single transfer of such Collections to the Distribution Account on the relevant Payment Date;
- (b) if the Monthly Remittance Condition is not satisfied, VWFS shall for the first time advance the Monthly Collateral in respect of the month in which the Monthly Collateral Start Date falls to the Distribution Account; and
- (c) for any subsequent month in which the Monthly Remittance Condition continues to not be satisfied, VWFS shall advance the Monthly Collateral

to the Distribution Account on the relevant Monthly Collateral Payment Date falling in such month.

Irrespective of its obligation to advance the Monthly Collateral VWFS will still remain being obliged to transfer Collections to the Distribution Account on the relevant Payment Date in accordance with the provisions of the Servicing Agreement. However, at any time when either (a) the Monthly Remittance Condition is satisfied or (b) the Monthly Remittance Condition is not satisfied but VWFS as Servicer has complied with its obligation to remit the Monthly Collateral to the Distribution Account, VWFS is 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 following 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.

On any Payment Date VWFS's 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 for such Monthly Period and such Monthly Collateral (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 Monthly Collateral which has been transferred by VWFS for the relevant Monthly Period on the respective Monthly Collateral Payment Date 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 on the Purchased Receivables and other amounts received by VWFS for such Monthly Period exceed the Monthly Collateral which has been transferred by VWFS for the relevant Monthly Period on the respective Monthly Collateral Payment Date, an amount equal to such excess shall be paid into the Distribution Account by VWFS on the relevant Payment Date.

When the Monthly Remittance Condition is satisfied again, any Monthly Collateral standing to the credit of the Distribution Account shall be released to VWFS outside the Order of Priority on the next Payment Date following such satisfaction.

#### **Classes of Notes**

With respect to payments of interest and principal, the Senior Schuldschein Loans rank *pari passu* among themselves and with the Class A Notes and the Junior Schuldschein Loans rank *pari passu* among themselves and with the Class B Notes. The Junior Schuldschein Loans and the c See the section "*GENERAL ABSTRACT OF THE CONDITIONS OF THE NOTES – Order of Priority of Distributions*" of the Base Prospectus.

#### **Hedging:**

##### **Swap Agreements**

The Issuer will enter into a Swap Agreement with respect to each Series of Notes with the swap counterparty for such Series of Notes (the swap counterparty so specified being the "**Swap Counterparty**"), as described in the section "*The Swap Counterparties*" below. Each Swap Agreement will hedge the floating interest rate risk in respect of the applicable Series of Notes.

If a Swap Counterparty suffers a ratings downgrade and ceases to be an Eligible Swap Counterparty, the Issuer may terminate the relevant Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to

mitigate the effects of such downgrade. Such actions could include the relevant Swap Counterparty collateralising its obligations as a referenced amount calculated in accordance with a credit support annex to the 2002 ISDA Master Agreement, transferring its obligations to a replacement Swap Counterparty or procuring a guarantee.

Under each Swap Agreement relating to the Senior Instruments the Issuer will undertake to pay to the respective Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Senior Instruments outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 4.2450 per cent per annum on the basis of Act/365. The respective Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Senior Instruments, calculated on the basis of Compounded Daily SONIA plus 0.70 per cent. per annum on the basis of Act/365.

Under each Swap Agreement relating to the Junior Instruments (except for the Junior Schuldschein Loan 2023-2) the Issuer will undertake to pay to the respective Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Junior Instruments (except for the Junior Schuldschein Loan 2023-2) outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 4.7385 per cent per annum on the basis of Act/365. The respective Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Junior Instruments (except for the Junior Schuldschein Loan 2023-2), calculated on the basis of Compounded Daily SONIA plus 1.2 per cent. per annum on the basis of Act/365.

Under the Swap Agreement relating to the Junior Schuldschein Loan 2023-2, the Issuer will undertake to pay to the respective Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Junior Schuldschein Loan 2023-2 outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 5.9160 per cent per annum on the basis of Act/365. The respective Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Junior Schuldschein Loan 2023-2, calculated on the basis of Compounded Daily SONIA plus 1.80 per cent. per annum on the basis of Act/365.

