

DATED

OCTOBER 2023

DRIVER UK MULTI-COMPARTMENT S.A.,
ACTING FOR AND ON BEHALF OF ITS COMPARTMENT
DRIVER UK SEVEN
(as Purchaser and Issuer)

- and -

VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED
(as Seller and Servicer)

- and -

INTERTRUST TRUSTEES GMBH
(as Security Trustee)

SERVICING AGREEMENT



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THIS SERVICING AGREEMENT (this "Agreement") is dated on October 2023

BETWEEN

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

WHEREAS

- (A) VWFS has entered into various agreements for the provision of credit in relation to the purchase, by way of hire purchase, lease purchase or personal contract purchase, of motor vehicles by its customers in the ordinary course of its business pursuant to which such customers shall be obliged to make periodic payments in respect of Receivables.
- (B) The Seller has agreed to sell and the Issuer has agreed to purchase (for allocation to its Compartment Driver UK seven) the Seller's right, title and interest in and to certain Receivables together with the related Ancillary Rights, in accordance with the terms of the Receivables Purchase Agreement.
- (C) The Issuer is a securitisation company established under the Luxembourg law of 22nd March 2004 on securitisations. The Issuer is willing to appoint the Servicer to provide certain management and administrative services to the Issuer and the Security Trustee in relation to the portfolio of assets composed of the Purchased Receivables as further defined in this Agreement on the terms and subject to the conditions contained in the Trust Agreement and the Deed of Charge and Assignment.

IT IS AGREED as follows

1. DEFINITIONS AND INTERPRETATION

- 1.1 Unless otherwise defined in this Agreement or the context requires otherwise, words and expressions used in this Agreement (including the Recitals and Schedules) have the meanings and constructions ascribed to them in Clause 1 of the Master Definitions Schedule (the "**Master Definitions Schedule**") set out in the Incorporated Terms Memorandum dated on or about the date hereof, (the "**Incorporated Terms Memorandum**"). The terms of the Master Definitions Schedule are hereby incorporated

by reference into this Agreement, and shall be construed in accordance with English law notwithstanding the terms of Clause 14 of Schedule 2 of the Incorporated Terms Memorandum.

- 1.2 If there is any conflict between the Incorporated Terms Memorandum and this Agreement, this Agreement shall prevail.
- 1.3 Terms in this Agreement, except where otherwise stated or the context otherwise requires, shall be interpreted in the same way as set forth in Clause 2 of the Incorporated Terms Memorandum, as if the Incorporated Terms Memorandum was governed by and construed in accordance with English law.
- 1.4 The terms "controller", "personal data", and "processing" have the meaning given to them in the Data Protection Rules.

2. **APPOINTMENT OF SERVICER**

- 2.1 With effect from the Closing Date and until termination pursuant to Clause 6 (*Servicer Replacement and Termination*), the Issuer and the Security Trustee (according to their respective interests) hereby each appoint the Servicer as its lawful agent and, in its name and on its behalf, to provide the Services and the Servicer hereby accepts such appointment in accordance with the terms and conditions of this Agreement. For the avoidance of doubt, the Security Trustee only appoints the Servicer as its lawful agent and, in its name and on its behalf, to provide the Services after the delivery of an Enforcement Notice.
- 2.2 The Servicer shall have no authority by virtue of this Agreement to act for or represent the Issuer or the Security Trustee as agent or otherwise save in respect of those functions and duties which it is authorised to perform and discharge by this Agreement and for the period during which this Agreement so authorises it to perform and discharge those functions and duties.
- 2.3 In connection with the rights, powers and discretions conferred under the foregoing provisions of this Clause 2 (but subject to any express limitations imposed by any other provisions of this Agreement or of any other Transaction Document), the Servicer shall have the full power, authority and right to do or cause to be done any and all things which it reasonably considers necessary, convenient or incidental to the exercise of such rights, powers and discretions in relation to the performance of the relevant Services.
- 2.4 The Issuer (and the Issuer's directors) shall not be required or obliged at any time to comply with any directions which the Servicer may give with respect to the operating and financial policies of the Issuer, control of which is, and shall at all times remain, vested in the Issuer and its directors and the Servicer agrees that it will at all times act consistently with this provision.
- 2.5 For the avoidance of doubt, save as expressly provided elsewhere in this Agreement or any of the other Transaction Documents, nothing herein will be construed so as to give the Servicer any rights, powers or discretions to represent the Issuer as agent or to negotiate or enter into any contract or agreement on behalf of, or binding on, the Issuer.

3. **STANDARD OF CARE**

The Servicer shall, at all times during the term of this Agreement, devote or procure that there is devoted to the performance of its obligations under this Agreement at least the same amount of time and attention and that there is exercised the same level of skill, care

and diligence in the performance of those obligations, the exercise of its discretions under the Agreement and its exercise of the rights of the Issuer and the Security Trustee in respect of the Purchased Receivables, the Financing Contracts and the Vehicles as it would if it were administering motor vehicle hire purchase agreements, lease purchase agreements and personal contract purchase agreements in respect of which it held the entire benefit (both legally and beneficially) and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its and their discretions and rights hereunder but the Servicer shall not be required to do or cause to be done anything which it is prevented from doing by any applicable laws, regulations, judgments and other directions or orders to which it or any Purchased Receivable, Ancillary Right or Vehicle may be subject.

4. DELEGATION

4.1 Subject to Clause 4.2, the Servicer may, at its own expense and with the prior consent of the Issuer, appoint any sub-contractor, sub-agent, delegate or representative to carry out all or part of the Services on such terms as it thinks fit provided that:

- (a) no such consent shall be required in the case of any appointment of a sub-agent, sub-contractor, delegate or representative which is an Affiliate of the Servicer or a third party to whom the Services are delegated by the Servicer pursuant to its Customary Operating Practices;
- (b) such arrangement does not prejudice the Servicer's ability to carry out its obligations under this Agreement;
- (c) such sub-agency, sub-contracting or delegation will not result in an increased likelihood of the Issuer's costs of financing the Receivables increasing or a material adverse effect on the tax position of the Issuer;
- (d) the Servicer has given written notice to the sub-agent, sub-contractor, delegate or representative of the Issuer and the Security Trustee's respective interests in and title to the Purchased Receivables and the sub-agent, sub-contractor, delegate or representative has acknowledged such notice and agreed to hold all Servicer Records to the order of the Issuer and the Security Trustee; and
- (e) neither the Issuer nor the Security Trustee shall have any liability for any Liabilities payable to or incurred by such sub-agent, sub-contractor, delegate or representative or arising from the termination of any such arrangement.

4.2 Notwithstanding any sub-agency, sub-contracting or delegation of the performance of its obligations under this Agreement:

- (a) the Servicer shall not thereby be released or discharged from any liability under this Agreement and shall remain responsible for the performance of the obligations of the Servicer under this Agreement and the performance or non-performance, and the manner of performance, of any sub-agent, sub-contractor, delegate or representative of any of the Services and shall remain liable for any right, remedy or cause of action that may arise as a result of any act, failure to act or omission on the part of any such sub-agent, sub-contractor, delegate or representative; and
- (b) any breach in the performance of the Services by such sub-agent, sub-contractor, delegate or representative shall be treated as a breach of this Agreement by the

Servicer, save that where such breach is capable of remedy, it shall only be treated as a breach of this Agreement by the Servicer if not remedied by the Servicer within fourteen (14) days of the earlier of the Servicer becoming aware of such breach (or such shorter period which, if exceeded, would result in a Foreclosure Event) and receipt by the Servicer of written notice from the Issuer or the Security Trustee requiring the same to be remedied.

4.3 The Issuer and/or the Security Trustee may require the Servicer to assign to the Issuer and/or the Security Trustee, as the case may be, any rights which the Servicer may have against any sub-agent, sub-contractor, delegate or representative arising from the performance of the Services by such sub-agent, sub-contractor, delegate or representative.

4.4 If:

- (a) notice has been given to terminate the appointment of the Servicer for the purposes of this Agreement pursuant to Clause 6.1; or
- (b) the Servicer is in breach of this Agreement by reason of failure by any sub-agent, sub-contractor, delegate or representative properly to perform its obligations relating hereto and the Servicer is not pursuing such rights as it may have against such person to the reasonable satisfaction of the Security Trustee,

the Issuer and/or the Security Trustee may require the Servicer, with effect from the date of notice to such effect, to assign to any successor servicer, the Issuer or the Security Trustee (as the case may be) or, after the occurrence of a Foreclosure Event only, to the Security Trustee, any rights which the Servicer may have against any such sub-agent, sub-contractor, delegate or representative arising from the performance or non-performance of the Services by such person.

5. **SERVICER FEE, COSTS AND EXPENSES**

5.1 Subject to and in accordance with the applicable Order of Priority and this Agreement, as consideration for the provision by it of the Services, the Servicer will be entitled to receive the Servicer Fee on each Payment Date in arrear.

5.2 As additional compensation the Servicer will be entitled to retain any Supplemental Servicer Fee paid to it.

5.3 The Servicer hereby acknowledges that it shall not have recourse against any party to this Agreement other than the Issuer for the fees described in Clause 5.1.

5.4 The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses.

5.5 For the avoidance of doubt, the Servicer will not be required to pay or fund any losses with respect to the Purchased Receivables.

6. **SERVICER REPLACEMENT AND TERMINATION**

6.1 If a Servicer Replacement Event occurs and is continuing, the Issuer may, with the consent of the Security Trustee, or the Security Trustee may itself, elect to terminate the Servicer's appointment hereunder by giving written notice of such election (such notice, a "**Servicer Termination Notice**") to the Servicer and specifying the date of such

termination in such notice provided that such termination shall not take effect until a successor servicer has been appointed in accordance with the provisions of Clause 6.11.

