This document constitutes a base prospectus in respect of non-equity securities within the meaning of Article 8 of Regulation (EU) 2017/1129 (the "**Base Prospectus**").

BASE PROSPECTUS

VCL MASTER RESIDUAL VALUE S.A.

acting with respect to its Compartment 2

(*incorporated with limited liability in Luxembourg with registered number B184029*)

as Issuer

EUR 12,000,000,000 Programme for the Issuance of Notes
(the "Programme")

Under this Programme, VCL Master Residual Value S.A. (the "**Issuer**") acting with respect to its Compartment 2 may from time to time issue asset backed Class A Notes and asset backed Class B Notes (together the "**Notes**") denominated in Euro (subject always to compliance with all legal and/or regulatory requirements).

In this Base Prospectus, a reference to the Issuer without any specific reference to its Compartment(s) means that the Issuer is acting with respect to its Compartment 2.

This Base Prospectus supersedes and replaces the Base Prospectus dated 23 March 2026.

The Issuer will issue the relevant Class of Notes in series with different issue dates, interest rates and scheduled repayment dates (but having the same interest payment dates) (each a "**Series**"). For each issue of Notes final terms to this Base Prospectus (each such final terms referred to as "**Final Terms**") will be provided as a separate document. The Final Terms must be read in conjunction with the Base Prospectus.

The proceeds of any Notes will be used to finance the purchase by the Issuer of Residual Values in the form of expectancy rights (*Eigentumsanwartschaftsrecht;* the "**Expectancy Rights**"). Such Expectancy Rights result from the security title to the related Leased Vehicles (which has been transferred in connection with the sale of the Lease Receivables to the Relevant Lease Receivables Purchaser and further to the Relevant Security Trustee) being automatically retransferred to the Seller upon the satisfaction of certain conditions. The Issuer transfers such Expectancy Rights on to the Expectancy Rights Trustee for the benefit of the Programme Creditors and the Expectancy Rights Trustee will acquire full legal title to the Leased Vehicle, for which it acquired the related Expectancy Right only at the point in time when such conditions have been satisfied – and not at the Closing Date or the Additional Purchase Date, as applicable.

Each Note entitles the holder to demand the payment of a particular amount of interest and/or principal only, if and to the extent such amounts have been received by the Issuer from the Expectancy Rights Collection Amount, from the Cash Collateral Account, from the enforcement of the Security with respect to the Expectancy Rights and from the Swap Agreements. The sum of the Nominal Instrument Amount plus the overcollateralisation amount plus the Subordinated Loan equals the present value of the Purchased Expectancy Rights discounted to the relevant Cut-Off Date using the Expectancy Rights Discount Rate. In case of realisation of the Leased Vehicle and/or utilisation of the Cash Collateral Account to the extent any shortfall of Purchased Expectancy Rights is fully covered thereby, and subject to receipt in full of the amounts payable under the Swap Agreements each holder of a Note is entitled to payment of the principal amount plus interest calculated at a percentage rate *per annum* being the sum of one-month EURIBOR plus the applicable Senior Instrument Interest Rate or Junior Instrument Interest Rate, in each case with reference to the principal amount of each Note remaining outstanding immediately prior to the time of each payment and published pursuant to Condition 12. Payments of principal and interest on each series of Notes will be made monthly in arrear on the 25th day of each month in each year or, in the event such date is not a Business Day, on the next following Business Day unless that day falls in the next calendar month in which case the date will be the first preceding day that is a Business Day.

This Base Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") of Luxembourg in its capacity as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the Luxembourg law dated 16 July 2019 on prospectuses for securities (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Prospectus Law**"). Such approval should not be considered as an endorsement of the quality of the Notes that are subject to this Base Prospectus or an endorsement of the Issuer that is subject to this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. In the context of such approval, the CSSF neither assumes any responsibility nor gives any undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with Article 6(4) of the Luxembourg Prospectus Law. Application will be made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market upon their issuance. The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EU. This Base Prospectus constitutes, a prospectus for the purpose of Article 8 of the Prospectus Regulation, and, will be published in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com). The validity of this Base Prospectus will expire on [22 September 2027]. After such date there is no obligation of the Issuer to issue supplements to this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies. This Base Prospectus is published on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com).

Any website referred to in this Base Prospectus does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF, except for any website referred to in the section of this Base Prospectus headed "**DOCUMENTS INCORPORATED BY REFERENCE**".

Each of the Notes in the denomination of EUR 100,000 will be governed by the laws of Germany and will be represented by a global registered note (each a "**Global Note**"), without interest coupons. Each Global Note shall be deposited with a Common Depositary for Clearstream Banking *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") and be held in book-entry form only. The Global Notes will not be exchangeable for definitive notes. The Notes are not Eurosystem eligible. See "**OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES – Global Notes**."

Ratings will be assigned to the Rated Notes by DBRS Ratings GmbH ("**DBRS**"), and S&P Global Ratings Europe Limited ("**S&P Global**"). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union ("**EU**") and registered under Regulation (EC) No 1060/2009 of the European Parliament, as amended from time to time ("**CRA3**"). Each of DBRS and S&P Global has been registered in accordance with the CRA3 and is established in the European Union. Reference is made to the list of registered or certified credit rating agencies published by ESMA, as last updated on [10 July 2024], which can be found on the website http://www.esma.europa.eu/supervision/credit-rating-agencies/risk. The assignment of ratings to the Rated Notes or an outlook on these ratings is not a recommendation to invest in the Rated Notes and may be revised, suspended or withdrawn at any time.

In accordance with CRA3 as it forms part of domestic law of the United Kingdom by virtue of the EUWA and as amended by the Credit Rating Agencies (Amendment, etc) (EU Exit) Regulations 2019 (the "**UK CRA Regulation**"), the credit ratings assigned to the Rated Notes by DBRS and S&P Global will be endorsed by DBRS Ratings Limited and S&P Global Ratings UK Limited, as applicable, being rating agencies which are registered with the Financial Conduct Authority. UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered or certified under the UK CRA Regulation.

Amounts payable under the Notes will be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**"), which is provided by European Money Markets Institute, with its office in Brussels, Belgium (the "**Administrator**"). As at the date of this Base Prospectus, the Administrator does appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011, as amended, (the "**Benchmarks Regulation**").

Securitisation Regulation

The Seller, in its capacity as originator, will retain for the life of the Programme a material net economic interest of not less than 5 per cent. in the Programme in accordance with Article 6(3)(d) of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (the "**Securitisation Regulation**") and undertakes that it will not reduce, hedge or otherwise mitigate its credit exposure to the material net economic interest for the purposes of Article 6(1) of the Securitisation and Article 7 of the Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023 on supplementing the Securitisation Regulation with regard to regulatory technical standards specifying in greater detail the risk retention requirements for originators, sponsors, original lenders and services (the "**RRTS**") adopted by the Commission pursuant to Article 6(7) of the EU Securitisation Regulation, provided that the level of retention may reduce over time in compliance with Article 10 (2) of the RRTS. As of the Issue Date, the retention will in accordance with Article 6(3)(d) of the Securitisation Regulation, and, pursuant to Article 7 of the RRTS, be comprised of the first loss tranche being the sum of (i) amounts required for overcollateralisation purposes (which shall include, for the avoidance of doubt, amounts standing to the credit of the Accumulation Account from time to time), (ii) the amount as set forth in connection with the issuance of the relevant Notes for the endowment of the Cash Collateral Account to equal the Specified General Cash Collateral Account Balance and (iii) the Subordinated Loan, such sum being equivalent to no less than 5 per cent. of the nominal value of the securitised exposures.

The Servicer will prepare Monthly Servicer Reports wherein relevant information with regard to the Purchased Expectancy Rights will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller with a view to complying with Article 7 of the Securitisation Regulation.

Each prospective investor is required to independently assess and determine the sufficiency of the information described in the preceding paragraphs of this section and in this Base Prospectus generally for the purposes of complying with Article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Arranger, the Swap Counterparties, the Lead Manager, nor the Programme Parties makes any representation that the information described above or in this Base Prospectus generally is sufficient in all circumstances for such purposes. In addition, each prospective investor should ensure that it complies with the implementing provisions in respect of the Securitisation Regulation as applicable in its relevant jurisdiction. Prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator and/or independent legal advice on the issue.

Pursuant to Article 27(1) of the Securitisation Regulation, the Seller notified the European Securities Markets Authority ("**ESMA**") that the Programme meets the requirements of Articles 19 to 22 of the Securitisation Regulation (the "**STS Notification**"). Purpose of the STS Notification is to set out how in the opinion of the Seller each requirement of Articles 19 to 22 of the Securitisation Regulation has been complied with. As the Programme is classified as STS, the most recent STS Notification is available for download on the website of ESMA. The STS Notification has been made in accordance with the requirements of Commission Delegated Regulation (EU) 2020/1226. ESMA is obliged to maintain on its website a list of all securitisations which the originators and sponsors have notified as meeting the STS Requirements in accordance with Article 27(5) of the Securitisation Regulation. For this purpose, ESMA has set up a register under https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_stsre.

The Seller accepts responsibility for the information set out in this section "**Securitisation Regulation**".

The Seller has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Seller in this regard broadly include the following:

(a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits, as to which please see further the section of this Base Prospectus headed "**BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH**" and "**ADMINISTRATION OF THE PURCHASED EXPECTANCY RIGHTS AND FINAL PAYMENT RECEIVABLES UNDER THE SERVICING AGREEMENT**";

(b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of

the Seller – please see further the section of this Base Prospectus headed "**ADMINISTRATION OF THE PURCHASED EXPECTANCY RIGHTS AND FINAL PAYMENT RECEIVABLES UNDER THE SERVICING AGREEMENT**";

(c) diversification of credit portfolios given the Seller's target market and overall credit strategy, as to which, in relation to the Portfolio, please see the section of this Base Prospectus headed "**DESCRIPTION OF THE PORTFOLIO**";

(d) policies and procedures in relation to risk mitigation techniques, as to which please see further the sections of this Base Prospectus headed "**BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH**" and "**ADMINISTRATION OF THE PURCHASED EXPECTANCY RIGHTS AND FINAL PAYMENT RECEIVABLES UNDER THE SERVICING AGREEMENT**".