Payments under each Swap Agreement will be exchanged on a net basis on each Payment Date. Payments made by the Issuer under the Swap Agreements, comprising (i) Net Swap Payments (being the net amounts with respect to regularly scheduled payments owed by the Issuer to the Swap Counterparty (but excluding termination payments and other amounts payable to the Swap Counterparty under the Swap Agreement)) and (ii) swap termination payments (other than termination payments related to an event of default under the Swap Agreements where the relevant Swap Counterparty is a defaulting party (as defined in the Swap Agreements), or a termination event due to the failure by the relevant Swap Counterparty to take the required action after a downgrade of its credit rating) rank higher in priority than all payments on the Instruments.

Payments by the relevant Swap Counterparty to the Issuer under each Swap Agreement (except for payments by the relevant Swap Counterparty into any Counterparty Downgrade Collateral Account relating to such Swap Counterparty) will be made into the Distribution Account and will, to the extent necessary, be increased to ensure that such payments are free and clear of all taxes.

The events of default applicable to the Issuer under the Swap Agreements are limited to if, among other things, the Issuer fails to make a payment under a Swap Agreement

when due and such failure is not remedied within three (3) Business Days of notice of such failure being given or certain bankruptcy and insolvency events occurring with respect to the Issuer.

Events of default under the Swap Agreements applicable to the relevant Swap Counterparty include, the following:

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

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

- (a) illegality of the transactions contemplated by the Swap Agreements;
- (b) an Enforcement Event under the Trust Agreement occurs or prepayment in full, but not in part, of the Instruments occurs; or
- (c) failure of the Swap Counterparty to maintain its credit rating at certain levels required by the Swap Agreement, which failure may not constitute a termination event if (in the time set forth in the applicable Swap Agreement) the Swap Counterparty:
  - (i) posts an amount of collateral (in the form of cash and/or securities) as calculated in accordance with the credit support annex to each Swap Agreement; or
  - (ii) obtains a guarantee from an institution with an acceptable rating; or
  - (iii) assigns its rights and obligations under the Swap Agreement to a successor Swap Counterparty with an acceptable rating; or
  - (iv) takes such other action in order to maintain the rating of the Notes, or to restore the rating of the Notes to the level it would have been at immediately prior to such downgrade.

A segregated Counterparty Downgrade Collateral Account in respect of each Swap Counterparty will be established with the Counterparty Downgrade Collateral Account Bank upon the downgrade of a Swap Counterparty's rating within ten (10) Business Days and security created over such account in favour of the Security Trustee in accordance with provisions in the Account Agreement and the Trust Agreement. Any cash collateral or securities collateral posted to such Counterparty Downgrade Collateral Account as a result of a ratings downgrade (as referred to in paragraph Termination of the Swap Agreements above) shall be recorded on a specific collateral ledger and any cash collateral shall bear interest. Such collateral shall be segregated from the Distribution Account and from the general cash flow of the Issuer and shall not constitute Collections. Collateral posted to such Counterparty Downgrade Collateral Account is solely for the purposes of, and in connection with, collateralising the Swap Agreements.

Upon the occurrence of any event of default or termination event specified in a Swap Agreement, the non-defaulting party (in case of an event of default), or the party affected or burdened by a termination event pursuant to the provisions of the Swap Agreements may, after a period of time set forth in the Swap Agreement, elect to terminate such Swap Agreement. If a Swap Agreement is terminated due to an event of default or a termination event, a Swap Termination Payment may be due to the Swap Counterparty by the Issuer out of its available funds. The amount of any such

Swap Termination Payment may be based on the actual cost or market quotations of the cost of entering into a similar swap transaction or such other calculations as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement. Any such Swap Termination Payment could, if market rates or other conditions have changed materially, be substantial. The Swap Termination Payment required to be made by the Issuer to a Swap Counterparty will rank higher in priority than all payments under the relevant Series of Notes except as explained above in paragraph 'Termination payment priorities and subordination'. In such event, the Receivables and the General Cash Collateral Amount may be insufficient to satisfy the required payments under the Instrument and the Noteholders or the Lenders may experience delays and/or reductions in the interest and principal payments due in respect of such Instrument.