6.2 After receipt by the Servicer of a notice from the Issuer or Security Trustee pursuant to Clause 6.1 but prior to the Servicer Termination Date, the Servicer shall:

- (a) hold to the order of the Issuer and the Security Trustee (or such person as the Issuer shall direct) the Purchased Receivable Records, the Servicer Records and the Transaction Documents;
- (b) hold to the order of the Issuer and the Security Trustee any monies then held by it on behalf of the Issuer together with any other assets of the Issuer then held by it;
- (c) other than as the Issuer or the Security Trustee may direct pursuant to paragraph (e) below, continue to perform all of the Services (unless prevented by any applicable laws, regulations, judgments and other directions or orders to which it may be subject) until the time and date specified in a Servicer Termination Notice or until the date mutually agreed between the Servicer, the Issuer and the Security Trustee;
- (d) take such further action in accordance with the terms of this Agreement as the Issuer or the Security Trustee may reasonably direct in relation to the Servicer's obligations under this Agreement, including, if so requested, giving a Notification Event Notice to the Obligors as may be necessary to enable the Services to be performed by a successor servicer; and
- (e) stop taking any such action under the terms of this Agreement as the Issuer or the Security Trustee may reasonably direct, including, the collection of Collections, the payment of Collections into the Distribution Account, the communication with Obligors or dealing with the Purchased Receivables.

6.3 If a successor servicer has not been appointed by the Servicer Termination Date referred to in the relevant notice delivered pursuant to Clause 6.1, this Agreement will terminate on the date of the later appointment of the successor servicer and the Servicer Termination Date will occur on this date. If a successor servicer is appointed prior to the Servicer Termination Date referred to in the relevant notice delivered pursuant to Clause 6.1, this Agreement will terminate on the date of such appointment and the Servicer Termination Date will occur on this date.

6.4 Unless previously terminated in accordance with Clause 6.1, the appointment of the Servicer under this Agreement shall terminate (but without affecting any accrued rights and liabilities under this Agreement) upon the expiry of not less than thirty (30) days' notice of termination given by or on behalf of the Issuer at any time after such time as the Security Trustee and the Issuer have no further interest in any of the Purchased Receivables.

6.5 From the Servicer Termination Date:

- (a) all authority and power of the retiring Servicer under this Agreement shall be terminated and shall be of no further effect;
- (b) the retiring Servicer shall no longer hold itself out in any way as the agent of any party to this Agreement pursuant to any Transaction Document or this Agreement;

- (c) the rights and obligations of the retiring Servicer and any obligations of the Issuer, the Seller and the Security Trustee to the retiring Servicer shall cease to exist but the relevant termination shall be without prejudice to:
 - (i) any liabilities or obligations of the retiring Servicer to the Issuer, the Seller or the Security Trustee or any successor servicer incurred or arising up to the Servicer Termination Date;
 - (ii) any liabilities or obligations of the Issuer, the Seller or the Security Trustee to the retiring Servicer incurred or arising up to the Servicer Termination Date;
 - (iii) the retiring Servicer's obligation to deliver documents and materials in accordance with Clause 6.14.

- 6.6 The retiring Servicer shall be entitled to receive all fees and other monies accrued owing to it under this Agreement (whether or not due and payable) pro-rated up to the Servicer Termination Date but, notwithstanding any other provisions of this Agreement shall not be entitled to any compensation as the Servicer after the Servicer Termination Date. For the avoidance of doubt such termination shall not affect the rights of VWFS, to receive payments of all amounts due to it by the Issuer and/or the Security Trustee in its capacity as Seller under the Transaction Documents.

- 6.7 Any monies so received by the retiring Servicer pursuant to Clause 6.6 shall be paid by the Issuer, the Security Trustee or the Seller, as the case may require, at all times on which they would otherwise have fallen due under this Agreement, subject always to the provisions of this Agreement including the applicable Order of Priority.

- 6.8 Any provision of this Agreement which is stated to continue after termination of this Agreement shall remain in full force and effect notwithstanding termination. Without prejudice to the generality of the foregoing, the provisions of this Clause 6 shall continue in force after the termination of this Agreement.

- 6.9 After the delivery of a written notice pursuant to Clause 6.1 giving notice of the future termination of the appointment of the Servicer by consent, the Issuer with all reasonable support from the Servicer shall use all reasonable endeavours to procure that an entity which may be appointed as successor servicer under Clause 6.10 is so appointed under Clause 6.11 on or before the Servicer Termination Date.

- 6.10 An entity may be appointed as successor servicer only if:
 - (a) it has experience of administering assets reasonably similar to the Purchased Receivables being administered by the Servicer or be able to demonstrate that it has the capability to administer assets reasonably similar to the Purchased Receivables being administered by the Servicer;
 - (b) it has the permissions pursuant to FSMA necessary to administer the Purchased Receivables on behalf of the Issuer;
 - (c) it has a net worth of not less than £25,000,000;
 - (d) it is willing to enter into an agreement with the parties to this Agreement (other than VWFS except in its capacity as Seller) which provides for the successor servicer to be remunerated at such a rate as is agreed by the Issuer but which does not exceed the rate then commonly charged by providers of services of the

kind described in this Agreement and required by this Agreement to be provided by the Servicer and is otherwise on substantially the same terms as those of this Agreement; and

- (e) the Security Trustee has consented to its appointment.
- 6.11 The successor servicer shall be appointed by the Issuer and the Security Trustee with effect from the Servicer Termination Date by the entry of the successor servicer, the Issuer and the Security Trustee into a replacement servicing agreement which complies with the provisions of Clause 6.10.
- 6.12 The Issuer shall, promptly following the execution of a replacement servicing agreement in accordance with Clause 6.11 with the successor servicer, assign its interest in such agreement in favour of the Security Trustee in the terms of the Deed of Charge and Assignment *mutatis mutandis*, to the satisfaction of the Security Trustee, to the extent that the Deed of Charge and Assignment does not already effect such an assignment.
- 6.13 The Issuer shall deliver written notice of the appointment of the successor servicer to the Rating Agencies and to each of the other Transaction Parties.
- 6.14 On the Servicer Termination Date, the retiring Servicer shall:
- (a) (save as prohibited or required otherwise by any applicable laws, regulations, judgments and other directions or orders to which it may be subject) immediately deliver or make available to (and in the meantime shall hold to the order of):
 - (i) if a successor servicer has then been appointed, such successor servicer; or
 - (ii) failing such appointment, the Issuer;

the Purchased Receivable Records, the Servicer Records and the Transaction Documents (provided that the retiring Servicer shall have the right to make and retain such copies of any such records as it desires at its own cost) and any monies then held by the retiring Servicer on behalf of the Issuer and any other assets of the Issuer then held by it; and
 - (b) take such further action as the Issuer, the Security Trustee or the successor servicer appointed to replace the retiring Servicer may reasonably direct in order to effectively transfer its rights and obligations under this Agreement to a successor servicer.
- 6.15 The Servicer hereby acknowledges that it shall at no time, whether before or after termination of its appointment under this Agreement pursuant to this Clause 6, have any lien or other right of retention or possession over the Purchased Receivable Records, the Servicer Records or the Transaction Documents held by it from time to time.
- 6.16 In the case of any conflict between any instructions given to the Servicer by the Security Trustee and any other person (including the Issuer), the instructions of the Security Trustee will prevail and the instructions of such other person shall be deemed to be of no effect.
- 6.17 During any period between the date specified in the notice given by the Issuer pursuant to Clause 6.1 and the appointment of a successor servicer (the "**Transfer Period**"), the retiring Servicer shall allow the Issuer and any successor servicer (together with such

interested persons as are nominated in writing by the Issuer and approved by the retiring Servicer, in writing, such approval not to be unreasonably withheld or delayed) such access to its premises and facilities, as the Issuer, the Security Trustee and such nominees may reasonably request in order to enable the retiring Servicer to perform its obligations under this Agreement within the Transfer Period and to allow the successor servicer to prepare to perform its duties.

- 6.18 Should the Issuer, the successor servicer or such nominees not be allowed such access or use during any time throughout the relevant Transfer Period, the Transfer Period shall for all purposes of this Agreement be extended by such period as the Issuer and the Security Trustee reasonably consider necessary to enable the retiring Servicer to perform its obligations under this Agreement.

7. COVENANTS OF THE SERVICER

- 7.1 The Servicer covenants as at the date of this Agreement to the Issuer and the Security Trustee, on the terms of the covenants set out in Schedule 2 (*Servicer Covenants*).
- 7.2 The Servicer's covenants set out in Schedule 2 (*Servicer Covenants*) shall remain in force until the Servicer's appointment is terminated in accordance with this Agreement but without prejudice to any right or remedy of the Issuer or the Security Trustee arising from the breach of the Servicer's covenants set out in Schedule 2 (*Servicer Covenants*) prior to the date of termination of this Agreement.