For a discussion of significant factors affecting investments in the Notes, see "RISK FACTORS".

For reference to the definitions of capitalised terms appearing in this Base Prospectus and certain interpretation rules, see "**THE MASTER DEFINITIONS SCHEDULE**".

Arranger

Crédit Agricole Corporate and Investment Bank

Lead Manager

Crédit Agricole Corporate and Investment Bank

The date of this Base Prospectus is [22 September 2026].

The Issuer accepts full responsibility for the information contained in this Base Prospectus and any Final Terms. Subject to the foregoing, the Issuer has taken all reasonable care to ensure that the information given in this Base Prospectus and the Final Terms is to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import and the Issuer has taken all reasonable care to ensure that the information stated herein is true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. VWL as the Seller and Servicer only accepts full responsibility for information in this Base Prospectus and, if any, in the Final Terms relating to the Purchased Expectancy Rights, the disclosure of servicing related risk factors, risk factors relating to the Purchased Expectancy Rights, the information contained in "**DESCRIPTION OF THE PORTFOLIO**", "**BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH**", "**ADMINISTRATION OF THE PURCHASED EXPECTANCY RIGHTS AND FINAL PAYMENT RECEIVABLES UNDER THE SERVICING AGREEMENT**" and "**BUSINESS AND ORGANISATION OF VOLKSWAGEN LEASING GMBH**". VWL has taken all reasonable care to ensure that the information for which it accepts responsibility is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import. The Lead Manager accepts full responsibility for the information contained in "**WEIGHTED AVERAGE LIFE OF THE NOTES**" (subject to the qualifications in such section), except that to the extent there is any inaccuracy resulting from information provided by VWL to the Lead Manager, in which case VWL is solely responsible for such information.

No person has been authorised to give any information or to make any representations, other than those contained in this Base Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, VWL, the VCL Master Security Trustee, the Expectancy Rights Trustee, the Servicer, the Data Protection Trustee, the Lead Manager or by the Arranger shown on the cover page or any other parties described in this Base Prospectus. The Lead Manager does not take responsibility for the subscription, sale or other matters in connection with the issue of any Notes under this Base Prospectus except to the extent that the Lead Manager takes part in such issue as manager, underwriter, selling agent or in similar capacity. The delivery of this Base Prospectus does not imply any assurance by the Issuer, VWL, the VCL Master Security Trustee, the Expectancy Rights Trustee, the Servicer, the Data Protection Trustee, the Lead Manager or by the Arranger shown on the cover page or any other parties described in this Base Prospectus that this Base Prospectus will continue to be correct at all times during the one-year period of validity except that the Issuer will publish a supplement to this Base Prospectus if and when required pursuant to Article 23 of the Prospectus Regulation. Any such supplement will be published on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com).

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any

retail investor in the United Kingdom may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MIFID II product governance / Professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Neither the Issuer nor VWL has undertaken any target market assessment or assumes responsibility for the results thereof.

The Notes at all times may not be purchased, without the prior consent of the Seller, by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Each purchaser of Notes, including beneficial interests therein, will be deemed to, and in certain circumstances will be required to, represent and agree that (1) it is not a Risk Retention U.S. Person (2) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note to a U.S. person; and (3) it is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except (i) pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act and (ii) in accordance with an exemption from the U.S. Risk Retention Rules.

The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section _.20 of the U.S. Risk Retention Rules and no other steps have been taken by the Issuer, the Seller, the Arranger, the Lead Manager or any of their affiliates or any other party to accomplish such compliance.

Neither the delivery of this Base Prospectus or any Final Terms nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Base Prospectus is correct at any time subsequent to the date hereof, or (ii) that there has been no adverse change in the financial situation of the Issuer or with respect to VWL since the date of this Base Prospectus or the balance sheet date of the most recent relevant financial statements or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. This does not affect the obligation of the Issuer to file a supplement in accordance with Article 23 of the Prospectus Regulation. Any such supplement will be published on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com).

No action has been taken by the Issuer, the Lead Manager and the Arranger other than as set out in this Base Prospectus that would permit a public offering of the Notes, or possession or distribution of this Base Prospectus, any Final Terms or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus (or any part hereof) or any Final Terms, nor any advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer, the Lead Manager and the Arranger have represented that all offers and sales by them have been made on such terms.

Neither this Base Prospectus nor any Final Terms constitutes an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of any offer

to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Base Prospectus (or of any part thereof) or any Final Terms and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus (or any part thereof) comes are required by the Issuer, the Lead Manager and the Arranger to inform themselves about and to observe any such restrictions. Neither this Base Prospectus nor any Final Terms constitute, or may be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Base Prospectus (or of any part thereof) or any Final Terms see "**SUBSCRIPTION AND SALE**".

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, NOR HAS THE ISSUER BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT"). THE ISSUER WILL BE RELYING ON AN EXCLUSION OR EXEMPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT CONTAINED IN SECTION 3(C)(1) OF THE INVESTMENT COMPANY ACT, ALTHOUGH THERE MAY BE ADDITIONAL STATUTORY OR REGULATORY EXCLUSIONS OR EXEMPTIONS AVAILABLE TO THE ISSUER.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, legal advisor, accountant or other financial adviser.

An investment in the Notes that are the subject of this Base Prospectus is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment (including the total loss of the amount invested in the Notes together with the expenses incurred for purchasing and holding the Notes).
It should be remembered that the price of securities and the expected income from them may decrease.

Neither the Arranger nor the Lead Manager has verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arranger or the Lead Manager as to the accuracy or completeness of the information contained in this Base Prospectus and any Final Terms, except for such information for which a responsibility of the Arranger or the Lead Manager is explicitly provided for. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved.

OVERVIEW

Revolving Period	The period from (and including) the Closing Date and ending on (but excluding) the earlier of (i) the Instrument Revolving Period Expiration Date of the last outstanding Instrument and (ii) the occurrence of an Early Amortisation Event.
Expected Ratings on Initial Issue Date and any Further Issue Date for all Series of Rated Class A Notes	AAA (sf) by DBRS AAA (sf) by S&P Global
Expected Ratings on Initial Issue Date and any Further Issue Date for all Series of Rated Class B Notes	At least AA(low) (sf) by DBRS At least AA- (sf) by S&P Global Each of DBRS and S&P Global is established in the European Union. According to the press release from European Securities Markets Authority ("**ESMA**") dated 31 October 2011, DBRS and S&P Global have been registered in accordance with the CRA3. Reference is made to the list of registered or certified credit rating agencies published by ESMA which can be found on following website https://www.esma.europa.eu/supervision/credit-rating-agencies/risk. In accordance with the UK CRA Regulation, the credit ratings assigned to the Rated Notes by DBRS and S&P Global will be endorsed by DBRS Ratings Limited and S&P Global Ratings UK Limited, as applicable, being rating agencies which are registered with the Financial Conduct Authority.
Form	Global registered notes held by a common depositary for Euroclear and Clearstream Luxembourg.
Listing and Admission to Trading	Application will be made for listing on the official list of the Luxembourg Stock Exchange and for admission to trading of the Notes at the regulated market of the Luxembourg Stock Exchange
Clearing	Clearstream, Luxembourg/ Euroclear

KEY MINIMUM REQUIRED RATING DURING THE TERM OF THE PROGRAMME		
	Short-term ratings	**Long-term ratings**
Account Bank Required Rating		"A" from DBRS ***or*** DBRS Critical Obligations Rating of "A (high)" ***and***
		"BBB" from S&P Global
Eligible Swap Counterparty (without collateral)		"A" from DBRS ***or*** DBRS Critical Obligations Rating of "A"
		Counterparty ratings for the S&P Collateral Framework Option then in effect pursuant to the Swap Agreement.

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GENERAL DESCRIPTION OF THE PROGRAMME

*The following section, which constitutes the general description of the Programme pursuant to Article 25 of Commission Delegated Regulation (EU) 2019/980, must be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere herein and in the relevant Final Terms. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole. Capitalised terms not specifically defined in this "**GENERAL DESCRIPTION OF THE PROGRAMME**" have the respective meanings set out in the section "**MASTER DEFINITIONS SCHEDULE**".*

***Only the Notes are the subject of this Base Prospectus**. However, since the conditional retransfer of collateral granted for security purposes to Compartment 1 of VCL Master S.A. creates the Expectancy Rights to be sold to the Issuer, the principle features of the VCL Master Instruments have been described as well for the sake of completeness.*

The Programme is an EUR 12,000,000,000 Programme for the issuance of the Notes under which the Issuer may from time to time issue asset backed notes denominated in Euro (subject always to compliance with all legal and/or regulatory requirements). The applicable terms of any Notes will be agreed between the Issuer and the relevant purchaser prior to the issue of the Notes and will be set out in the Notes Conditions attached to, or incorporated by reference into, the relevant Global Note representing such Notes, as completed by the applicable Final Terms attached to, or incorporated by reference into, such Global Note (see "**TERMS AND CONDITIONS OF THE NOTES – 1. Form and Nominal Instrument Amount**" below for further detail). In addition the Issuer may request Advances under Schuldschein Loans.