If a Swap Termination Payment is due to the Swap Counterparty, any Swap Replacement Proceeds shall, to the extent of that Swap Termination Payment, be remitted directly to the Counterparty Downgrade Collateral Account and shall be applied in payment of any Swap Termination Payments to the Swap Counterparty under the initial Swap Agreement without regard to the relevant Order of Priority and in accordance with the terms of the relevant Swap Agreement. If Swap Replacement Proceeds are insufficient to pay in full the Swap Termination Payment due to the initial Swap Counterparty, any shortfall shall be paid to such Swap Counterparty in accordance with the applicable Order of Priority. If Swap Replacement Proceeds exceed the Swap Termination Payment due to the initial Swap Counterparty, any excess shall be treated as part of the Available Distribution Amount.

The relevant Swap Counterparty may at its own cost transfer its obligations under the Swap Agreement to a third party which is an Eligible Swap Counterparty. There can be no assurance that the credit quality of such replacement Swap Counterparty will ultimately prove as strong as that of the original Swap Counterparty.

**Bank Accounts  
and Cash  
Management**

**Payment of Collections**

Under the Servicing Agreement between the Issuer, the Security Trustee and VWFS, VWFS, *inter alia*, agree as long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single transfer of such Collections to the Distribution Account on the relevant Payment Date (and if as long as the Monthly Remittance Condition is not satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period only in accordance with the procedure outlined in detail in "**ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT set out in "Commingling"**").

**Collections**

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

- (a) all payments received by the Servicer related to such Purchased Receivable in the form of cash, cheques, SWIFT payments, wire transfers, direct debits, bank giro credits or other form of payment made by an Obligor in respect of such Purchased Receivable, including PCP Recoveries, excess mileage charges, Enforcement Proceeds and Insurance Proceeds and any Written-Off Purchased Receivable Repurchase Price;
- (b) any payments received by the Servicer under any Ancillary Rights related to such Purchased Receivable;

- (c) any and all amounts received by the Servicer (or the Seller) (after expenses of recovery, repair and sale in accordance with Customary Operating Practices) in connection with any sale or other disposition of the Vehicle related to such Purchased Receivable, including, except where included in (d) below, an amount equal to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the Seller (or, the Servicer, exercising the Ancillary Rights assigned to the Issuer on the Issuer's behalf) is entitled to make in connection with any Vehicle related to such Purchased Receivable not including any amount in respect of VAT for which the Seller is required to account to the relevant tax authority in relation to such sale or other disposition;
- (d) any payments received by the Servicer (or the Seller) by way of recoveries in respect of any such Purchased Receivable that has become a Defaulted Receivable or a Terminated Receivable including an amount equal to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the Seller (or, the Servicer, exercising the Ancillary Rights assigned to the Issuer on the Issuer's behalf) is entitled to make in connection with any Vehicle related to such Purchased Receivable; plus
- (e) the aggregate Settlement Amounts paid by VWFS to the Issuer on such Payment Date pursuant to clause 11 (*Repurchase*) of the Receivables Purchase Agreement or any payment received by the Issuer on such Payment Date pursuant to clause 12 (*Payment for non-existent Receivables*) of the Receivables Purchase Agreement and clause 3 (*Redelivery Repurchase Price*) of the Redelivery Repurchase Agreement,

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

#### **Ancillary Rights**

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

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Purchased Receivable relates and all guarantees (if any) (including, for the avoidance of doubt, any Enforcement Proceeds received by the Seller or its agents);
- (b) the benefit of all covenants and undertakings from Obligors and from guarantors under the Financing Contract to which such Receivable relates and under all guarantees (if any);
- (c) the benefit of all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);
- (d) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract (including the right (but not the obligation) to make any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the

Seller would otherwise be entitled to make in connection with any Vehicle related to such Purchased Receivable) other than rights specifically relating to the Vehicle itself (with such rights specifically relating to the Vehicle including, without limitation, the right of ownership but excluding the rights to any PCP Recoveries and (as referred to above) to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995);

- (e) any Insurance Proceeds received by the Seller or its agents pursuant to Insurance Claims in each case insofar as the same relate to the Financing Contract to which such Receivable relates; plus
- (f) the benefit of any rights, title, interest, powers and benefits of the Seller in and to PCP Recoveries.