8. FORCE MAJEURE AND INDEMNITY

- 8.1 If the Servicer is prevented from carrying out any of its obligations under this Agreement as a result of the occurrence of a Force Majeure Event, the Servicer shall give notice to the Issuer and the Security Trustee as soon as reasonably practicable after being so prevented detailing the particulars of such event.
- 8.2 During any period in which the Servicer is prevented from performing any of its obligations under this Agreement as a result of the occurrence of a Force Majeure Event, the Servicer shall not be entitled to be paid its fees pursuant to Clause 5 (*Servicer Fee, Costs and Expenses*) but shall remain entitled to Supplemental Servicer Fee under Clause 5.2.
- 8.3 The Servicer shall indemnify, and at all times hold indemnified, the Issuer and the Security Trustee against any Liabilities whatsoever incurred by either the Issuer or the Security Trustee by reason of any breach or non-performance of the Servicer's obligations under this Agreement or the Servicer's wilful default, bad faith, fraud or gross negligence, provided that the Servicer and its directors, officers, employees or agents shall not be liable in respect of any Liabilities suffered or incurred by the Issuer or the Security Trustee as a direct consequence of any breach of this Agreement by, or as a result of the wilful misconduct or negligence of, the Issuer or the Security Trustee or any of their respective directors, officers and employees and the Servicer shall on demand pay to the Issuer or the Security Trustee, as appropriate, without any set-off, deduction or withholding whatsoever the full amount of any such cost, claim, loss, expense, liability or damages suffered or incurred by the Issuer or the Security Trustee, as the case may be.
- 8.4 Any indemnification payable by the Servicer under Clause 8.3 shall not be paid from any Charged Property.
- 8.5 For the avoidance of doubt, the Servicer shall not have any liability for the obligations of any Obligor and nothing in this Agreement shall constitute the giving of a guarantee or the

assumption of a similar obligation by the Servicer in respect of the performance of the Receivables.

- 8.6 Without prejudice to the obligations of the Servicer under this Agreement and the other Transaction Documents including, without limitation, the provision of the Services to the Issuer, the Servicer shall have no liability to any third party for the obligations of the Issuer under any of the Transaction Documents and nothing in this Agreement shall constitute a guarantee (or similar obligation) by the Servicer of the Issuer's obligations under any of them.
- 8.7 Without prejudice to the obligations of the Servicer under this Agreement and the other Transaction Documents including, without limitation, the provision of the Services to the Issuer, each of the Issuer and the Security Trustee consents to the Servicer acting as agent for each of the other of them and hereby waives any rights or claims it may have against the Servicer in respect of any conflicts of interest to which the Servicer may be subject in carrying out such agency under this Agreement.
- 8.8 Notwithstanding any other provision of this Agreement, the Servicer will not be required to indemnify any person for any cost, expense or liability in connection with the Transaction Documents or the transactions contemplated in such Transaction Documents, resulting from any FATCA Deduction.

9. POWER OF ATTORNEY

The Issuer shall on request by the Servicer promptly give to the Servicer any powers of attorney or other written authorisations or mandates and instruments as are reasonably necessary in the Servicer's discretion to enable the Servicer to perform its obligations under this Agreement (provided that any such power of attorney or other matter shall be subject to any express limitations that are imposed on the rights and powers of the Servicer (whether specifically in its capacity as such or generally as one of the Transaction Parties) by any other provision of this Agreement or of any other Transaction Document).

10. CONTINUATION OF OBLIGATIONS

Except to the extent that they have been performed and except where this Agreement specifically provides otherwise, the warranties, representations, indemnities, and obligations contained in this Agreement remain in force after the date on which they were expressed to take effect until the date on which the Security Trustee notifies the Issuer and the Transaction Creditors in writing that it is satisfied that all amounts secured under the Deed of Charge and Assignment have been paid in full or extinguished.

11. ASSIGNMENT AND SUBCONTRACTING

- 11.1 This Agreement shall be binding upon and enure to the benefit of each Transaction Party which is a party to this Agreement or is otherwise bound by its terms and its or any subsequent successors and assigns.
- 11.2 Except where this Agreement provides otherwise or with the prior written consent of the Security Trustee, a Transaction Party (other than the Security Trustee) may not assign or transfer or purport to assign or transfer a right or obligation under this Agreement.
- 11.3 Each Transaction Party which is a party to this Agreement (other than the Security Trustee) is entering into this Agreement for its benefit and not for the benefit of another person.

11.4 Except where this Agreement specifically provides otherwise, a Transaction Party may not subcontract or delegate the performance of any of its obligations under this Agreement.

12. VALUE ADDED TAX

12.1 Except as otherwise provided herein, any sum payable under this Agreement by one Transaction Party which is a party to this Agreement (other than the Issuer or the Security Trustee) to another is exclusive of any VAT chargeable on the supply for which that sum is the consideration (in whole or in part) for VAT purposes and an amount equal to such VAT shall be payable in addition thereto.

12.2 Except as otherwise provided herein, any sum payable under this Agreement by the Issuer or the Security Trustee is inclusive of VAT chargeable on the supply for which that sum is the consideration (in whole or in part) for VAT purposes. Section 89 of the Value Added Tax Act 1994 (and any provision having similar effect in any other jurisdiction) is excluded in relation to any sum referred to in this Clause 12.2.

12.3 The Issuer and the Servicer understand that the services supplied pursuant to this Agreement are currently exempt from Luxembourg VAT in accordance with Article 44.1.d) of the Luxembourg VAT Law. To the extent that, under the terms of this Agreement, the Servicer makes or is deemed to make a supply of the Services to the Issuer or Security Trustee for VAT purposes and VAT becomes chargeable on such supply (whether under the reverse charge mechanism or otherwise), payment from the Issuer or Security Trustee to the Servicer in consideration of such supply shall be reduced to the amount that will result in the Issuer or Security Trustee paying to the Servicer an amount equal to what the consideration would have been had VAT not been chargeable (whether under the reverse charge mechanism or otherwise).

13. WITHHOLDING TAXES

13.1 Except as otherwise provided herein, each payment made by a paying Transaction Party to a receiving Transaction Party under this Agreement shall be made without any deduction or withholding for or on account of tax, unless such a deduction or withholding is required by law (or pursuant to FATCA).

13.2 Except as otherwise provided herein, if a paying Transaction Party becomes aware that it must make a deduction or withholding for or on account of tax in respect of any payment under this Agreement (or that there is any change in the rate or the basis of such a deduction or withholding) it shall notify the receiving Transaction Party accordingly.

13.3 Except as otherwise provided herein, if a deduction or withholding for or on account of tax is required by law to be made by a paying Transaction Party (other than the Issuer or the Security Trustee and other than a FATCA Deduction) the amount of the payment due from such paying Transaction Party shall be increased to an amount which (after making any such required deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.

13.4 Except as otherwise provided herein, if a paying Transaction Party makes an increased payment pursuant to Clause 13.3 (a "**tax payment**") and a receiving Transaction Party determines that a tax credit is attributable to that tax payment and the receiving Transaction Party has obtained, and utilised that tax credit then the receiving Transaction Party shall pay an amount to the paying Transaction Party which the receiving Transaction Party determines will leave it (after that payment) in the same after-tax

position as it would have been in had no deduction or withholding giving rise to the tax payment been required to be made by the paying Transaction Party.

14. EFFECTIVE DATE

This Agreement is deemed to take effect on the Closing Date.

15. FURTHER ASSURANCE

Each Transaction Party which is a party to this Agreement (other than the Security Trustee), from time to time, upon the request of the other Transaction Parties which are parties to this Agreement agrees to execute any additional documents and do any other acts or things as may be agreed between the Transaction Parties which are parties to this Agreement which may reasonably be required to give effect to the purposes of this Agreement.

16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the Transaction Parties which are parties to this Agreement relating to the subject matter of this Agreement, and supersedes any previous agreements (if any) between such parties relating to the subject matter of this Agreement.

17. REMEDIES AND WAIVERS

17.1 A failure to exercise or delay in exercising a right or remedy provided by any Transaction Document or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by any Transaction Document or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

17.2 Except where this Agreement specifically provides otherwise, the rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law.

18. AMENDMENTS

A variation of this Agreement is valid only:

- (a) if it is in writing and signed by or on behalf of each Transaction Party which is a party to this Agreement; and
- (b) save for any correction of a manifest or proven error or variation of a formal, minor or technical nature:
 - (i) in case of amendments which do not materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor, if it is notified by the party requesting such amendment to the Security Trustee and the Rating Agencies in writing and it has been demonstrated to the reasonable satisfaction of the Security Trustee that such amendment is not materially prejudicial to the interests of the Noteholders and/or any other Transaction Creditor; and
 - (ii) in case of amendments which materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor, if it is notified by the party requesting such amendment to the Security Trustee and the

Rating Agencies in writing and the Issuer has received the written consent to such amendment from the Security Trustee and the Transaction Creditors that are materially and adversely affected.

19. **PARTIAL INVALIDITY**

The invalidity, illegality or unenforceability of a provision of this Agreement does not affect or impair the continuation in force of the remainder of this Agreement.

20. **NOTICES**

20.1 Any notice to be made hereunder shall be in the English or German language or, if not in English or German, accompanied by an English translation together with a confirmation of the Person or an officer of the Person making or delivering such notice that the translation is a true and accurate translation of the original notice.

20.2 Any notice to be made under this Agreement shall be made in writing and, unless otherwise stated, shall be made by fax, e-mail or letter.

20.3 All notices, consents, approval and other notifications provided for in this Agreement shall be deemed to have been properly given if they have been rendered in writing and personally delivered or transmitted by registered letter.