THE PARTIES

Issuer	VCL Master Residual Value S.A., acting with respect to its Compartment 2, a securitisation company within the meaning of the Luxembourg law of 22 March 2004 on securitisation, as amended ("**Luxembourg Securitisation Law**"), 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg, registered with the trade and companies register under number B184029. The Issuer has elected its Articles of Incorporation (*Statuts*) to be governed by the Luxembourg Securitisation Law. The exclusive purpose of the Issuer is to enter into one or more securitisation transactions, each via a separate compartment ("**Compartment**") within the meaning of the Luxembourg Securitisation Law. The Instruments will be funding the securitisation transactions of the Issuer. The Legal Entity Identifier (LEI) of the Issuer is: 5299002NC4CH843RN751.
VCL Master S.A.	VCL Master S.A., acting with respect to its Compartment 1, a securitisation company within the meaning of the Luxembourg law of 22 March 2004 on securitisation, as amended ("**Luxembourg Securitisation Law**"), 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg, registered with the trade and companies register under number B149052. VCL Master S.A. has elected its Articles of Incorporation (*Statuts*) to be governed by the Luxembourg Securitisation Law.
Foundation	Stichting CarLux, a foundation duly incorporated and validly existing under the laws of The Netherlands, having its registered office at Museumlaan 2, 3581HK Utrecht, The Netherlands and registered with the trade register of the Chamber of Commerce under number 34283304 (the "**Foundation**"). The Foundation owns all of the issued shares of the Issuer. The Foundation does not have shareholders and would distribute any profits received from the Issuer (if any) to charitable organizations.

VCL Master Residual Value S.A., Compartment 2	Compartment 2 of the Issuer has been created by a decision of the board of directors of the Issuer taken on 3 November 2015.
VCL Master S.A., Compartment 1	Compartment 1 of VCL Master S.A. relating to the issue and raising of the VCL Master Instruments has been created by a decision of the board of directors of VCL Master S.A. taken on 18 December 2009.
Seller	Volkswagen Leasing GmbH, Gifhorner Straße 57, 38112 Braunschweig, Federal Republic of Germany.
Servicer	Volkswagen Leasing GmbH, Gifhorner Straße 57, 38112 Braunschweig, Federal Republic of Germany.
Arranger	Crédit Agricole Corporate and Investment Bank, 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France.
Lead Manager	Crédit Agricole Corporate and Investment Bank, 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France.
Swap Counterparty:	[●]
Subordinated Lender	An Affiliate of Volkswagen AG (the "**Subordinated Lender**") will provide the Subordinated Loan to the Issuer.
Cash Collateral Account Bank	The Bank of New York Mellon, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.
Distribution Account Bank	The Bank of New York Mellon, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.
Accumulation Account Bank	The Bank of New York Mellon, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.
Cash Administrator	The Bank of New York Mellon, Frankfurt Branch, MesseTurm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.
Expectancy Rights Trustee	Intertrust Trustees Limited, 5 Churchill Place, 10th Floor, London E14 5HU, United Kingdom.
Data Protection Trustee	Amsterdamsch Trustee's Kantoor B.V., Basisweg 10, 1043 AP Amsterdam, The Netherlands.
Principal Paying Agent	The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom.
Interest Determination Agent	The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom.
Calculation Agent	The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom.
Registrar	The Bank of New York Mellon SA/NV, Luxembourg Branch, Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg.
Corporate Services Provider	Circumference FS (Luxembourg) S.A., 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg.
Rating Agencies	DBRS and S&P Global.
English Process Agent	CSC Capital Markets UK Limited, 10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom.

Clearing Systems	Clearstream Banking S.A. (CBL), a company incorporated as a *société anonyme* under the laws of the Grand Duchy of Luxembourg, having its registered office at 42, avenue J.F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-9248 and Euroclear Bank NV./SA., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

THE NOTES

Notes	The subject of this Base Prospectus are the Notes which may be issued under the Programme by the Issuer on any date prior to the Payment Date falling in [January 2035] (the "**Programme Maturity Date**"), all as further described herein. With respect to payment of interest and principal, all Series of Class A Notes rank *pari passu* amongst themselves and with the Senior Schuldschein Loans but rank senior to all Series of Class B Notes and Junior Schuldschein Loans. With respect to payment of interest and principal, all Series of Class B Notes rank *pari passu* amongst themselves and with the Junior Schuldschein Loans but rank junior to all Series of Class A Notes and the Senior Schuldschein Loans.
Issue Dates	A Series of Class A Notes or Class B Notes may be issued on any Payment Date falling (i) in the case of Further Notes of an existing Series of Class A Notes or an existing Series of Class B Notes prior to (but excluding) the Instrument Revolving Period Expiration Date applicable to such Series, or (ii) in the case of Further Notes of a different Series on any Payment Date prior to the Programme Maturity Date (each such Payment Date a "**Further Issue Date**").
Capital structure:	The capital structure with regards to the issuance of Further Instruments under this Base Prospectus shall be as follows:

Senior Instrument Increase Amount:	57.20%*
Junior Instrument Increase Amount:	11.00%*
Subordinated Loan increase percentage:	28.80%
Further Expectancy Rights Overcollaterisation Percentage:	3.00%*
Total:	100%*

* Percentages are in relation to the Further Discounted Expectancy Rights Balance

	Furthermore, along with each issuance of Further Instruments under the Programme the Cash Collateral Account balance shall be increased so as to be equal to 2.00 per cent. of the aggregate outstanding principal amount of all Instruments on the relevant Further Issue Date after application of the applicable Order of Priority on such Further Issue Date.
Interest and Principal	Each Note entitles the Noteholder thereof to receive from the Available Distribution Amount on each Payment Date interest at the rate specified in the relevant Final Terms (the interest rates for all Instruments referred to as the "**Senior Instrument Interest Rate**" and the "**Junior Instrument Interest Rate**", respectively) on the nominal amount of each such Note outstanding immediately prior to such Payment Date.

	As a consequence of the structure of the Notes and the Notes being governed by German law, the Senior Instrument Interest Rate and Junior Instrument Interest Rate cannot become negative. With respect to payments of interest and principal, particular attention should be paid to the risk factor descriptions as set forth in "**RISK FACTORS**" and in particular the risk factor outlined under "**RISK FACTORS - Liability and Limited Recourse under the Notes**".
Ratings	The Rated Senior Instruments are expected to be rated AAA (sf) by DBRS and AAA (sf) by S&P Global. The Rated Junior Instruments are expected to be rated at least AA(low) (sf) by DBRS and at least AA- (sf) by S&P Global. The ratings indicate the ultimate payment of principal and the timely payment of interest. The ratings should not be regarded as a recommendation by the Issuer, the Seller and Servicer (if different), the Lead Manager, the Arranger, the Expectancy Rights Trustee, the Principal Paying Agent, the Registrar, the Data Protection Trustee, the Interest Determination Agent, the Calculation Agent, the Swap Counterparties, the Account Bank or the Rating Agencies to buy, sell or hold the Notes; the ratings are subject to revision or withdrawal at any time. Each of DBRS and S&P Global is established in the European Union. According to the press release from European Securities Markets Authority ("**ESMA**") dated 31 October 2011, DBRS and S&P Global have been registered in accordance with the CRA3. Reference is made to the list of registered or certified credit rating agencies published by ESMA which can be found on following website https://www.esma.europa.eu/supervision/credit-rating-agencies/risk. In accordance with the UK CRA Regulation, the credit ratings assigned to the Rated Notes by DBRS and S&P Global will be endorsed by DBRS Ratings Limited and S&P Global Ratings UK Limited, as applicable, being rating agencies which are registered with the Financial Conduct Authority.
Expectancy Rights Discount Rate	The Expectancy Rights Discount Rate is 6.84 per cent. *per annum*.
Expectancy Rights Discount Rate Variation Option	Under the Expectancy Rights Purchase Agreement and subject to certain conditions being met, the Issuer grants to the Seller an option to vary the Expectancy Rights Discount Rate with respect to: (a) the Purchased Expectancy Rights included in the Portfolio; and (b) the Additional Expectancy Rights to be purchased during the Revolving Period. See "**DESCRIPTION OF THE PORTFOLIO – Variation of Expectancy Rights Discount Rate**".
Discounted Expectancy Rights Balance	The Discounted Expectancy Rights Balance means at the end of any Monthly Period the present value of the remaining residual value represented by the Expectancy Rights, calculated using the Expectancy Rights Discount Rate.
Order of Priority	All payments of the Issuer under the Programme Documents have to be made subject to, and in accordance with, the Order of Priority. See "**TRUST AGREEMENT**".

Payment Dates	Each 25th day of a calendar month or, in the event such day is not a Business Day, then the next following Business Day, unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day, (each a "**Payment Date**").
Business Day	Business Day means any day on which the T2 System is open for business, *provided that* this day is also a day on which banks are open for business in London and Luxembourg.
Revolving Period	The Revolving Period means the period from (and including) the Closing Date and ending on (but excluding) the earlier of (i) the Instrument Revolving Period Expiration Date of the last outstanding Instrument and (ii) the occurrence of an Early Amortisation Event.
Instrument Revolving Period Expiration Date	The Instrument Revolving Period Expiration Date means (a) with respect to each Schuldschein Loan the revolving period expiration date as specified for such Schuldschein Loan in the Loan Conditions; and (b) with respect to each Series of Notes the Instrument Revolving Period Expiration Date as specified for such Series in the applicable Final Terms, or as may have been subsequently extended in accordance with the Notes Conditions.
Available Distribution Amount	The "**Available Distribution Amount**" on each Payment Date shall equal the sum of the following amounts: (a) the Expectancy Rights Collection Amount, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus (b) any interest accrued on the Accumulation Account and the Distribution Account; plus (c) any Net Swap Receipts under the Swap Agreements and any other amounts included in the Available Distribution Amount pursuant to clause 20 *(Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement; plus (d) payments from the Cash Collateral Account as provided for in clauses 22.2 (*Cash Collateral Account*) of the Trust Agreement; plus (e) payments from the VCL Master Distribution Account made on the immediately preceding Payment Date; plus (f) any settlement amount received from VWL pursuant to clause 6.5(b) of the Expectancy Rights Purchase Agreement; plus (g) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus (h) any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Notes in accordance with Condition 9(b); plus (i) any amount to be debited from the Buffer Release Reserve Ledger on such Payment Date subject to and in accordance with the relevant mechanics of the Buffer Release Reserve Ledger; plus

	(j) any Negative Buffer Release Amount, until a Reserve Trigger Event has occurred and the Buffer Release Reserve has been funded; less (k) any Positive Buffer Release Amount, provided that no Credit Enhancement Increase Condition is in effect. For the avoidance of doubt if a Credit Enhancement Increase Condition is in effect, the Positive Buffer Release Amount will remain forming part of the Available Distribution Amount as part of the Expectancy Rights Collection Amount under limb (a) of the definition of Available Distribution Amount.
Distribution Account	The Distribution Account of the Issuer is maintained with The Bank of New York Mellon, Frankfurt Branch, into which the Servicer remits Expectancy Rights Collection Amount.
Applicable Law	The Notes are governed by the laws of Germany.
Tax Status of the Notes	See "**TAXATION**".
Selling Restrictions	See "**SUBSCRIPTION AND SALE - Selling Restrictions**".
Clearing Codes for the Notes	The Clearing Codes for Notes will be set out in the relevant Final Terms.
Listing and Admission to Trading	Application will be made for the Notes to be issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading at the regulated market of the Luxembourg Stock Exchange.