#### **Excluded Amounts**

Comprise the following, which are not sold to the Issuer: (a) any credit protection, asset value or other insurance premiums payable by Obligor to the relevant insurers via the Servicer, (b) the VAT Component on payments received by the Servicer, (c) 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); (d) any amount of VAT payable by an Obligor in respect of excess mileage charges, (e) any option to purchase fee specified in the Financing Contract; and (f) any cashflows from maintenance contracts.

#### **Interest Compensation Available Amount**

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

#### **Interest Compensation Interim Amount**

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

#### **Interest Compensation Ledger**

The ledger maintained on the Cash Collateral Account. The Interest Compensation Ledger will not form part of the General Cash Collateral Amount. The Interest Compensation Ledger will be available to pay Interest Compensation Shortfall Redemption Amount on any Payment Date. VWFS will be entitled to receive any

Interest Compensation Ledger Release Amounts outside of the Order of Priority. The Interest Compensation Ledger will be available to pay Interest Compensation Shortfall Redemption Amount on any Payment Date. VWFS will be entitled to receive any Interest Compensation Ledger Release Amounts outside of the Order of Priority prior to the occurrence of a Credit Enhancement Increase Condition. Upon the occurrence of a Credit Enhancement Increase Condition the Interest Compensation Ledger Release Amount will form part of the Available Distribution Amount.

#### **Interest Compensation Ledger Allocable Amount**

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

#### **Interest Compensation Ledger Release Amount**

Means:

- (a) if no Credit Enhancement Increase Condition is in effect:
  - (i) on any Payment Date prior to the exercise of the Clean-Up Call Option, the amount standing to the credit of the Interest Compensation Ledger in excess of the Interest Compensation Ledger Targeted Amount; or
  - (ii) following the exercise of the Clean-Up Call Option, the balance standing to the credit of the Interest Compensation Ledger,which shall be paid to the Seller; and
- (b) if a Credit Enhancement Increase Condition is in effect, the balance standing to the credit of the Interest Compensation Ledger will form part of the Available Distribution Amount.

**Interest Compensation Ledger Targeted Amount** means GBP 6,000,000.

**Interest Compensation Rate** means 0.80 per cent.

#### **Interest Compensation Required Amount**

means on each Payment Date the aggregate amount for all Financing Contracts that have been subject to Early Settlement during the relevant Monthly Period calculated as the Discounted Receivables Balance for the Financing Contract subject to Early Settlement less the net present value of the future payments for the same Financing Contract calculated using the relevant internal rate of return (rather than the Discount Rate).

**Summary of key Swap Terms** The Issuer will enter into each Swap Agreement with the relevant Swap Counterparty. Each Swap Agreement will hedge in respect of a particular Series of Notes or a particular Schuldschein Loan the interest rate risk deriving from fixed rate interest payments owed by the Obligors to the Issuer under the Receivables and floating rate interest payments owed by the Issuer under the relevant Series of Notes.