20.4 Subject to not less than seven (7) days' written notice of address changes, all notices under this Agreement shall be directed to the following addresses:

(a) if to the Issuer, addressed to:

Driver UK Multi-Compartment S.A.,
acting for and on behalf of its Compartment Driver UK seven
Attn.: [REDACTED]
22-24 Boulevard Royal, L-2449 Luxembourg
Tel: [REDACTED]
Fax: [REDACTED]
Email: [REDACTED]

(b) if to the Servicer, addressed to:

Volkswagen Financial Services (UK) Ltd
Brunswick Court
Yeomans Drive
Blakelands
Milton Keynes
MK14 5LR
Fax: [REDACTED]
Attn: [REDACTED]
Email: [REDACTED]

(c) if to the Security Trustee, addressed to:

Intertrust Trustees GmbH
Attn.: [REDACTED]
Eschersheimer Landstraße 14
60322 Frankfurt am Main Germany
Fax: [REDACTED]
Email: [REDACTED]

in each case under reservation of a change of address to be reported timely in writing.

21. COUNTERPARTS

This Agreement may be signed in any number of counterparts and by the parties on separate counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same Agreement.

22. THE SECURITY TRUSTEE AS A PARTY

22.1 The Security Trustee has agreed to become a party to this Agreement only for the purposes of taking the benefit of the contractual provisions expressed to be given in its favour and enabling the better preservation and enforcement of its rights under this Agreement and the Transaction Documents and shall not assume any liabilities or obligations whatsoever under this Agreement.

22.2 The Security Trustee shall not assume or have any responsibility or liability for any of the obligations of the other Transaction Parties under this Agreement.

23. NON-PETITION AND LIMITED RECOURSE

23.1 No proceedings against the Issuer

Each Transaction Party which is a party to this Agreement (other than the Issuer and the Security Trustee in its capacity as Security Trustee on behalf of the Transaction Creditors) agrees with and acknowledges to each of the Issuer and the Security Trustee, and the Security Trustee agrees with and acknowledges to the Issuer, that:

- (a) until the date falling one year and one day after the Final Maturity Date, none of the Transaction Parties which are parties to this Agreement nor any Person on their behalf shall initiate, or join any Person in initiating, an Insolvency Event in respect of the Issuer provided that any Transaction Party which is a party to this Agreement may join any proceedings or action under any applicable insolvency law that are initiated by any Person other than such Transaction Party or any of such Transaction Party's Affiliates; and
- (b) none of the Transaction Parties which are parties to this Agreement shall be entitled to take, or join in the taking of, any corporate action, legal proceedings or other procedure or step which would result in the applicable Order of Priority not being complied with.

23.2 Limited recourse

Each Transaction Party which is a party to this Agreement (other than the Issuer and the Security Trustee in its capacity as Security Trustee on behalf of the Transaction Creditors) agrees with and acknowledges to each of the Issuer and the Security Trustee, and the Security Trustee agrees with and acknowledges to the Issuer, that notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to such Transaction Party are limited in recourse as set out below:

- (a) each Transaction Party which is a party to this Agreement agrees that it will have a claim only in respect of the Security and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Issuer's other assets or its equity capital;

- (b) sums payable to any Transaction Party which is a party to this Agreement in respect of the Issuer's obligations to such Transaction Party shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Transaction Party and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Security, whether by enforcement of the Security or otherwise, net of any sums which are payable by the Issuer in accordance with the applicable Order of Priority in priority to or *pari passu* with sums payable to such Transaction Party; and
- (c) upon the Security Trustee giving written notice to any Transaction Party to this Agreement that the Security Trustee has determined (in reliance on the certification delivered to it by the Servicer) that there is no reasonable likelihood of there being any further realisations in respect of the Security (whether arising from an enforcement of the Security or otherwise) which would be available pursuant to the applicable Order of Priority to pay unpaid amounts outstanding under the relevant Transaction Document, such Transaction Party shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

23.3 The provisions of this Clause 23 shall survive the termination of the Transaction Documents.

24. **OBLIGATIONS AS CORPORATE OBLIGATIONS**

24.1 **No recourse against shareholders and others**

No Transaction Party which is a party to this Agreement shall have any recourse against, nor shall any personal liability attach to, any shareholder, officer, agent, employee or director of the Issuer or any other Transaction Party in its capacity as such, by any proceedings or otherwise, in respect of any obligation, covenant, or agreement of the Issuer contained in the Transaction Documents.

24.2 **No liability for obligations of the Issuer**

The Transaction Parties which are parties to this Agreement, other than the Issuer, shall not have any liability for the obligations of the Issuer, and nothing in any Transaction Document shall constitute the giving of a guarantee, an indemnity or the assumption of a similar obligation by any of the Transaction Parties in respect of the performance by the Issuer of its obligations.

24.3 **Effective date in respect of representations and warranties**

Except as otherwise provided in this Agreement the representations and warranties expressed herein shall be given as of the Issue Date.

25. **NO LIEN AND NO SET-OFF**

Each Transaction Party which is a party to this Agreement shall under no circumstances have any lien, right of retention, right of set-off or similar right in respect of any moneys paid or payable to it or assets delivered or deliverable into its custody under this Agreement vis-à-vis the Issuer and/or the Security Trustee, as applicable.

26. **THIRD PARTY RIGHTS**

Unless expressly stipulated herein otherwise, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

27. **GOVERNING LAW**

This Agreement and all non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England.

28. **JURISDICTION AND SERVICE OF PROCESS**

28.1 The courts of England have exclusive jurisdiction to settle any dispute.

28.2 Each Transaction Party which is a party to this Agreement (other than the Security Trustee) agrees that the courts of England are the most appropriate and convenient courts to settle disputes between them and, accordingly, that they will not argue to the contrary.

28.3 VWFS consents generally in respect of any proceedings to the giving of any relief or the issue of any process in connection with such proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such proceedings.

28.4 The Purchaser shall, on the Closing Date, authorise and appoint Intertrust Management Limited to receive on its behalf process issued out of the English courts in connection with this Agreement.

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

Signed for and on behalf of Volkswagen)
Financial Services (UK) Limited in its)
capacity as Servicer and Seller)

By:

Print name:

Signed for and on behalf of **Driver UK**)
Multi-Compartment S.A. acting for and)
on behalf of its Compartment Driver UK)
seven in its capacity as Issuer and)
Purchaser

By:

Print name:

Signed for and on behalf of **Intertrust**)
Trustees GmbH in its capacity as)
Security Trustee)

By:

Print name:

SCHEDULE 1

Services to be provided by the Servicer

1. GENERAL ADMINISTRATION OBLIGATIONS IN RELATION TO THE PORTFOLIO

1.1 Servicer's general obligations

The parties to this Agreement concur in the appointment of the Servicer to act as agent of the Issuer and the Security Trustee in administering the Purchased Receivables and the Financing Contracts, including the collection of all sums due under the Financing Contracts in accordance with the terms of the Financing Contracts, this Agreement, any applicable laws, regulations, judgments and other directions or orders to which it may be subject and its Customary Operating Practices and, in particular the Servicer agrees to:

- (a) employ the appropriate number of personnel and allocate adequate systems and other facilities sufficient to ensure proper performance by it of the Services in accordance with its Customary Operating Practices;
- (b) ensure that adequate personnel will be available for work relating to the Issuer and/or the Security Trustee under this Agreement and that they will be adequately trained and sufficiently experienced duly to perform the Services;
- (c) consider the interests of the Issuer and the Security Trustee in its relations with Obligors and in its exercise of any discretion arising from its performance of the Services;
- (d) comply with any reasonable and proper directions, orders and instructions which the Issuer or the Security Trustee may from time to time give to it in accordance with this Agreement and its Customary Operating Practices (other than any which, notwithstanding that they are proper and reasonable, are in fact in breach of notification provisions in accordance with Clause 13 (*Notification*) of the Receivables Purchase Agreement and which would not result in it committing a breach of its obligations under this Agreement or an act which is illegal or contrary to the requirements of any authority with which it is accustomed to comply; and
- (e) notwithstanding the particular provisions of this Agreement, take all other action and do all other things that it would be reasonable to expect a reasonable prudent hire purchase, lease purchase or personal contract purchase creditor to do in administering the Purchased Receivables,

provided that the Servicer shall act only as agent of the Issuer for the purpose of exercising discretion in applying its Customary Operating Practices at any time prior to the delivery of an Enforcement Notice.

1.2 Issuer and Security Trustee to provide assistance to Servicer

The Issuer and the Security Trustee agree not to take any action inconsistent with the Servicer's obligations under this Agreement and each shall provide such assistance as is reasonably requested by the Servicer in order to enable the Servicer to perform the Services.

1.3 **Mitigation**

In the event that VWFS, the Security Trustee, the Issuer or any of them (the "**Affected Party**") becomes subject to any action, counterclaim, set-off or other analogous claim or other proceedings in respect of claims made by Obligors by reason of Section 56 and Section 75 of the Consumer Credit Act 1974 or under Sections 10(2) or 10(3) of the Supply of Goods (Implied Terms) Act 1973 in connection with or relating to the supply of a Vehicle to an Obligor, the Servicer shall take all reasonable steps as would a prudent hire purchase, lease purchase or personal contract purchase creditor to seek from the relevant supplier, recovery for any liability or loss that any Affected Party may suffer and generally to mitigate any such liability or loss and provide all reasonable assistance in connection therewith.

1.4 **Security Trustee excluded from liability for acts of the Servicer**

The parties hereto agree that the Security Trustee has used due care and skill in appointing the Servicer as the Security Trustee's agent and in accordance with paragraph 2.1 (*Appointment of Servicer*) hereof, each agree that the Security Trustee is not responsible for the actions of the Servicer and that accordingly no party hereto shall be entitled to make any claim or take any other action against the Security Trustee by virtue of the Servicer acting as the Security Trustee's agent.