Schuldschein Loans

Senior Schuldschein Loans and Junior Schuldschein Loans	Under the Programme Agreement, the Issuer may request from each Lender an Advance under a Senior Schuldschein Loan or a Junior Schuldschein Loan, as applicable. Each Schuldschein Loan shall be evidenced by a certificate of indebtedness (*Schuldschein*). With respect to payment of interest and principal, all Senior Schuldschein Loans rank *pari passu* amongst themselves and with all Series of Class A Notes but rank senior to all Series of Class B Notes and Junior Schuldschein Loans. With respect to payment of interest and principal, all Junior Schuldschein Loans rank *pari passu* amongst themselves and with all Series of Class B Notes but rank junior to all Series of Class A Notes and the Senior Schuldschein Loans. For the avoidance of doubt, the Schuldschein Loans are not subject to and are not offered under this Base Prospectus.
Issue Dates	Senior Schuldschein Loans and Junior Schuldschein Loans may be advanced on any Payment Date prior to the Legal Maturity Date.
Ratings	The Senior Schuldschein Loans are rated, to the extent rated AAA (sf) by DBRS and AAA (sf) by S&P Global. The Junior Schuldschein Loans are rated, to the extent rated, at least AA(low) (sf) by DBRS and at least AA- (sf) by S&P Global. The ratings are subject to revision or withdrawal at any time.
Applicable Law	The Schuldschein Loans are governed by German law.
ASSETS AND COLLATERAL	The assets and collateral and backing payments under the VCL Master Instruments, the Instruments and the Subordinated Loan (together the "**Funding**") consist of the following:
Expectancy Rights	On the Initial Expectancy Rights Purchase Date, VWL has sold the Initial Expectancy Rights and the Initial Final Payment Receivables with related security to the Issuer under the Expectancy Rights Purchase Agreement. During the Revolving Period, VWL has the right to sell and transfer at its option on each Additional Purchase Date, Additional Expectancy Rights (all Initial Expectancy Rights and the Additional Expectancy Rights together the "**Expectancy Rights**") with related security under the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement. VWL has transferred legal title to the Leased Vehicles as collateral to the Relevant Lease Receivables Purchaser. The Relevant Lease Receivables Purchaser has transferred such title to the Leased Vehicles to the Relevant Security Trustee. Such transfer is subject to the resolutory conditions agreed between these parties. The legal title to the Leased Vehicles being automatically retransferred to VWL upon fulfilment of such resolutory conditions creates the Expectancy Rights in favour of the Seller. Such Expectancy Rights are governed by German law and sold by the Seller to the Issuer under the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement. If the Purchased Expectancy Rights and the related Lease Receivables should partially or totally fail to conform at the Closing Date or, respectively, with respect to Expectancy Rights to be purchased on an Additional Purchase Date, at such Additional Purchase Date, to the warranties given by VWL in the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement (for a detailed description of the warranties (eligibility criteria) which apply to the Expectancy Rights and the

	related Lease Receivables see "**DESCRIPTION OF THE PORTFOLIO – The Purchased Expectancy Rights under the Expectancy Rights Purchase Agreement and Warranties and Guarantees in relation to the Sale of the Purchased Expectancy Rights and Final Payment Receivables**) or an operational or IT-related issues arise in respect of a Purchased Expectancy Right and such failure or operational or IT-related issues materially and adversely affects the interests of the Issuer, the Lenders or the Noteholders resulting in an imbalance of the obligations of the Issuer *vis-à-vis* the Noteholders and the Lenders, then VWL shall have until the end of the Monthly Period which includes the 60th day (or, if VWL elects, an earlier date) after the date that VWL became aware or was notified of such breach or failure or operational or IT-related issues to cure or correct such breach or failure. Any such breach or failure or operational or IT-related issues will not be deemed to have a material and adverse effect if such breach or failure or operational or IT-related issues does not affect the ability of the Purchaser to receive and retain timely payment in full on the related Lease Contract or, respectively, full legal title to the Leased Vehicles being the subject of the related Expectancy Rights. If VWL does not cure or correct such breach or failure or operational or IT-related issues prior to such time, then VWL shall either (a) replace the Purchased Final Payment Receivables and the related Purchased Expectancy Rights affected by such breach which materially and adversely affects the interests of the Purchaser, the Lenders or the Noteholders, by taking into account the warranties and guarantees set out in clauses 6.1 and 6.2 of the Expectancy Rights Purchase Agreement, with a Final Payment Receivable and the related Expectancy Right the present value of which shall be at least the Settlement Amount on the Payment Date following the expiration of such period; or (b) settle any Purchased Final Payment Receivables and the related Purchased Expectancy Rights affected by such breach which materially and adversely affects the interests of the Issuer, the Lenders or the Noteholders on the Payment Date following the expiration of such period whereby any such settlement by VWL shall be at a price equal to the Settlement Amount.
Cash Collateral Account	The outstanding balance of the Cash Collateral Account on any Payment Date shall be (i) during the Revolving Period, an amount being equal to 2.00 per cent. of the aggregate outstanding principal amount of all Instruments after application of the applicable Order of Priority on the preceding Payment Date and (ii) after the Revolving Period, the lesser of (a) the Specified General Cash Collateral Account Balance on the last Payment Date of the Revolving Period and (b) the aggregate outstanding principal amount of the Instruments after application of the applicable Order of Priority on the preceding Payment Date. Drawings from the Cash Collateral Account will be made in accordance with the Order of Priority. The Cash Collateral Account will have a separate ledger, the Buffer Release Reserve Ledger.
Subordinated Loan	Subject to the terms of the Subordinated Loan Agreement, the Subordinated Lender may agree from time to time to grant additional advances up to a total amount of the Subordinated Loan of EUR 4,250,000,000, *provided that* the Subordinated Lender shall be required to grant additional advances to the extent required to increase the loan amount by the relevant Subordinated Loan Increase Amount or the Borrowing Base Cure Amount, as applicable. The Subordinated

	Loan serves as credit enhancement and ranks below the Instruments with respect to payment of interest and principal.
Overcollateralisation	As at the Closing Date, the Aggregate Discounted Expectancy Rights Balance exceeded the sum of the Nominal Instrument Amount of the Instruments and the nominal amount of the Subordinated Loan to provide overcollateralisation to the Instruments. During the Revolving Period overcollateralisation is also expected to be provided to the Instruments.
Buffer Release Reserve and Buffer Release Reserve Ledger	Within thirty (30) calendar days upon the occurrence of a Reserve Trigger Event which is outstanding, VWL will fund the Buffer Release Reserve in an amount such that the balance on the Buffer Release Reserve Ledger is equal to the Required Buffer Release Reserve Amount, which amount will be paid to the Cash Collateral Account and on the same day be credited by or on behalf of the Issuer to a separate ledger (the " **Buffer Release Reserve Ledger**"). Purpose of the Buffer Release Reserve is to cover any shortfalls in case the Buffer Release Rate is a negative number. Prior to the occurrence of a Reserve Trigger Event, any shortfalls due to the fact that the Buffer Release Rate is a negative number will be mitigated by the payment obligation of the Seller to pay the Negative Buffer Release Amount in accordance with clause 17.1 of the Expectancy Rights Purchase Agreement. On any Payment Date, upon the occurrence of a Reserve Trigger Event, the Required Buffer Release Reserve Amount shall be used to pay an amount equal to the Negative Buffer Release Amount for such Payment Date and with such mitigate the fact that the Buffer Release Rate is a negative number. Therefore, prior to the service of an Enforcement Notice, an amount equal to the Negative Buffer Release Amount for relevant Payment Date shall be debited from the Buffer Release Reserve Ledger and shall form part of the Available Distribution Amount on such Payment Date and shall be applied towards any payment to be made pursuant to items *first* to *ninth* of the Order of Priority, as set out in clause 21.2(a) (*Order of Priority*) of the Trust Agreement.
Positive Buffer Release Amount Negative Buffer Release Amount	To the extent the Buffer Release Rate is equal to or higher than zero the Positive Buffer Release Amount will be paid by the Issuer to the Seller by means of a deduction of such Positive Buffer Release Amount from the Available Distribution Amount. To the extent the Buffer Release Rate is lower than zero, the Seller shall without further notice unconditionally pay an amount equal to the Negative Buffer Release Amount to the Issuer, provided that no Reserve Trigger Event has occurred and the Buffer Release Reserve has been funded. The sole purpose of the Negative Buffer Release Amount on any Payment Date will be to pay any difference between the Available Distribution Amount and the items *first* to *ninth* of the Order of Priority, as set out in clause 21.2(a) (*Order of Priority*) of the Trust Agreement.
IMPORTANT PROGRAMME DOCUMENTS AND PROGRAMME FEATURES	
Expectancy Rights Purchase Agreement	Pursuant to the provisions of the Expectancy Rights Purchase Agreement entered into between, *inter alios*, VWL and the Issuer, the Issuer acting with respect to its Compartment 2 has acquired from VWL on the Closing Date the Initial Expectancy Rights.