**TRIGGERS TABLES**  
**Rating Triggers Table**

<b><u>Transaction Party</u></b>	<b><u>Required Ratings/Triggers</u></b>		<b><u>Possible effects of Trigger being breached include the following</u></b>
Eligible Swap Counterparty	<p>Short-term ratings</p> <p>"F1" from Fitch or "F3" from Fitch and which either posts collateral in the amount and manner set forth in the Swap Agreements or obtains a guarantee from a person having the ratings set forth pursuant to the below.</p> <p>Having (i) a rating of not less than the counterparty ratings for the S&amp;P Collateral Framework Option then in effect pursuant to the Swap Agreement; or (ii) having the Minimum S&amp;P MTM Collateralised Counterparty Rating (as defined in the Swap Agreements) or the Minimum S&amp;P VB Collateralised Counterparty Rating (as defined in the Swap Agreements) and posts collateral in the amount and manner set forth in the Swap Agreement or (iii) obtaining a guarantee from a party having the minimum required counterparty ratings for the S&amp;P Collateral Framework Option then in effect.</p>	<p>Long-term ratings</p> <p>"A" from Fitch or "BBB-" from Fitch and which either posts collateral in the amount and manner set forth in the Swap Agreements or obtains a guarantee from a person having the ratings set forth pursuant to the below.</p> <p>Having (i) a rating of not less than the counterparty ratings for the S&amp;P Collateral Framework Option then in effect pursuant to the Swap Agreement; or (ii) having the Minimum S&amp;P MTM Collateralised Counterparty Rating (as defined in the Swap Agreements) or the Minimum S&amp;P VB Collateralised Counterparty Rating (as defined in the Swap Agreements) and posts collateral in the amount and manner set forth in the Swap Agreement or (iii) obtaining a guarantee from a party having the minimum required counterparty ratings for the S&amp;P Collateral Framework Option then in effect.</p>	<p>Failure of the Swap Counterparty to maintain its credit rating at certain levels required by the Swap Agreement, which failure may not constitute a termination event if (in the time set forth in the applicable Swap Agreement) the Swap Counterparty:</p> <ul style="list-style-type: none"> <li>• posts an amount of collateral (in the form of cash and/or securities) as calculated in accordance with the credit support annex to each Swap Agreement; or</li> <li>• obtains a guarantee from an institution with an acceptable rating; or</li> <li>• assigns its rights and obligations under the Swap Agreement to a successor Swap Counterparty with an acceptable rating; or</li> <li>• takes such other action in order to maintain the rating of the Notes, or to restore the rating of the Notes to the level it would have been at immediately prior to such downgrade.</li> </ul>

The consequences of the relevant required rating being breached are set out in more detail in "*ABSTRACT OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Swap Agreements*" of the Base Prospectus.

Account Bank Required Rating	<i>Short-term ratings</i>  "F1" from Fitch	<i>Long-term ratings</i>  "A" from Fitch <b>and</b>  for a counterparty having a resolution counterparty rating, a long-term issuer credit rating of at least "BBB" from S&P Global, or  for a counterparty not having a resolution counterparty rating, a long- term issuer credit rating of at least "A" from S&P Global	Should the Account Bank cease to have the Account Bank Required Ratings, the Account Bank shall promptly notify the Issuer and the Security Trustee thereof and within sixty (60) calendar days, 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), the Account Bank shall transfer any amount standing to the credit of any Account to an Eligible Collateral Bank which shall be appointed by the Issuer within the sixty (60) calendar day period referred to above (and the Issuer undertakes to the Security Trustee to take such action) and notified to the Account Bank..
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The consequences of the relevant required rating being breached and time periods are set out in more detail in "*TRUST AGREEMENT - Accounts*" on page 220 of the Base Prospectus.

<b>Servicer</b>	<b><u>Short-term ratings</u></b>  Volkswagen AG no longer has a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch;  <b>or</b>  Volkswagen Financial Services AG no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P.	<b><u>Long-term ratings</u></b>  Volkswagen AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch; or  in the chain of holdings between Volkswagen AG and the Servicer either (1) the profit and loss sharing agreement (Gewinnabführungsvertrag) between Volkswagen AG and the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its	<b><u>Possible effects of Trigger being breached include the following</u></b>  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;  (a) if the Monthly Remittance Condition is not satisfied, VWFS
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successors within the VW Group as parent of the Servicer), or the letter of comfort between the parent of VW Finance Europe B.V. and VW Finance Europe B.V. ceases to be in effect, or (2) any company in such chain is not a branded "Volkswagen", or (iii) Volkswagen AG directly or indirectly holds less than 75 per cent. of the shares of the Servicer.

Volkswagen Financial Services AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, or

where Volkswagen Financial Services AG, is not the subject of an S&P short-term rating, a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P, or

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

the profit and loss sharing agreement (Gewinnabführungsvertrag) between Volkswagen AG and Volkswagen Financial Services AG, ceases to be in effect.

shall for the first time advance the Monthly Collateral in respect of the month in which the Monthly Collateral Start Date falls to the Distribution Account; and

- (b) for any subsequent month in which the Monthly Remittance Condition continues to not be satisfied, VWFS shall advance the Monthly Collateral to the Distribution Account on the relevant Monthly Collateral Payment Date falling in such month.