1.5 **Administration of Financing Contracts**

- (a) The Servicer shall be responsible for the provision to all Obligors of all information to which such Obligors are entitled under and in accordance with the provisions of the Consumer Credit Act 1974 (as amended), the rules in the Consumer Credit Sourcebook within the FCA Handbook or the provisions of the Data Protection Rules and any successor legislation thereto, or under the terms of the relevant Financing Contract.
- (b) The Servicer shall be responsible for compliance with all relevant provisions of the Consumer Credit Act 1974 (as amended) and the rules in the Consumer Credit Sourcebook within the FCA Handbook in the performance of its obligations under this Agreement in relation to those Financing Contracts which are regulated by FSMA.
- (c) The parties agree and acknowledge that any processing of personal data in relation to the Purchased Receivables will be done outside of Luxembourg and that only the Servicer shall, until the first to occur of (i) the Servicer Termination Date or (ii) the service of a Notification Event Notice on the Obligors, determine, in its sole discretion, the purposes, means and methods of any data processing in the context of its obligations under this Agreement, the Purchased Receivables and the related Financing Contracts.
- (d) In respect of any personal data which it processes pursuant to this Agreement, the Servicer shall, until the Servicer Termination Date, be deemed to be and act as controller for the purposes of the Data Protection Rules and any successor legislation thereto and comply with its obligations thereunder.

2. **SCOPE OF ADMINISTRATION AND MANAGEMENT SERVICES RENDERED BY THE SERVICER**

2.1 **Collection of amounts due**

The Servicer shall use all reasonable endeavours to:

- (a) collect all Purchased Receivables, and ensure payment of all sums, due under or in connection with the relevant Purchased Receivables;
- (b) ensure payment of Collections into the Distribution Account in accordance with this Agreement;
- (c) recover amounts from Obligors that are not paid when due;
- (d) enforce all obligations of Obligors under the Financing Contracts; and
- (e) assist in the sale or disposal of each Vehicle following termination of its related Financing Contract where the Vehicle is returned to VWFS and achieve a fair market price for such Vehicle sold or disposed of (save to the extent the Receivable relating to such Financing Contract is a Redelivery Purchased Receivable and has been repurchased by VWFS under the Redelivery Repurchase Agreement on the Redelivery Repurchase Date),

in each case on behalf of the Issuer and the Security Trustee in an efficient and timely fashion in accordance with the provisions of the Financing Contracts and its Customary Operating Practices.

2.2 Issuer to assist Servicer

The Issuer agrees, at its own expense, to assist the Servicer in exercising all rights and remedies under and in connection with the Ancillary Rights.

2.3 Servicer to comply with directions of Issuer and Security Trustee

The Servicer shall comply with all directions from the Issuer and/or the Security Trustee in relation to the collection and enforcement of the Ancillary Rights which are consistent with its Customary Operating Practices, provided that:

- (a) if directions from the Issuer conflict with those from the Security Trustee, those from the Security Trustee shall prevail;
- (b) if the Issuer wishes to give directions which are not in accordance with the provisions of this Agreement it shall first seek the Security Trustee's consent; and
- (c) such directions do not require or result in the disclosure of any personal data to the Issuer.

2.4 Active Portfolio Management

Based on the Seller's, the Servicer's and the Issuer's understanding of the spirit of Article 20(7) of the UK Securitisation Regulation and the EBA STS Guidelines applicable to Non-ABCP Securitisations (insofar as they remain relevant in the UK in accordance with the FCA's guidance with respect to its approach to non-legislative material published by the EU), the Seller, the Servicer and the Issuer agree not to undertake active portfolio management of the Purchased Receivables included in the portfolio on a discretionary basis.

2.5 Proceedings Against Obligors

(a) Servicer to take action against Obligors

The Servicer may, in accordance with its Customary Operating Practices:

- (i) take such action as may be necessary or desirable or as the Servicer determines (including, if necessary, court proceedings and the employment by the Servicer as disclosed agent for the Issuer of solicitors to carry out any necessary court or other proceedings) against any Obligor in relation to a defaulted Purchased Receivable; and
- (ii) on request keep the Issuer or the Security Trustee informed (respectively) of all material actions and decisions taken in each case following its Customary Operating Practices.

(b) **Servicer to assert claims to payment of the Insurance Proceeds**

The Servicer is authorised, until revocation by the Issuer and/or the Security Trustee, and obligated to assert, in accordance with the Servicer's Customary Operating Practices in effect from time to time in relation to the respective insurance companies, the Insurance Claims assigned to the Issuer pursuant to the Receivables Purchase Agreement. The Servicer is not required to monitor the compliance by an Obligor with the insurance provisions and the Servicer shall not be liable for any failure by an Obligor to comply with such provisions.

(c) **Servicer may exercise its discretion in applying its Customary Operating Practices**

It is acknowledged that:

- (i) VWFS as originator of the Purchased Receivables generally exercises discretion in applying its Customary Operating Practices; and
- (ii) subject to any express limitations imposed on the authorities, rights, powers and discretions of the Servicer by any other provisions of this Agreement or by any other Transaction Document, the Servicer may exercise such discretion as would be exercised by an ordinary prudent hire purchase, lease purchase or personal purchase creditor acting reasonably and not further or otherwise in applying its Customary Operating Practices if the Servicer reasonably believes that to do so will enhance recovery prospects and/or minimise losses in respect of any relevant Purchased Receivable.

2.6 Deemed Collections

- (a) The Servicer shall exercise the Issuer's rights under:
 - (i) Clauses 10 (*Repurchase*) and Clause 11 (*Payment for Non-Existent Receivables*) of the Receivables Purchase Agreement and ensure that:
 - (1) in respect of Clause 10 (*Repurchase*) of the Receivables Purchase Agreement, the Settlement Amount; or
 - (2) in respect of Clause 11 (*Payment for Non-Existent Receivables*) of the Receivables Purchase Agreement such other amount payable by VWFS; or
 - (3) in the case of Clause 10.6 (*Repurchase*) of the Receivables Purchase Agreement, any Written-Off Purchased Receivable Purchase Price,

are paid to the Distribution Account on the relevant Payment Date; and

- (4) the Redelivery Repurchase Agreement and ensure that the Redelivery Repurchase Price is paid to the Distribution Account on the relevant Payment Date.

2.7 **Direct Debit Mandates - Operation of Direct Debit Scheme**

The Servicer shall operate its Direct Debiting Scheme in accordance with its Customary Operating Practices. If an Obligor will not permit a Direct Debit to be made to his bank account under the Direct Debiting Scheme in relation to a Financing Contract or if an existing Direct Debit is cancelled, the Servicer shall use all reasonable endeavours in accordance with its Customary Operating Practices to ensure that alternative payment arrangements are promptly made which ensure the timely payment of amounts payable by the Obligor under such Financing Contract.

2.8 **Payments into Distribution Account after Notification Event Notice**

The Servicer will use all reasonable endeavours to do or procure the doing of all such acts and things which the Security Trustee requests the Servicer to do or procure be done, after delivery of a Notification Event Notice to each Obligor in relation to payments in respect of the Financing Contracts which were paid into the Seller's collection accounts and which shall thereafter be paid directly into the Distribution Account or such other account specified by the Issuer.

2.9 **Calculations**

- (a) The Servicer will, on each Servicer Report Performance Date, calculate the following items in respect of the relevant Monthly Period:
 - (i) any amounts to be transferred pursuant to paragraph 2.10 (*Payments to and from the Distribution Account*); and
 - (ii) the aggregate amount of Collections to be paid to the Distribution Account.
- (b) The Servicer will, on each Servicer Report Performance Date, in relation to the relevant Notice of Sale calculate and notify to the Issuer the funds determined to be available for the purchase of Additional Receivables pursuant to the Order of Priority and notify the Seller on behalf of the Issuer.
- (c) In addition the Servicer shall undertake such calculations as are necessary in order to exercise the Issuer's rights under:
 - (i) Clause 10 (*Repurchase*) of the Receivables Purchase Agreement;
 - (ii) Clause 11 (*Payment for Non-Existent Receivables*) of the Receivables Purchase Agreement;
 - (iii) Clause 10.6 (*Repurchase*) of the Receivables Purchase Agreement, in respect of any Written-Off Purchased Receivables; and
 - (iv) the Redelivery Repurchase Agreement, in respect of Redelivery Purchased Receivables.

2.10 Payments to and from the Distribution Account

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

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

2.11 Cash Collateral Account

- (a) The Servicer may utilise the General Cash Collateral Amount:
 - (i) to the extent, in the amounts and for the purposes described in Clause 22 (*Cash Collateral Account*) of the Trust Agreement;
 - (ii) following a Servicer Replacement Event, to the extent that the costs as a result of the replacement of the Servicer cannot be covered by the income from the investment of funds in the Distribution Account and the Cash Collateral Account; and
 - (iii) to the extent and in the amount as agreed with its auditors for the purposes of the Clean-Up Call Option.
- (b) On each Payment Date, the Servicer will calculate the Interest Compensation Available Amount, the Interest Compensation Ledger Release Amount, the Interest Compensation Ledger Allocable Amount, the Interest Compensation Shortfall Amount, the Interest Compensation Shortfall Redemption Amount, the Interest Compensation Surplus Amount, the Interest Compensation Required Amount, the Interest Compensation Ledger Targeted Amount, the Buffer Top-Up Amount and the Buffer Top-Up Shortfall Amount.
- (c) If, on any Payment Date, an Interest Compensation Ledger Allocable Amount exists such shall be credited to the Interest Compensation Ledger. The Interest Compensation Ledger will not form part of the General Cash Collateral Amount.
- (d) On each Payment Date, the Servicer will, by deducting the same from the Interest Compensation Ledger of the Cash Collateral Account, pay to the Seller the Interest Compensation Ledger Release Amount (if any).