Additional Expectancy Rights Purchase Agreement	During the Revolving Period VWL may sell and transfer at its discretion Additional Expectancy Rights on each Payment Date (each an "**Additional Purchase Date**") at the terms and conditions described in the relevant Additional Expectancy Rights Purchase Agreement.
Clean-Up Call	Under the Expectancy Rights Purchase Agreements and after the end of the Revolving Period, VWL will have the option to exercise a Clean-Up Call and to repurchase the Purchased Expectancy Rights from the Issuer on any Payment Date when the Aggregate Discounted Expectancy Rights Balance on a Payment Date is less than 10 per cent. of the Aggregate Discounted Expectancy Rights Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, *provided that* all payment obligations under the Instruments will be thereby fulfilled.
Servicing Agreement	Under the Servicing Agreement between the Issuer, the Expectancy Rights Trustee and VWL, VWL agrees to: • administer and collect the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral (including the exercise of enforcement measures) in accordance with its usual business practices as they exist from time to time, and to repossess and realise the Leased Vehicles, in each case in accordance with the Servicer's customary practices in effect from time to time, using the same degree of skill and attention that the Servicer exercises with respect to comparable vehicle lease contracts that the Servicer administers and collects for itself or others; • administer the Cash Collateral Account; • advance the Monthly Collateral if the Monthly Remittance Condition is not satisfied; • transfer to the Issuer collections of the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral made in a Monthly Period on each relevant Payment Date; and • perform other tasks incidental to the above.
Repurchase Agreement	Under the Repurchase Agreement which the Issuer entered into with VWL as Servicer and Realisation Agent and the Expectancy Rights Trustee the Issuer sells to VWL prior to the occurrence of a Servicer Insolvency Event the Leased Vehicle.
Trust Agreement	The Issuer has entered into the Trust Agreement with, *inter alia*, the Expectancy Rights Trustee and VWL under which the Issuer has instructed the Expectancy Rights Trustee to act as trustee (*Treuhänder*) for the Programme Creditors and has entitled the Expectancy Rights Trustee to demand from the Issuer: • that any present or future obligation of the Issuer in relation to the Noteholders shall be fulfilled; • that any present or future obligation of the Issuer in relation to a Programme Creditor of the Programme Documents, respectively, shall be fulfilled; and • (if the Issuer is in default with any Secured Obligation(s) and insolvency proceedings have not been instituted against the

estate of the Expectancy Rights Trustee) that any payment owed under the respective Secured Obligation will be made to the Expectancy Rights Trustee for on-payment to the Programme Creditors,

and discharge the Issuer's obligation accordingly (the respective "**Trustee Claim**").

To provide collateral for the respective Trustee Claim, the Issuer assigns or transfers, as applicable, to the Expectancy Rights Trustee all present and future Purchased Expectancy Rights, the Purchased Final Payment Receivables and the corresponding Expectancy Rights Related Collateral, all its claims and other rights arising from the Programme Documents (including the rights to unilaterally alter the legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future contracts the Issuer has entered or may enter into in connection with the Notes, the Subordinated Loan, the Swap Agreements, or the Purchased Expectancy Rights, the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral, and all transferable claims (i) in respect of the Accounts of the Issuer acting with respect to its opened pursuant to the Account Agreement and (ii) in respect of all bank accounts which will be opened under the Trust Agreement in the name of the Issuer in the future.

As part of the Lease Collateral, VWL has transferred or will transfer, as applicable, the title to the Leased Vehicles to the Relevant Lease Receivables Purchaser for security purposes (*Sicherungseigentum*) and the Relevant Lease Receivables Purchaser has transferred or will transfer, as applicable, the title to the Leased Vehicles for security purposes (*Sicherungseigentum*) to the Relevant Security Trustee. The transfer of title to the Relevant Security Trustee is subject to the resolutory conditions agreed between the Relevant Lease Receivables Purchaser and the Relevant Security Trustee. Following the fulfilment of such resolutory conditions, title to the Leased Vehicle is automatically returned to the Seller, thus creating the Expectancy Rights the Seller will sell or has sold to the Issuer. The Expectancy Rights Trustee has agreed to realise the ownership in the corresponding Leased Vehicles for security purposes (*Sicherungseigentum*) or have the ownership for security purposes (*Sicherungseigentum*) realised and to distribute the proceeds from such realisation in accordance with the provisions of the Trust Agreement.

The Issuer has pledged to the Expectancy Rights Trustee all its present and future claims against the Expectancy Rights Trustee arising under the Trust Agreement as well as its present and future claims under the Accounts as well as its present and future claims under the Account Agreement, which have not yet been transferred for security purposes under the Trust Agreement.

Security Assignment Deed

The Issuer will assign its rights, title and interest in the Swap Agreement by way of security in favour of the Expectancy Rights Trustee, pursuant to the Security Assignment Deed. The Expectancy Rights Trustee will hold such rights, title and interest on trust for itself and as trustee for the Programme Creditors.

Data Protection Trust Agreement

VWL and the Issuer have appointed Amsterdamsch Trustee's Kantoor B.V., Amsterdam, The Netherlands, as Data Protection Trustee under the provisions of the Data Protection Trust Agreement and makes the

	Portfolio Decryption Key (which is for the identification of the names and addresses of the Lessees in respect of the Purchased Final Payment Receivables) available to the Data Protection Trustee. The Data Protection Trustee will keep the Portfolio Decryption Key in safe custody and protect it against unauthorised access by any third party. Delivery of the data list is permissible only to a replacement Servicer or the Qualified Replacement Data Protection Trustee upon request of VWL, the Issuer or the Expectancy Rights Trustee and subject to applicable data protection laws and banking secrecy provisions (*Bankgeheimnis*). The Data Protection Trustee will notify the Lessees of the assignment of the Purchased Final Payment Receivables to the Issuer, in accordance with the data processing requirements set out in the Data Protection Trust Agreement, and instruct the Lessees to make all payments in respect of the Purchased Final Payment Receivables to the Distribution Account of the Issuer upon the occurrence of a Lessee Notification Event (i.e. the earlier of (i) the institution of Insolvency Proceedings in respect of VWL and/or (ii) non-compliance of VWL with its statutory obligation to transfer any VAT (*Umsatzsteuer*) on the Final Payment Receivables to the tax office when such VAT becomes due) and/or (iii) any notification in connection with a Servicer Replacement Event.
Account Agreement	Under the terms of the Account Agreement, the Issuer will hold the Cash Collateral Account with the Cash Collateral Account Bank, the Counterparty Downgrade Collateral Account (except for any securities account and to the extent opened) and the Distribution Account with the Distribution Account Bank and maintain the Accumulation Account with the Accumulation Account Bank. Should the Cash Collateral Account Bank, the Distribution Account Bank or the Accumulation Account Bank (together the "**Account Bank**") cease to have the Account Bank Required Rating, the Issuer shall within sixty (60) calendar days procure transfer of the accounts held with the Account Bank to an Eligible Collateral Bank.
Swap Agreements	The Issuer has entered or, respectively, will enter into one or more Swap Agreements, each with a respective Swap Counterparty. Each Swap Agreement will hedge in respect of a particular Series of Notes or a particular Schuldschein Loan the interest rate risk under the relevant Series of Notes or the relevant Schuldschein Loan.
Corporate Services Agreement	The Issuer has entered into the Corporate Services Agreement with Circumference FS (Luxembourg) S.A. as Corporate Services Provider, pursuant to which the Corporate Services Provider shall perform certain services for the Issuer, particularly taking over the accounting for the Issuer and providing the directors of the Issuer in any company law matters and providing the registered office of the Issuer.
Risk Factors	Prospective investors in the Notes should consider, among other things, certain risk factors in connection with the purchase of the Notes. Such risk factors as described above may influence the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes. The risks in connection with the investment in the Notes include, *inter alia*, risks relating to the assets and the Programme Documents, risks relating to the Notes and risks relating to the Issuer. See "**RISK FACTORS**".

RISK FACTORS

THE PURCHASE OF THE NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS BASE PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE INVESTORS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, THE LEAD MANAGER OR THE ARRANGER.

The following is a disclosure of risk factors that are material with respect to the Issuer and the Notes issued under the Programme and that may affect the Issuer's ability to fulfil its obligations under the Notes and of risk factors that are related to the Notes (and the assets backing such Notes) issued under this Base Prospectus. Prospective purchasers of Notes should consider these risk factors, together with the other information in this Base Prospectus, before deciding to purchase Notes issued under the Programme.

Prospective purchasers of Notes are also advised to consult their own tax advisors, legal advisors, accountants or other relevant advisors as to the risks associated with, and the consequences of, the purchase, ownership and disposition of Notes, including the effect of any laws of each country in which they are a resident. In addition, investors should be aware that the risks described may correlate and thus intensify one another.

I. Risk factors which are specific and material to the Issuer

No Recourse to other Compartments and Non-Petition Clause

The Notes are limited recourse contractual obligations of the Issuer solely in respect of Compartment 2 within the meaning of the Luxembourg Securitisation Law. Pursuant to Article 62(1) and 62(2) of the Luxembourg Securitisation Law, where an individual compartment's assets are insufficient for the purpose of meeting the Issuer's obligations under a respective issuance, it is not possible for the noteholders in that compartment's issuance to obtain the satisfaction of the debt owed to them by the Issuer from assets belonging to another compartment. Recourse of the Noteholders in respect of claims against the Issuer under or in relation to the Notes will be strictly limited to the net assets allocated to Compartment 2 (the **" Compartment 2 Assets"**) and shall not extend to the remainder of the Issuer's estate. Furthermore, the other parties to the Programme Documents are not liable for the obligations of the Issuer and no third party guarantees have been granted for the fulfilment of the Issuer's obligations under the Notes. Consequently, the Noteholders have no rights of recourse against such third parties.

In this context, it is possible that any proceeds from the realisation by the Expectancy Rights Trustee of the security upon the occurrence of a Foreclosure Event prove insufficient to enable the Issuer to meet all payments due in respect of the Notes, taking into account the Order of Priority and the Noteholders will then have no further claim against the assets of any other compartment or any non-compartmental assets of the Issuer.