Irrespective of its obligation to advance the Monthly Collateral VWFS will still remain obliged to transfer Collections to the Distribution Account on the relevant Payment Date in accordance with the provisions of the Servicing Agreement. However, at any time when either (a) the Monthly Remittance Condition is satisfied or (b) the Monthly Remittance Condition is not satisfied but VWFS as Servicer has complied with its obligation to remit the Monthly Collateral to the Distribution Account, VWFS is 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 following 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.

On any Payment Date, VWFS's 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 for such Monthly Period and such Monthly Collateral (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 Monthly Collateral which has been transferred by VWFS for the relevant Monthly Period on the respective Monthly Collateral Payment Date 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 on the Purchased Receivables and other amounts received by VWFS for such Monthly Period exceed the Monthly Collateral which has been transferred by VWFS for the relevant Monthly Period on the respective Monthly Collateral Payment Date, an amount equal to such excess shall be paid into the Distribution Account by VWFS on the relevant Payment Date.

When the Monthly Remittance Condition is satisfied again, any Monthly Collateral standing to the credit of the Distribution Account shall be released to VWFS outside the Order of Priority on the next Payment Date following such satisfaction.

The consequences of the relevant required rating being breached and time periods are set out in more detail in "*Monthly Collateral*" on pages 70-73 of the Base Prospectus.

**Non-Rating Triggers Table**

<b><u>Nature of Trigger</u></b>	<b><u>Description of Trigger</u></b>	<b><u>Consequence of Trigger</u></b>
Early Amortisation Event	<p>"Early Amortisation Event" shall mean any of the following:</p> <ul style="list-style-type: none"> <li data-bbox="384 427 874 488">(a) the occurrence of a Servicer Replacement Event;</li> <li data-bbox="384 517 874 741">(b) the Accumulation Balance on two consecutive Payment Dates exceeds 15 per cent. of the Discounted Receivables Balance after application of the relevant Order of Priority on such Payment Date;</li> <li data-bbox="384 770 874 1055">(c) on any Payment Date, the Senior Instrument Actual Overcollateralisation Percentage is determined as being lower than 28.87 per cent. on two consecutive Payment Dates, provided that no tap-up will be allowed on any Payment Date where such event is continuing;</li> <li data-bbox="384 1084 874 1178">(d) VWFS ceases to be an Affiliate of Volkswagen Financial Services AG, or any successor thereto;</li> <li data-bbox="384 1207 874 1883">(e) the Seller fails to perform its obligations under clause 11 (<i>Repurchase</i>) or clause 12 (<i>Payment for Non-existent Receivables</i>) of the Receivables Purchase Agreement or clause 3 (<i>Redelivery Repurchase Price</i>) of the Redelivery Repurchase Agreement provided that, in the case of the Seller's failure to perform its obligations under clause 2 (<i>Repurchase Obligation upon Financing Contract Early Termination</i>) of the Redelivery Repurchase Agreement, such failure subsists for two consecutive Payment Dates following the Payment Date on which such Redelivery Purchased Receivables were required to be repurchased;</li> <li data-bbox="384 1912 874 2024">(f) the Issuer fails to enter into a replacement Swap Agreement within 30 calendar days following the termination of a</li> </ul>	The occurrence of an Early Amortisation Event results in the termination of the Revolving Period.

	<p>Swap Agreement or the respective Swap Counterparty fails to post collateral, in each case within the time period specified in the applicable Swap Agreement, (each as provided for in clause 20 (<i>Distribution Account; Accumulation Account; Counterparty Downgrade Collateral Account; Swap Provisions</i>) of the Trust Agreement or to take any other measure which does not result in a downgrade of the Instruments);</p> <p>(g) the Credit Enhancement Increase Condition is in effect; or</p> <p>(h) the occurrence of a Foreclosure Event.</p>	
<p>Notification Event</p>	<p>means the occurrence of any of the following events:</p> <p>(a) <b>Non-Payment:</b> 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) <b>Attachment:</b> all or any part, whose aggregate value exceeds 10 (ten) per cent., of the value of any property, business, undertakings, assets or revenues of VWFS having been attached as a result of any distress, execution or diligence being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within 30 days;</p> <p>(c) <b>Insolvency Event:</b> an Insolvency Event, in respect of VWFS or the Servicer;</p> <p>(d) <b>Security Interest:</b> 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</p>	<p>At any time after the occurrence of a Notification Event, 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 Obligors 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 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</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</p>