2.12 Compliance with Customary Operating Practices

(a) Servicer to comply with its Customary Operating Practices

The Servicer agrees with the Issuer and the Security Trustee that it shall, in performing the Services, comply with its Customary Operating Practices and, in particular:

- (i) shall not agree to any material amendment to or variation of any Financing Contract except in accordance with its Customary Operating Practices;
- (ii) in relation to any default by an Obligor under or in connection with a Financing Contract, may exercise discretion in applying its Customary Operating Practices in accordance with paragraph 1.1 (*Servicer's General Obligations*);
- (iii) shall give, or provide all information that the Issuer may require in order to be able to give, a Notification Event Notice to any Obligor or such other notices to such other persons as the Issuer or the Security Trustee may request upon the occurrence of a Notification Event; and
- (iv) in the event that in the opinion of the Servicer based on the records maintained by it in accordance with this Agreement, there is no reasonable likelihood of there being any further realisations in respect of the Security which would be available to pay unpaid amounts outstanding under the Transaction Documents, deliver to the Security Trustee a certificate to that effect.

2.13 Maintenance of Purchased Receivable Records

(a) The Servicer shall:

- (i) procure that the Purchased Receivable Records are kept in safe custody in accordance with its Customary Operating Practices;
- (ii) not without the prior written consent of the Security Trustee part with possession, custody or control of the Purchased Receivable Records otherwise than to a solicitor or to a sub-contractor (and then on such terms as the Security Trustee may reasonably require) or pursuant to any applicable laws, regulations, judgments and other directions or orders to which it may be subject or otherwise as is necessary to enforce a claim against an Obligor;
- (iii) not destroy, and shall procure that the Purchased Receivable Records are not destroyed, otherwise than in accordance with its Customary Operating Practices and any applicable laws, regulations, judgments and other directions or orders to which it may be subject from time to time unless all Purchased Receivables and other sums payable under the relevant Financing Contract have been paid in full, and all obligations relating to the relevant Financing Contract have been discharged;
- (iv) inform the Issuer and the Security Trustee of the location at which the Purchased Receivable Records are kept as at the Closing Date and promptly notify the Issuer and the Security Trustee of any changes to such location effected after the Closing Date;

- (v) keep the Purchased Receivable Records in a form as will enable the terms of the Financing Contracts to be enforced;
- (vi) keep the Purchased Receivable Records in such manner as to ensure each is uniquely identifiable and distinguishable, by a reference number, from the records and other documents which relate to other agreements which are held by or on behalf of the Servicer;
- (vii) keep the Purchased Receivable Records so that each relevant file in relation to a Financing Contract is distinctively and uniquely marked with a reference number; and
- (viii) keep an index of all such reference numbers on the relevant computer.

2.14 **Storage and Delivery of Purchased Receivable Records to Security Trustee**

Following completion of the purchase of any Purchased Receivables, the Servicer will ensure that the Purchased Receivable Records in respect of the Ancillary Rights and the relevant Financing Contracts are held to the order of the Issuer and the Security Trustee.

2.15 **Provision of Information relating to Purchased Receivable Records**

- (a) Subject to the provisions of the Data Protection Rules and any successor legislation thereto, the Servicer shall provide information relating to the Purchased Receivable Records to the Issuer and the Security Trustee or to their order at any time upon reasonable request, provided that such directions do not require or result in the disclosure of any personal data to the Issuer.
- (b) Without prejudice to the generality of paragraph (a), in the event that the Parent (or any of its successors within the Volkswagen Group as parent of the Servicer) ceases to own (directly or indirectly) at least 50 per cent. of the issued share capital of VWFS, the Servicer shall:
 - (i) promptly deliver to the Issuer copies of the Purchased Receivable Records in respect of the Purchased Receivables outstanding at that time, in a format that the Issuer has confirmed in advance it is able to read; and
 - (ii) at the same time as providing each Servicer Report pursuant to paragraph 2.23 (*Reporting duties*), deliver to the Issuer updated copies of the Purchased Receivable Records in respect of the Purchased Receivables outstanding at that time, in a format that the Issuer has confirmed in advance that it is able to read.
- (c) To the extent permitted by applicable law, the Servicer will perform such acts as are necessary or desirable in the reasonable opinion of the Servicer in relation to the Purchased Receivables as regards compliance with FATCA or any other Tax Information Arrangement, or as are reasonably requested by the Issuer to assist it in complying with FATCA or any other Tax Information Arrangement including, but not limited to, conducting diligence as to the nationality or tax residence of the Obligor, providing information about the Purchased Receivables and the Obligor to any applicable tax authority or to the Issuer and obtaining from the Obligor waivers of any applicable bank secrecy, data protection or similar laws.

2.16 Access to Records

The Servicer shall, subject to any applicable laws, regulations, judgments and other directions or orders to which it may be subject, permit the Issuer and the Security Trustee and any other person reasonably nominated by the Issuer or the Security Trustee (which may include the Issuer's auditors) at any time during normal business hours (but not so as to disrupt the normal business of the Servicer) upon a reasonable notice to have access (subject to appropriate supervision provided by the Servicer, and provided that the Servicer shall not delay the provision of such supervision) to the Purchased Receivable Records and the Servicer Records.

2.17 Servicer Records

The Servicer shall keep and maintain in computer readable form at all times until the Final Maturity Date, or, where necessary, in paper form, a record:

- (a) on a Purchased Receivable by Purchased Receivable basis, of the amounts paid by and to each Obligor, any amount due by or to an Obligor and the balance from time to time outstanding on an Obligor's account, and separately in respect of all such payments the amounts thereof representing principal received and revenue received respectively and the amounts of principal received and revenue received in respect of each Monthly Period; and
- (b) of all material correspondence with Obligors, all in a manner which is consistent with the Transaction Documents and as may be necessary to enable the Servicer to perform its obligations under this Agreement and its Customary Operating Practices and for all tax and VAT purposes.

2.18 Further Information

(a) Servicer to perform calculations and prepare reports for Issuer and Security Trustee

To the extent reasonably practicable and, in addition to those reports required to be produced by the Servicer in accordance with this Agreement, the Servicer shall, subject to any applicable laws, regulations, judgments and other directions or orders to which it may be subject, and not more than once in any calendar month, prepare and deliver to the Issuer and the Security Trustee such further information and/or reports whether in writing or otherwise as the Issuer and the Security Trustee may reasonably require (save to the extent that, prior to a Notification Event Notice being served on the Obligors, such reports contain personal data unless such reports are being provided to the Security Trustee), within three Business Days of receiving such request, in connection with the Services. The Servicer shall undertake such calculations as necessary to provide the required reports, including the Servicer Report to the relevant Transaction Parties.

(b) Servicer to provide information to Auditors

The Servicer shall, subject to any applicable laws, regulations, judgments and other directions or orders to which it may be subject, permit audit and inspection by the Issuer and the Security Trustee and (subject to the making of a request to the Servicer for its consent on reasonable grounds by the Issuer on its behalf, (consent to such request not to be unreasonably withheld or delayed)) the Rating

Agencies or any firm of reputable auditors agreed with the Servicer, provide all information and access to books and records of the Issuer as the Issuer's auditors may reasonably require for the purpose of auditing the annual accounts of the Issuer. Such audit and inspection shall be (a) under the guidance of the Servicer; (b) during normal working hours; (c) on an annual basis or with reasonable frequency upon reasonable notice in writing; and (d) at the sole expense of the Issuer.

(c) **Benchmark Rate Modification**

The Servicer shall perform any Benchmark Rate Modification (as defined in Notes Condition 12 (*Amendments to Conditions and Benchmark Rate Modification*) and Loan Condition 11 (*Amendments to Conditions and Benchmark Rate Modification*) in accordance with Loan Condition 11.3 and Notes Condition 12(c).

2.19 **Reporting duties and duties under the Swap Agreement**

Reporting duties

(a) **Servicer Report**

The Servicer undertakes to report the following facts to the Issuer, the Security Trustee, the Rating Agencies, the Noteholders, the Account Bank, the Cash Administrator, the Paying Agent, the Registrar, the Subordinated Lender and the Swap Counterparties on each Servicer Report Performance Date in the form of the Servicer Report which shall be prepared and updated in accordance with paragraphs (ii) and (iii) below:

- (i) the Available Distribution Amount and the aggregate amount to be distributed in relation to each Note and the Subordinated Loan on the immediately following Payment Date;
- (ii) the repayment of the nominal amount attributed to each Note and to the Subordinated Loan as advanced together with the interest payment;
- (iii) the nominal amount still outstanding on each Note and the Subordinated Loan as at each respective Payment Date;
- (iv) the General Cash Collateral Amount remaining available on the immediately following Payment Date;
- (v) the sums corresponding to the administration fees and servicing fees;
- (vi) the Cumulative Net Loss Ratio;
- (vii) the Class A Actual Overcollateralisation Percentage and the Class B Actual Overcollateralisation Percentage;
- (viii) the applicable Class A Targeted Overcollateralisation Percentage and the applicable Class B Targeted Overcollateralisation Percentage;
- (ix) delinquency information for delinquency periods of up to 30 days, 30 to 60 days, 60 to 90 days, 90 to 120 days, 120 to 150 days, 150 to 180 days and greater than 180 days with respect to the number of delinquent Financing Contracts, the amount of delinquent Purchased Receivables

and the total outstanding Discounted Receivables Balance of delinquent Financing Contracts;

- (x) in the event of the final Payment Date, the fact that such date is the final Payment Date;
- (xi) stratification tables;
- (xii) the Buffer Release Amount;
- (xiii) information on the occurrence of an Early Amortisation Event;
- (xiv) the amortisation profile of the outstanding pool;
- (xv) the Class A Aggregate Discounted Receivables Balance Increase Amount and the Class B Aggregate Discounted Receivables Balance Increase Amount; and
- (xvi) the sum of the credit balances (deposits) on the previous Payment Date of the Obligors of the Purchased Receivables at bank accounts maintained with VWFS.