Consequently, in case of enforcement of the claims under the Notes, to the extent that the proceeds from the liquidation of the Compartment 2 Assets proves insufficient to make all payments due in respect of the Instruments (the **"Shortfall"**), any claims arising against the Issuer due to such Shortfall shall be extinguished and neither the Noteholders nor Lenders nor any person on their behalf shall have the right to petition for the winding up of the Issuer to recover the Shortfall amount.

Finally, should the Issuer be declared bankrupt, the Luxembourg court will appoint a bankruptcy trustee ("*curateur*") who shall be the sole legal representative of VCL Master Residual Value S.A. and obliged to take such action as he deems to be in the best interests of VCL Master Residual Value S.A. and of all creditors of VCL Master Residual Value S.A. The conditions for opening bankruptcy proceedings are the cessation of payments ("*cessation des paiements*") and the loss of commercial creditworthiness ("*ébranlement du crédit commercial*"). The failure of controlled management proceedings may also constitute grounds for the opening of bankruptcy proceedings. Certain preferred creditors of VCL Master Residual Value S.A. (including the Luxembourg tax authorities) may have a privilege that ranks senior to the rights of the Noteholders in such circumstances. This may further reduce the available assets of Compartment 2, therefore increasing the risk

of the Issuer not being able to meet in full its payment obligations against the Noteholders under Luxembourg law.

As a result, the Noteholders may face the risk of not being able to receive any income in respect of their investment or, at worst, of being unable to recover their initial investment.

Furthermore, the enforcement of the payment obligations under the Notes shall solely be effected by the Expectancy Rights Trustee in accordance with the Trust Agreement.

Risk in respect of payments made and Security provided during the "suspect period"

VCL Master Residual Value S.A. is a public limited liability company (*Société Anonyme*) incorporated under the laws of Luxembourg, has its registered office in Luxembourg and is managed by its Board of Directors, professionally residing in Luxembourg. Accordingly, bankruptcy proceedings with respect to VCL Master Residual Value S.A. would likely proceed under, and be governed by, the bankruptcy laws of Luxembourg. VCL Master Residual Value S.A. can be declared bankrupt upon petition by a creditor of VCL Master Residual Value S.A. or at the initiative of the court or at the request of VCL Master Residual Value S.A. in accordance with the relevant provisions of Luxembourg insolvency law. Under Luxembourg law, a company is bankrupt ("*en faillite*") when it is unable to meet its current liabilities and when its creditworthiness is impaired. The conditions for opening bankruptcy proceedings are the cessation of payments ("*cessation des paiements*") and the loss of creditworthiness ("*ébranlement du credit"*). Other insolvency proceedings under Luxembourg law include moratorium of payments ("*sursis de paiement*") of the Issuer, administrative dissolution without liquidation ("*dissolution administrative sans liquidation*"), judicial liquidation proceedings ("*liquidation judiciaire"*), judicial reorganisation ("*réorganisation judiciaire*"), or any reorganisation pursuant to the Luxembourg law dated 7 August 2023 on business continuity and the modernisation of bankruptcy.

Under Luxembourg bankruptcy law, certain acts deemed to be abnormal if carried out by the bankrupt party during the so-called "suspect period" or ten days preceding the "suspect period" may be unenforceable against the bankruptcy estate of such party. Whilst the unenforceability is compulsory in certain cases, it is optional in other cases. The "suspect period" is the period that lapses between the date of cessation of payments ("*cessation de paiements*"), as determined by the bankruptcy court, and the date of the court order declaring the bankruptcy. The "suspect period" cannot exceed six months.

Under Article 445 of the Luxembourg Code of Commerce, (a) a contract for the transfer of movable or immovable property entered into or carried out without consideration, or a contract or transaction entered into or carried out with considerably insufficient consideration for the insolvent party; (b) a payment, whether in cash or by transfer, assignment, sale, set-off or otherwise for debts not yet due, or a payment other than in cash or bills of exchange for debts due or (c) a contractual or judiciary mortgage, pledge, or charge on the debtor's assets for previous debts, would each be unenforceable against the bankruptcy estate if carried out during the "suspect period" or ten days preceding the "suspect period".

Under Article 448 of the Luxembourg Code of Commerce, transactions entered into by the bankrupt debtor with the intent to deprive its creditors are null and void, regardless of the date on which they were made.

Under Article 446 of the Luxembourg Code of Commerce, any payments or transfers made by the bankrupt debtor in the "suspect period" may be rescinded if the creditor was aware of the cessation of payment of the debtor.

Should the Issuer be declared bankrupt, it cannot be excluded that a competent court in Luxembourg considers that the Issuer's entry into the Programme and the Programme Documents have been carried out within the so-called "suspect period". In such a case, any payment of principal or interest in respect of the Notes could be unenforceable against the Issuer, in application of Article 445 or Article 446 of the Luxembourg Code of Commerce. Consequently, in the event of bankruptcy, the Noteholders could face the risk of non-recovery of payments due under the Notes.

In addition, in case of bankruptcy, the entry into any of the Programme Documents, including without limitation those relating to the transfer of the title in the Leased Vehicles to the Expectancy Rights Trustee and, more generally, the entry into the Security could also be held unenforceable and ineffective if effected during the "suspect period" or ten days preceding the "suspect period", if (i) the articles of incorporation of the company granting the security interests are governed by the Luxembourg Securitisation Law and (ii) the company granted the respective security interest no later than the issue date of the securities or at the conclusion of

the agreements secured by such security interest. In other words, the Security Documents entered into in accordance with Article 61(4) second paragraph of the Luxembourg Securitisation Law and hence no later than the date of the issue of the Notes or the conclusion of the agreements secured by the security could not be challenged by a bankruptcy receiver even if granted by the Issuer during the "suspect period" or ten days preceding such "suspect period".

II. Risks related to the nature of the Notes and the Schuldschein Loans

Liability and Limited Recourse under the Notes

All payment obligations of the Issuer under the Notes, the Schuldschein Loans and the Subordinated Loan Agreement constitute limited recourse obligations to pay only the respective Available Distribution Amount which includes, *inter alia*, amounts received by the Issuer from the Purchased Expectancy Rights and under the Programme Documents. The Available Distribution Amount may not be sufficient to pay amounts accrued under the Instruments, which may result in an Interest Shortfall, however, only an Interest Shortfall on the most senior Instruments when the same becomes due and payable, and only if such default continues for a period of five (5) Business Days will constitute a Foreclosure Event. The Notes shall not give rise to any payment obligation in addition to the foregoing. A Foreclosure Event results in the enforcement of the collateral held by the Expectancy Rights Trustee. If the Expectancy Rights Trustee enforces the claims under the Instruments, such enforcement will be limited to the assets which were transferred to the Expectancy Rights Trustee and for security purposes. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all respective Noteholders and Lenders in full, then any shortfall arising shall be extinguished and neither any Noteholder, nor any Lender, nor the Expectancy Rights Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders or Lenders, and neither assets nor proceeds will be so available thereafter.

For the avoidance of doubt, the recourse of the Programme Creditors is limited to the assets of the Issuer allocated to its Compartment 2.

Subordination of Notes

Holders of a Series of Class A Notes will rank *pari passu* with the Lenders of Senior Schuldschein Loans and, therefore, bear the risk to incur losses, when the proceeds of the enforcement of the Security should not be sufficient to satisfy all claims of the holders of the Class A Notes and the Lenders of the Senior Schuldschein Loans.

Holders of Class B Notes will bear more credit risk with respect to the Issuer than holders of Class A Notes and Lenders of the Senior Schuldschein Loans and will incur losses, if any, prior to holders of the Class A Notes and Lenders of the Senior Schuldschein Loans because of the subordination of the Class B Notes in relation to the Class A Notes and the Senior Schuldschein Loans. Furthermore, holders of a Series of Class B Notes will rank *pari passu* with the Lenders of Junior Schuldschein Loans and, therefore, bear the risk to incur losses, when the proceeds of the enforcement of the Security should not be sufficient to satisfy all claims of the holders of the Class B Notes and the Lenders of the Junior Schuldschein Loans.

Upon the occurrence of a Foreclosure Event, no payment of interest will be made on the Class B Notes and the Junior Schuldschein Loans until all of the Issuer’s senior expenses (including applicable fees for Agents), and all interest on the Class A Notes and the Senior Schuldschein Loans are paid in full and no payment of principal will be made on the Class B Notes until the principal amount of the Class A Notes and the Senior Schuldschein Loans is paid in full.

Following the end of the Revolving Period and prior to the occurrence of a Foreclosure Event, on each Payment Date the Issuer shall pay from the Available Distribution Amount (provided that, prior to the occurrence of a Foreclosure Event, the payment of interest due and payable on each Series of Class B Notes and each Junior Schuldschein Loan has been paid) the Instrument Amortisation Amount relating to a Senior Instrument, which comprises a payment of principal in respect of a Senior Instrument until the principal amount outstanding of such Senior Instrument equals the Senior Instrument Targeted Balance. Payments of required principal on each Junior Instrument will be made from any amounts remaining from the Available Distribution Amount only after the payment of principal on each Senior Instrument and until the principal amount outstanding of each Junior Instrument equals the Junior Instrument Targeted Balance.

A Foreclosure Event will occur *inter alia* if the Issuer defaults in the payment of any interest on the most senior Instruments when the same becomes due and payable, and such default continues for a period of five (5) Business Days. If a Foreclosure Event has occurred, the Issuer will not pay interest or principal on any Notes or Schuldschein Loans, other than the Class A Notes and the Senior Schuldschein Loans until all of the Issuer's senior expenses and all interest and principal on the Class A Notes and the Senior Schuldschein Loans are paid in full.

No gross up of payments

The Instruments will not provide for gross-up of payments in the event that the payments on the Instruments become subject to withholding taxes, so that in case the Issuer would have to withhold payments due under the Instruments for tax reasons, the Lenders and the Noteholders would receive reduced payments only.

Change of Law

The structure of the issue of the Notes and this Programme is based on German and Luxembourg law (including tax law) in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or changes to any relevant law, the interpretation thereof or administrative practice after the date of this Base Prospectus. Any change of law might have an adverse effect on the Issuer's ability to make interest and principal payments on the Notes.