	<p>arise (i) over or in relation to (1) any Purchased Receivable; (2) any right, title or interest or the Issuer in relation to a Purchased Receivable or the Collections; or (3) any proceeds of or sums received or payable in respect of a Purchased Receivable, in each case other than as permitted under the Transaction Documents;</p> <p>(e) <b>Dispute:</b> 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) <b>Illegality:</b> 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) <b>Failure to repurchase:</b> VWFS fails to (i) repurchase a Non-Conforming Receivable having become obliged to do so pursuant to clause 11 (Repurchase) of the Receivables Purchase Agreement or (ii) pay any amount required pursuant to clause 11 (Repurchase) of the Receivables Purchase Agreement; and</p> <p>(h) <b>Failure to perform:</b> the Seller shall fail to perform or observe any material term, covenant or</p>	<p>outstanding in respect of Purchased Receivables or to perfect, improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables (including, without limitation, entering into supplemental transfer documents).</p> <p>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.</p>
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	<p>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 Lender 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 Lenders and the Noteholders.</p>	
<p>Servicer Replacement Event</p>	<p>The occurrence of any event described in paragraphs (a) to (e) below:</p> <ul style="list-style-type: none"> <li>(e) 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 Lender or any Noteholder or (ii) the Servicer becoming aware of such failure to pay;</li> <li>(f) the Servicer fails to perform or observe in any material respect any material term, covenant or agreement hereunder applicable to it (other than as referred to in paragraph (a) above) and such failure shall remain unremedied for sixty (60) days (or if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Lender or 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);</li> <li>(g) any material written representation or warranty made</li> </ul>	<p>The Issuer is entitled to dismiss the Servicer and is required to appoint a successor servicer in accordance with the provisions of the Servicing Agreement.</p>

	<p>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 Lender or 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>(h) the Servicer becomes subject to an Insolvency Event; or</p> <p>(i) 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><i>provided, however,</i> 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</p>	
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	<p>Servicer Replacement Event will be deemed not to have occurred.</p>	
<p>Foreclosure Event</p>	<p>The Security shall be subject to foreclosure upon the occurrence of a Foreclosure Event. A Foreclosure Event shall occur when:</p> <ul style="list-style-type: none"> <li>(j) with respect to the Issuer an Insolvency Event occurs; or</li> <li>(k) the Issuer defaults in the payment of any interest on the most senior Instruments then outstanding when the same becomes due and payable, and such default continues for a period of five (5) Business Days; or</li> <li>(l) the Issuer defaults in the payment of principal of any Instrument on the Final Maturity Date.</li> </ul> <p>It is understood that the interest and principal on the Instruments other than interest on the most senior Instruments then outstanding will not be due and payable on any Payment Date prior to the Final Maturity Date except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority.</p>	<p>The Security Trustee shall promptly and without undue delay give an Enforcement Notice to the Lenders, the Noteholders and the Subordinated Lender and notify the Rating Agencies of the occurrence of a Foreclosure Event.</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>) of the Trust Agreement).</p> <p>Within fifteen (15) days after the occurrence of a Foreclosure Event, the Security Trustee shall give notice to the Lenders, the Noteholders, the Swap Counterparties and the Subordinated Lender, specifying the manner in which it intends to foreclose and enforce 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 of the Trust Agreement. If, within sixty (60) days after the publication of such notice, the Security Trustee receives written notice from a Lender or Lenders or a Noteholder or Noteholders together representing more than 50 per cent of the aggregate outstanding principal amount of the Senior Instruments, or, provided that no Senior Instruments are outstanding, the Junior Instruments, 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).</p>

		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.
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## FEES

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

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