The Servicer shall list the amounts to be distributed for each Payment Date in the Order of Priority and will notify the parties listed above of the Interest Compensation Available Amount, the Interest Compensation Ledger Allocable Amount, the Interest Compensation Shortfall Amount, the Interest Compensation Shortfall Redemption Amount, the Interest Compensation Surplus Amount and the Interest Compensation Required Amount.

- (xvii) The Servicer shall provide the Cash Administrator with a first draft of the Servicer Report no later than 11:00 am London time on the fourth (4th) Business Day prior to each Servicer Report Performance Date which shall be complete other than in respect of the interest amounts payable in respect of the Notes and the amounts payable or to be received in respect of the Swap Agreement and shall update the Servicer Report with any corrections identified by the Cash Administrator;
- (xviii) Following receipt from:
 - (1) the Interest Determination Agent of (i) Compounded Daily SONIA and the interest rate for the related Interest Period and (ii) the interest amount payable on the next Payment Date; and
 - (2) the calculation agent under the Swap Agreement of amounts payable by the Issuer or the Swap Counterparty in respect of the Swap Agreement,

the Servicer will update the Servicer Report and, provide the Cash Administrator with a second draft of the Servicer Report no later than 11:00 am London time on the second (2nd) Business Day prior to each Servicer Report Performance Date and shall update the Servicer Report with any corrections identified by the Cash Administrator

- (xix) The Servicer shall, furthermore, provide the Rating Agencies with the reports and information which the latter reasonably need to maintain their

rating of the Notes. Moreover, the Servicer undertakes to inform the Rating Agencies about any proposed amendment to the Transaction Documents described herein, including a proposed amendment in respect of the parties.

(b) Securitisation Regulation – EU Reporting Requirements

- (i) VWFS as Servicer undertakes to the Issuer that, pursuant to the EU Securitisation Regulation, it will make the information available to the Lenders, to the Noteholders, to competent authorities, as referred to in Article 29 of the EU Securitisation Regulation and to potential Lenders and Noteholders, that the Issuer is required to make available pursuant to and in compliance with the Securitisation Regulation (EU) Disclosure Requirements. The Servicer will make such information available to the EU Securitisation Repository.
- (ii) For the purposes of Article 7(2) of the EU Securitisation Regulation, the Seller and the Issuer designate VWFS, in its capacity as originator, to fulfil the information requirements of Article 7(1) of the EU Securitisation Regulation.

(c) Securitisation Regulation – UK Reporting Requirements

- (i) VWFS as Servicer undertakes to the Issuer that, pursuant to the UK Securitisation Regulation, it will make the information available to the Lenders, to the Noteholders, to the FCA and to potential Lenders and Noteholders, that the Issuer is required to make available pursuant to and in compliance with the Securitisation Regulation (UK) Disclosure Requirements. The Servicer will make such information available on the website of the European Data Warehouse (UK) (<https://editor.eurowdw.co.uk/>). There is no requirement to report to a UK securitisation repository where the prospectus is not approved by the FCA.
- (ii) For the purposes of Article 7(2) of the UK Securitisation Regulation, the Seller and the Issuer designate VWFS, in its capacity as originator, to fulfil the information requirements of Article 7(1) of the UK Securitisation Regulation.

2.20 Loan Level data

Subject to the provisions of the Data Protection Rules and any successor legislation thereto, the Servicer may, for as long as the Class A Notes or (if possible in accordance with the Bank of England eligibility criteria in force from time to time) any other Class of Notes are intended to be held in a manner which will allow Bank of England eligibility, make loan level data in such a manner available as required to comply with the Bank of England eligibility criteria and transparency criteria for asset backed securities (as set out in the Detailed transparency requirements for asset backed securities and covered bonds - Market Notice dated 11 October 2019 as amended and applicable from time to time).

2.21 Services Insurance

(a) Servicer to effect insurance

The Servicer shall maintain or procure that there is maintained insurance to cover against loss or damage to Purchased Receivable Records held by the Servicer pursuant to this Agreement.

(b) Servicer to effect claims

If the Issuer or the Security Trustee is entitled to make a claim under any of the insurances effected in accordance with the provisions of this Part, the Servicer shall take such action as may reasonably be requested of it by the Issuer or the Security Trustee to enable any such claim to be made.

2.22 Computer systems

(a) Servicer to operate systems

The Servicer shall operate and maintain systems capable of providing data processing, management information and other related information technology requirements to enable it to carry out the Services.

(b) Servicer to maintain back-up facilities

The Servicer agrees to comply with its Customary Operating Practices as regards the maintenance of adequate back-up facilities and off-site disaster recovery facilities in relation to the systems including the maintenance of a duplicate set of the Purchased Receivable Records and the Servicer Records and any other information held in computer readable form at separate premises.

(c) Servicer to notify location of computer tapes

The Servicer shall notify the Issuer and the Security Trustee of the location of and any change in the location or storage of the duplicate computer tapes or discs maintained pursuant to paragraph 2.23(b).

(d) Conditions for duplicate computer tapes

The Servicer shall ensure that all duplicate computer tapes or discs shall be held by the person holding the same to the order of the Issuer and the Security Trustee in a manner in accordance with the Servicer's Customary Operating Practices.

2.23 Grant of Software Licence

(a) In connection with the provision of the Services to be provided under this Agreement in relation to the collection of the Purchased Receivables under the Financing Contracts and the administration of the Financing Contracts in accordance with its Customary Operating Practices, the Servicer:

(i) to the extent permitted by law, agrees to grant to the Issuer and to the Security Trustee and to any successor servicer on terms acceptable to such successor servicer, the Issuer and the Security Trustee, a licence to operate any software which relates to the Servicer Records to enable the Servicer Records to continue to be maintained; and

- (ii) agrees to take such other steps as are reasonably requested by the Issuer and/or the Security Trustee to enable a successor servicer to assume the role of Servicer.

SCHEDULE 2

Servicer Covenants

1. The Servicer shall devote such time and attention and shall exercise all such skill, care and diligence as necessary to ensure proper performance and discharge of the Servicer's obligations and undertakings contained in this Agreement;
2. The Servicer shall service the Purchased Receivables with due and proper regard to the principles and procedures set out in all applicable laws and regulations from time to time and in this Agreement;
3. The Servicer shall not unilaterally, without the agreement of the relevant Obligor, amend the terms of the Financing Contracts (or the rate of interest payable);
4. The Servicer shall ensure that all Ancillary Rights have been designated in the computer records of VWFS, as having been offered and, if applicable, sold to the Issuer under the Receivables Purchase Agreement;
5. Subject to and in accordance with the terms of this Agreement, the Servicer shall take all reasonable steps to recover any sums due to the Issuer and/or the Security Trustee from Obligors or any other third party;
6. To the extent practicable, the Servicer shall comply with any proper and reasonable directions, orders and instructions which the Issuer and the Security Trustee may from time to time give to it in accordance with the provisions of this Agreement and the other Transaction Documents and which are not inconsistent with the terms upon which it has been appointed under this Agreement nor with any applicable legal or regulatory requirements (and in the event of any conflict between the directions, order or instructions given by the Security Trustee and the Issuer, those of the Security Trustee shall prevail);
7. The Servicer shall perform any act required by any applicable legal or regulatory requirements to be performed and, so far as permitted by the applicable law, execute such further documents and perform such further acts as may be incidental to, or necessary in the opinion of the Issuer or the Security Trustee to give effect to, the relevant Transaction Documents;
8. The Servicer shall deliver to the Issuer (with a copy to the Security Trustee) on the Closing Date a list of the authorised signatories which have signed the Transaction Documents on behalf of the Servicer together with a specimen signature of each authorised signatory.
9. The Servicer shall maintain its registered office, its head office and its "**centre of main interests**", in England and Wales and will not move such offices to another jurisdiction. The term "centre of main interest" has the meaning given to it: in Article 3(1) (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).
10. The Servicer shall, as far as practicable, hold meetings of the board of directors in England and Wales and procure that the Servicer's management, and the place where the Servicer effects its central management and decision-making are, at all times, situated in England and Wales.