Risks in connection with the application of the German Debenture Act (Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG))

A Noteholder is subject to the risk to be outvoted and to lose rights towards the Issuer against his will in the case that the Noteholders agree pursuant to the Conditions to amendments of the Conditions by majority vote according to the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)). In the case of an appointment of a Noteholder's representative for all Noteholders a particular Noteholder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Noteholders.

Modification of the Conditions

The Notes Conditions which are governed by German law may be modified through contractual agreement to be concluded between the Issuer and all Noteholders as provided for in Section 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)) or by a Noteholder's resolution adopted pursuant to Sections 5 to 22 of aforementioned act and in accordance with the terms and conditions with unanimous consent of the Noteholders. As long as the Notes are outstanding, the applicable Senior Instrument Interest Rate or Junior Instrument Interest Rate pursuant to Condition 8 may only be modified pursuant to a contractual agreement which requires the consent of the Issuer, all Noteholders and of VWL. If no such consent can be obtained, the Noteholders will bear the risk that the applicable Senior Instrument Interest Rate or Junior Instrument Interest Rate pursuant to Condition 8 might be of economic disadvantage for them.

Ratings of the Rated Notes

The Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies. Rating organisations other than the Rating Agencies may seek to rate any Series of Rated Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to such Series of Rated Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of any Series of Rated Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to any Series of Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement to the Notes.

Responsibility of Prospective Investors

The purchase of the Notes is only suitable for investors (i) that possess adequate knowledge and experience in structured finance investments and have the necessary background and resources to evaluate all relevant risks related with such investments; (ii) that are able to bear the risk of loss of their investment (up to a total loss of the investment) without having to prematurely liquidate the investment; and (iii) that are able to assess the tax and regulatory aspects and implications of such investment independently.

Furthermore, each potential investor should base its investment decision on its own and independent investigation and on the advice of its professional advisors (with whom the investor may deem it necessary to consult), be able to assess if an investment in the Notes (i) is in compliance with its financial requirements, its targets and situation (or if it is acquiring the Notes in a fiduciary capacity, those of the beneficiary); (ii) is in compliance with its principles for investments, guidelines for or restrictions on investments (regardless of whether it acquires the Notes for itself or as a trustee); and (iii) is an appropriate investment for itself (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

Interest Rate Risk / Risk of Swap Counterparty Insolvency

During those periods in which the floating rates payable by a Swap Counterparty under a Swap Agreement are substantially greater than the fixed rates payable by the Issuer under such Swap Agreement, the Issuer will be more dependent on receiving payments from such Swap Counterparty in order to make interest payments on the relevant Instrument. If a Swap Counterparty fails to pay any amounts when due under a Swap Agreement, the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral and the General Cash Collateral Amount may be insufficient to make the required payments on the respective Instrument, and the Noteholders and Lenders may experience delays and/or reductions in the interest and principal payments on the respective Instrument.

During periods in which the floating rates payable by a Swap Counterparty under a Swap Agreement are less than the fixed rate payable by the Issuer under such Swap Agreement, the Issuer will be obliged to make a payment to such Swap Counterparty. A Swap Counterparty's claims for payment (including certain termination payments required to be made by the Issuer upon a termination of a Swap Agreement) under the Swap Agreement will be higher in priority than all payments on the Instruments. If a payment under the Swap Agreement is due to the Swap Counterparty on any Payment Date, the collections from the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral and the General Cash Collateral Amount may be insufficient to make the required payments on the Instruments, and the Noteholders and Lenders may experience delays and/or reductions in the interest and principal payments under the Instruments.

A Swap Counterparty may become insolvent or may suffer from a rating downgrade, in which case it would have to be replaced or, in case of a certain rating downgrade would have to provide collateral. A Swap Agreement may also be terminated by either party due to an event of default or a termination event. However, there can be no assurance that a guarantor or replacement Swap Counterparty will be found or that the amount of collateral will be sufficient to meet the Swap Counterparty's obligations. Nevertheless, the Issuer shall use its best efforts to find a replacement Swap Counterparty. In such events the Noteholders and Lenders may experience delays and/or reductions in the interest and principal payments due in respect of such Instrument.

The enforceability of a contractual provision which alters the priorities of payments to subordinate the claim of a Swap Counterparty (to the claims of other creditors of its counterparty) upon the occurrence of an insolvency of or other default by a Swap Counterparty has been challenged in the English and U.S. courts.

However, this is an aspect of cross border insolvency law which remains untested. Whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and U.S. courts will diverge in their approach which, in the case of an unfavourable decision in the U.S., may adversely affect the Issuer's ability to make payments on the Notes.

If a creditor of the Issuer (such as the Swap Counterparties) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the Programme Documents (such as a provision of the relevant Order of Priority which refers to the ranking of the Swap Counterparties' rights in respect of certain amounts under the

Swap Agreements). In particular, there is a risk that such subordination provisions would not be upheld under US bankruptcy law. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as a Swap Counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Programme Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgement or order was recognised by the English courts, such actions may adversely affect the rights of the Noteholders and/or the Lenders, the rating and/or the market value of the Instruments and/or the ability of the Issuer to satisfy its obligations under the Instruments.

Market and Liquidity Risk for the Notes

The secondary markets in general are currently experiencing severe disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future. Limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities and may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. The market values of the Notes are likely to fluctuate and could decrease. Any such fluctuation or decrease may be significant and could result in significant losses to investors in the Notes.

Eurosystem Eligibility

The Notes are not Eurosystem eligible. This means that the Notes will not be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (the "**Eurosystem eligible collateral**") either upon issue or at any or all times during their life. Such non-recognition is based on the Eurosystem eligibility criteria set out in the Guideline (EU) 2015/510 of the European Central Bank (the "**ECB**") of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), which applies since 1 May 2015, as amended by Guideline (EU) 2019/1032 of the ECB of 10 May 2019 (ECB/2019/11), Guideline (EU) 2020/1690 of 25 September 2020 (ECB/2020/45) and Guideline (EU) 2026/689 of 22 January 2026 (ECB/2026/1). As a consequence, Noteholders will not be permitted to use the Notes as collateral for monetary policy transactions of the Eurosystem and may sell the Notes into the secondary market at a reduced price only.

III. Risks related to the Purchased Expectancy Rights

Credit Risk of the Parties

The ability of the Issuer to make any principal and interest payments in respect of the Notes depends to a large extent upon the ability of the parties to the Programme Documents to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Servicer to collect the Final Payment Receivables and to realise the Leased Vehicles and on the maintenance of the level of interest rate protection offered by the Swap Agreements.

Adverse macroeconomic and geopolitical developments may have a material negative impact on the performance of the Issuer under the Notes

The ongoing geopolitical developments, including the current uncertainty in the banking sector, the war in Ukraine and the confrontations in the Middle East (including escalating tensions involving the USA, Israel and the Islamic Republic of Iran), the increase of trade barriers (such as tariffs) and the sanctions imposed by the United States, the United Kingdom, the European Union, in particular, against Russia, may result in an adverse impact on global economic, financial, political, social or government conditions which may result or already resulted in (including but not limited to) limited access to workplaces, and limited availability of key personnel, higher inflation, higher interest rates, higher cost of living, declining access to credit, lower or stagnating wages, increasing unemployment, changes in government regulatory, fiscal or tax policies,

including changes in applicable tax rates and the modification of existing or adoption of new tax legislation, sanctions regimes, removal of subsidies, reduced public spending, increases in fuel prices, weakness in energy markets or a loss of consumer confidence. Such conditions may have an adverse impact on both the operational business of VWL and the financial performance of the Purchased Expectancy Rights.

Risk of Losses on the Purchased Expectancy Rights and Final Payment Receivables

Due to the risk of losses on the Purchased Lease Receivables and Purchased Expectancy Right, there is no assurance that the Noteholders will receive for each Note the total nominal amount of such Note plus interest pursuant to the respective Final Terms.

Risks Relating to the Insolvency of the Seller of the Purchased Expectancy Rights

In case insolvency proceedings are commenced in relation to VWL as German Seller of the Expectancy Rights and the Final Payment Receivables, cash flows could be adversely affected as laid out below.

Section 103 of the German Insolvency Code (*Insolvenzordnung*) grants VWL's insolvency administrator for mutual contracts which have not been (or have not been completely) performed by VWL and the respective counterparty at the date when insolvency proceedings were opened against VWL the right to opt whether or not such contracts will be continued. In this regard it cannot be ensured that VWL's insolvency administrator decides to continue the Repurchase Agreement and the Issuer may no longer exercise and enforce its right under the Repurchase Agreement to demand from VWL to purchase the Leased Vehicles in the amount of the Initial Residual Value or the Additional Residual Value, as applicable, each discounted at the Expectancy Rights Discount Rate less an amount equal to the amount of the related Final Payment Receivable. This will not adversely impact the Issuer's right to realise the Leased Vehicles after conversion of Purchased Expectancy Rights to full legal title (*Volleigentum*) to the related Leased Vehicles on the market for used vehicles. There exists the risk that the realisation proceeds for such realisation of Leased Vehicles on the market for used Vehicles will be lower than realisation proceeds under the Repurchase Agreement.

Commingling Risk

VWL as Servicer is entitled to commingle funds to be received from Purchased Final Payment Receivables and the Expectancy Rights Related Collateral with its own funds during each Monthly Period in accordance with the following procedure:

If the Monthly Remittance Condition is satisfied, VWL as Servicer is entitled to commingle collections of the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral with its own funds during each Monthly Period and will be required to make a single transfer to the Distribution Account on the following Payment Date. If the Monthly Remittance Condition is not satisfied, VWL as Servicer is entitled to commingle collections of the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral with its own funds during each Monthly Period only if it has deposited the Monthly Collateral for the respective Monthly Period in the Distribution Account. Otherwise, collections of the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral and other amounts collected by the Servicer on Purchased Expectancy Rights will be required to be remitted by it to the Distribution Account on the first Business Day after receipt of such amounts.