11. The Servicer shall not establish any "**establishment**", outside of England and Wales. The term "establishment" has the meaning given to it: in Article 2(10) (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).
12. The Servicer shall at all times, employ and ensure that there are adequate resources and suitably qualified personnel to execute, perform and undertake the tasks and perform the obligations which the Servicer agrees to undertake and perform under this Agreement and to maintain suitable premises and equipment compatible with its obligations hereunder;
13. The Servicer shall keep good, orderly and tidy credit, deed and other files including all material communications with all Obligors under the relevant Financing Contracts (including, without limitation, communication conducted by email, letter, phone or otherwise);
14. The Servicer shall undertake disaster recovery planning and testing in accordance with its Customary Operating Practices;
15. The Servicer shall use its best endeavours to obtain and keep in force all licences, approvals, registrations, authorisations and consents which may be necessary in connection with the performance of the Services and the other obligations contained in this Agreement and in particular any applicable licences or registrations under FSMA and the Data Protection Rules and any successor legislation thereto;
16. The Servicer shall comply with all legal requirements in the performance of the Services and the other obligations contained in this Agreement;
17. The Servicer shall file, record or enrol each relevant Transaction Document required to be filed, recorded or enrolled with any court or other authority in England and Wales and ensure that such recordings or enrolments are at all times maintained in accordance with any applicable legal or regulatory requirement;
18. The Servicer shall use all reasonable endeavours to procure that no set-off, counterclaims, credit, discount, allowance, right of retention or compensation, right to make any deduction or any other jurisdiction for the non-payment of any Purchased Receivables payable under any Financing Contract will at any time be allowed to arise;
19. The Servicer shall provide to the Issuer, the Security Trustee, the Account Bank, the Cash Administrator, the Rating Agencies, the Subordinated Lender and the Swap Counterparties the Servicer Report on the Servicer Report Performance Date;
20. The Servicer shall make all payments required to be made by it pursuant to this Agreement on the due date for payment thereof in the currency in which such payment is due for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim;
21. The Servicer shall, in accordance with its Customary Operating Procedures, if the Vehicle relating to a Financing Contract is:
 - (a) required to be returned by the Obligor to VWFS either:
 - (i) in accordance with the terms of the Financing Contract; or

- (ii) upon the Obligor's exercise of a right given to it by law to terminate the Financing Contract early; or
 - (iii) at the end of the term of such Financing Contract; or
 - (iv) in the case of PCP Agreements, where the relevant Obligor has exercised its right to defer payment of the Final Rental Amount payable by such Obligor under the terms of such PCP Agreement; or
- (b) repossessed by the Servicer upon any default by the Obligor,

assist in the sale of the Vehicle, and, after deducting any fees incurred in the sale of such Vehicle, shall treat the remaining proceeds (except to the extent that the same relate to any Written-Off Purchased Receivables) as Collections and credit such amounts to the Distribution Account in accordance with this Agreement.

22. The Servicer shall (as soon as practicable after such event has come to its attention) give notice in writing to the Issuer, the Security Trustee and each of the Rating Agencies of any Servicer Replacement Event, or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate would constitute a Servicer Replacement Event unless (for the avoidance of doubt) (a) disclosure of the same would be contrary to applicable law or regulation or (b) in the case of any regulatory non-compliance, disclosure of the same would result in the Issuer, Security Trustee and Rating Agencies being made aware of such non-compliance prior to the FCA being made aware of the same and (only if necessary for the purposes of the notification to the FCA) the Servicer being able to (i) ascertain the extent of the non-compliance or (ii) formulate a remedial plan addressing the regulatory non-compliance. Once notification to the FCA has been made the Servicer shall notify the Issuer, the Security Trustee and each of the Rating Agencies of the Servicer Replacement Event forthwith;
23. 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 or of any breach of any undertaking given by the Seller in any relevant Transaction Documents, including, but not limited to, Clause 9 (*Warranties and Representations*) of the Receivables Purchase Agreement;
24. The Servicer shall promptly notify the Security Trustee in writing upon it becoming aware of:
- (a) commencement of any negotiation with its creditors generally for the rescheduling of all or substantially all of its debts;
 - (b) any pending or threatened legal procedures which, if adversely determined, might reasonably be expected materially and adversely to affect the ability of it to perform its obligations under this Agreement; and
 - (c) any circumstances which could reasonably be expected materially and adversely to affect its ability to perform its obligations under this Agreement or any Transaction Document to which it is a party;
25. The Servicer shall, if the Issuer or the Security Trustee so requires, join in any legal proceedings brought by the Issuer or the Security Trustee against any person;
26. The Servicer shall not take any steps or cause any steps to be taken in respect of the Ancillary Rights or any Collections, save in accordance with the terms of the relevant

Financing Contracts or the Transaction Documents or with prior written consent of the Security Trustee including:

- (a) the release of any Ancillary Rights from the Security;
 - (b) the material variation, novation, amendment, modification or waiver of any provision of any Financing Contract except in accordance with the Servicer's Customary Operating Practices or except in respect of any extension of the term of a Financing Contract within 12 (twelve) months from the original term of that Financing Contract as long as (i) such extension results in an increase in the term of the Financing Contract of no more than 12 (twelve) months, (ii) monthly instalments on such an extended Financing Contract are structured to maintain the equity proportion in line with original product parameters of such Financing Contract and (iii) such extension can only occur if the Obligor of the Financing Contract is not in arrears with its monthly instalments at the time such extension takes place;
 - (c) the assignment, transfer, sale, conveyance, discount, disposal of or dealing with any of the Ancillary Rights (other than the assignment and transfer under the Receivables Purchase Agreement of the Ancillary Rights);
 - (d) the grant, creation or existence of any encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) all of any of the Ancillary Rights or any Collections;
 - (e) permitting the release of any person from any obligation in respect of any of the Ancillary Rights except in accordance with the terms of the applicable Financing Contract; or
 - (f) any other action which could reasonably be expected to prejudice the validity or recoverability of any Purchased Receivables or which it could reasonably expect might otherwise adversely affect the benefit which the Issuer may derive from its interest in such Purchased Receivables.
27. The Servicer shall, if demanded, at least once in every year at the same time as the Issuer's audited accounts are delivered to the Security Trustee and in any event not later than 180 days after the end of the Issuer's financial year, and also at any other time within seven Business Days of a demand by the Security Trustee therefore, deliver to the Security Trustee a certificate signed by two directors of the Servicer to the effect that, to the best of their knowledge, information and belief, having made all reasonable enquiries
- (a) there did not exist, as at a date not more than seven days prior to the day of delivery of the certificate, any Servicer Replacement Event (or any event which, with the giving of notice and/or the lapse of time and/or the forming of any opinion, would become a Servicer Replacement Event) or, if such a Servicer Replacement Event (or other event as aforesaid) did then exist, specifying the same and the cause thereof; and
 - (b) during the period between the date as of which the last such certificate was given (or, in the case of the first such certificate, the date hereof) and the date as of which such annual or demanded certificate is given, the Servicer has complied with and observed in all material respects, all obligations and provisions binding upon it under this Agreement or (if such is not the case) giving details of the circumstances of such non-compliance or non-observance;

28. The Servicer shall arrange for the Issuer to exercise its rights (which, except as otherwise provided in this Agreement or the other Transaction Documents, shall not oblige the Issuer to exercise a right which is expressed in any Transaction Document (in whatever terms) to be exercisable at its option) and to perform its obligations under the relevant Transaction Documents and in relation to the Ancillary Rights in a timely manner and for due and complete payment of all payments due to be made by the Issuer;
29. The Servicer shall, as soon as they become available but in any event within 180 days after the end of each accounting reference period of the Servicer falling on or after the Closing Date, deliver to the Security Trustee, the Issuer and each of the Rating Agencies, electronic copies of its annual audited balance sheet, profit and loss account and directors' report together with any other documents annexed thereto;
30. The Servicer shall at all times give to the Security Trustee such information and evidence as the Security Trustee and any persons appointed by the Security Trustee shall require (and which it is reasonably practicable to produce) for the purpose of the discharge of the duties, trusts, powers, authorities and discretions vested in the Security Trustee by or pursuant to the Deed of Charge and Assignment or any other relevant Transaction Document;
31. The Servicer shall provide the Rating Agencies with any such information as they reasonably request;
32. The Servicer shall, at any time after the occurrence of a Servicer Replacement Event, an Early Amortisation Event or a Foreclosure Event, subject to applicable legislation or regulations relating to data protection, commencing on a Business Day agreed between the Servicer and the Security Trustee, permit the Security Trustee (or its agents or representatives) during regular business hours to conduct a review of the Purchased Receivables and the related books and Servicer Records and collection systems of the Servicer. All commercially reasonable costs and other expenses related to any such visit shall (i) prior to the occurrence of an Insolvency Event affecting the Servicer, be payable by the Servicer, and (ii) after the occurrence of such Insolvency Event, be payable by the Issuer;
33. The Servicer shall prepare, maintain and safeguard all Purchased Receivable Records and Servicer Records in accordance with its Customary Operating Practices. The Servicer shall not be required to mark or segregate Purchased Receivables, but the Servicer's electronic records with respect to Purchased Receivables shall be marked or otherwise formatted so as to facilitate identification of such information. The Servicer shall hold all Purchased Receivable Records for the benefit of the Issuer and the Security Trustee;
34. The Servicer hereby covenants with the Issuer:
 - (a) to maintain (and regularly update) a list of those officers or other persons working for it, whether as employee, agent, contractor or consultant, who have actual or potential access to Relevant Information and shall transmit such list to any relevant governmental or regulatory authority upon request by such authority;
 - (b) promptly to inform the Issuer of any information in its possession that it may reasonably determine to be Relevant Information; and
 - (c) promptly to assist the Issuer in making such disclosures of Relevant Information (if any) as the Issuer may be required to do in accordance with the provisions of the

Transaction Documents and of the Market Abuse Regulation (596/2014) on market abuse and any rules issued by the Commission de Surveillance du Secteur Financier (CSSF) pursuant thereto but otherwise not to disclose any Relevant Information;

35. Upon any Insolvency Event of VWFS, either (i) the Issuer will pay, or (ii) the Servicer will (on behalf of the Issuer) procure the payment by the Issuer of any Administrator Recovery Incentive as may be necessary, to enable the Insolvency Official of VWFS to sell any Vehicles financed by Purchased Receivables which are outstanding and the Servicer shall liaise with such Insolvency Official to effect the realisation of any Collections related thereto.