Commingled funds may be used or invested by VWL at its own risk and for its own benefit until the relevant Payment Date. If VWL were unable to remit such amounts or were to become an insolvent debtor, losses or delays in distributions to investors may occur.

Risk of Change of Servicer

In the event VWL is replaced as Servicer, there may be losses or delays in processing payments or losses on the Final Payment Receivables and Expectancy Rights Related Collateral due to a disruption in service because a successor is not immediately available, or because the substitute servicer is not as experienced and efficient as VWL. This may cause delays in payments or losses on the Notes.

Risk of Defences and other Set-Off Rights of Lessees against Assignment

With respect to Final Payment Receivables and Expectancy Rights Related Collateral assigned by VWL to the Issuer in fulfilment of the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights

Purchase Agreement, the Issuer's claim to payment may further be subject to possible defences and objections resulting from consumer credit legislation and be subject to defences and set-off rights of the Lessees of such Final Payment Receivables and Expectancy Rights Related Collateral; provided such rights (i) were in existence and due at the time of the assignment of such Purchased Expectancy Right (section 404 of the German Civil Code) or (ii) were acquired by the Lessee after such assignment without such Lessee having knowledge of the assignment at the time of acquiring the right or at the time when the right falls due (in cases where the right's maturity falls beyond the maturity of the respective right under the Purchased Expectancy Right) (section 406 of the German Civil Code). In addition, as long as the Lessee has no knowledge of the assignment, e.g. because it is not notified by VWL, it may discharge its debt by paying to VWL. In such case, the Issuer would have a claim for compensation against VWL and would therefore be subject to VWL insolvency risk. Because it would not be typical for VWL to have other legal relationships with Lessees than the relevant Lease Contracts the likelihood of counterclaims or defences other than those arising from consumer credit legislation in connection with Lease Contracts is rather small. In this context it should be noted that VWL is not a bank and does not offer bank deposits. Also VWL warrants on the Initial Cut-Off Date and on each Additional Cut-Off Date, respectively that each Purchased Expectancy Right is free of defences (see "**DESCRIPTION OF THE PORTFOLIO", "Warranties and Guarantees in relation to the Sale of the Purchased Expectancy Rights**").

Risk of Non-Existence of Purchased Expectancy Rights or Final Payment Receivables

In the event that any of the Purchased Expectancy Rights or the Purchased Final Payment Receivables have not come into existence at the time of its assignment to the Issuer under any Additional Expectancy Rights Receivables Purchase Agreement or the Expectancy Rights Receivables Purchase Agreement, such assignment would not result in the Issuer acquiring ownership title in such Purchased Expectancy Right or Purchased Final Payment Receivable. The Issuer would not receive adequate value in return for its purchase price payment. This result is independent of whether the Issuer, at the time of assignment, is unaware of the non-existence and therefore acts in good faith (*gutgläubig*) with respect to the existence of such Purchased Expectancy Right or Purchased Final Payment Receivable. This risk, however, will be mitigated by contractual representations and warranties and the contractual obligation that VWL shall purchase from the Issuer any Purchased Expectancy Rights or Purchased Final Payment Receivables affected by such breach at a price equal to the present value of the Purchased Expectancy Rights or Purchased Final Payment Receivable, using the Expectancy Rights Discount Rate.

Further German Civil Law Aspects

Pursuant to section 496 (2) of the German Civil Code, any assignor of loan receivables and/or financial leases, has the obligation to notify its debtors of the contact details of its assignee except if such assignor remains the servicer for the relevant loan receivables and/or financial leases. As such, in case of a Servicer Replacement Event, the Lessees need to be notified provided the underlying Lease Contracts are construed as financial leases. Until the relevant Lessees have been notified of the assignment of the relevant Purchased Lease Receivables, they may undertake payment with discharging effect to the Seller. Each Lessee may further raise defences against the Issuer arising from its relationship with the Seller which are existing at the time of the assignment of the Purchased Lease Receivables. Moreover, each Lessee is entitled to set-off against the Issuer its claims against the Seller or such claims against the Seller which become due only after the Lessee acquires such knowledge and after the relevant Purchased Lease Receivables themselves become due. As a consequence, the respective Lessee may no longer be obliged to pay his lease instalments which may result in the Issuer not receiving sufficient collections to redeem part or all of the Notes.

If and to the extent Leased Vehicles are sold by the Servicer in its own name but for the account of the Issuer in the open market, the sale agreements entered into with individuals (*Privatpersonen*) as final customers may be within the applicability of the law of sale regarding consumer products (*Verbrauchsgüterkaufrecht*). Pursuant to such statutory mandatory law, the prescription period for claims resulting from the fact that the sold used vehicle had defects cannot be shortened to less than a year (section 476 (2) of the German Civil Code). The burden of proof that there was no such defect at the time the used vehicle was surrendered to the individual (*Gefahrübergang*) is, generally, to be borne by the Seller for a period of six months (section 477 of the German Civil Code). Depending on the intensity of the defect it can happen that the entire previous realisation proceeds are consumed or even exceeded by costs of repair. Further, sale agreements concluded via internet portals, communications by electronic systems, telemarketing, letters etc. are contracts of distant marketing (*Fernabsatzverträge*). The individual final customer in such case is entitled to revoke the sales agreement within a period of two weeks after conclusion of the agreement without giving reasons. Such period

begins on the later of the date on which: (i) the sale contract has been concluded; (ii) the consumer has been duly notified of his right of revocation in a form that meets the requirements set forth in section 355(2) of the German Civil Code; (iii) the consumer received a copy of the contract document (*Vertragsurkunde*); (iv) the consumer has received the purchased vehicle; or (v) the consumer has received the information required pursuant to section 312d (2) of the German Civil Code. In this case the Servicer (on behalf of the Issuer) has to refund the purchase price and additionally pay the whole rescission of contract.

Termination for Good Cause (*Kündigung aus wichtigem Grund*)

As a general principle of German law, a contract may always be terminated for good cause (*Kündigung aus wichtigem Grund*) and such right may not be totally excluded nor may it be subject to unreasonable restrictions or the consent from a third party. This may also have an impact on several limitations on the right of the parties to terminate any of the Programme Documents for good cause.

Risk of Re-characterisation of the Programme as Loan Secured by Purchased Expectancy Rights and Final Payment Receivables

The sale of moveable assets (*bewegliche Sachen*) under the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement has been structured to qualify as a true sale from VWL to the Issuer. In particular, total default risk enhancement in respect of the Purchased Expectancy Rights and the Purchased Final Payment Receivables will be not higher than 9 per cent. of the purchase price. However, there are no statutory or case law based tests with respect to when a securitisation transaction qualifies as an effective sale or as a secured loan. Therefore, there is a risk that a court may re-characterise the sale of the Purchased Expectancy Rights and the Purchased Final Payment Receivables under the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement as a secured loan. If a sale of the Purchased Expectancy Rights is re-characterised as a secured loan, sections 166 and 51 No. 1 of the German Insolvency Code (*Insolvenzordnung*) would apply with the following consequences:

The insolvency administrator of VWL would have possession of the Purchased Final Payment Receivables but not the Purchased Expectancy Rights and the Issuer and the Expectancy Rights Trustee would be barred from enforcing the Purchased Final Payment Receivables but would be permitted to enforce the Purchased Expectancy Rights. The insolvency administrator of VWL as transferor of the Purchased Final Payment Receivables which have been assigned for security purposes would be authorised by German law to enforce and realise the assigned Purchased Final Payment Receivables (on behalf of the assignee). The insolvency administrator would be obliged to transfer the proceeds from such realisation of the Purchased Final Payment Receivables to the Issuer. He may, however, deduct from the enforcement proceeds his fees which amount to 4 per cent. of the enforcement proceeds for assessing his preferential rights plus up to 5 per cent. of the enforcement proceeds as compensation for the costs of enforcement. In case the enforcement costs are considerably higher than 5 per cent. or more of the enforcement proceeds, the compensation for the enforcement costs may be higher. Where applicable, the insolvency administrator may also withhold VAT on such amounts (sections 166 (2), 171 (2) of the German Insolvency Code (*Insolvenzordnung*)).

Reliance on Warranties

If the Purchased Initial Expectancy Rights should partially or totally fail to conform at the Closing Date or, respectively, with respect to Purchased Additional Expectancy Rights purchased on any Additional Purchase Date, at such Additional Purchase Date, with the warranties given by VWL in the Expectancy Rights Purchase Agreement or any Additional Expectancy Rights Purchase Agreement and such failure materially and adversely affects the interests of the Issuer, the Noteholders and/or the Lenders, VWL shall have until the end of the monthly period following the monthly period in which VWL became aware or was notified of such failure to cure or correct such breach. Any such breach or failure will not be deemed to have a material and adverse effect if such breach or failure does not affect the ability of the Issuer to receive and retain timely payment in full on the related Lease Contract. If VWL does not cure or correct such breach prior to such time, then VWL shall either (a) replace any Purchased Final Payment Receivables and the related Purchased Expectancy Rights affected by such breach which materially and adversely affects the interests of the Purchaser, the Noteholders and/or the Lenders, by taking into account the warranties and guarantees set out in clauses 6.1 and 6.2 of the Expectancy Rights Purchase Agreement, with a Final Payment Receivable and the related Expectancy Right the present value of which shall be at least the Settlement Amount on the Payment Date following the expiration of such period; or (b) settle any Purchased Final Payment Receivables

and the related Purchased Expectancy Rights affected by such breach which materially and adversely affects the interests of the Issuer, the Noteholders and/or the Lenders on the Payment Date following the expiration of such period. Any such settlement by VWL shall be at a price equal to the Settlement Amount.

Reliance on Servicing and Collection Procedures

VWL, in its capacity as Servicer, will carry out the servicing, collection and enforcement of the Final Payment Receivables and Expectancy Rights Related Collateral, including foreclosure on and the realisation of the Purchased Expectancy Rights, in accordance with the Servicing Agreement (see "**ADMINISTRATION OF THE PURCHASED EXPECTANCY RIGHTS AND FINAL PAYMENT RECEIVABLES UNDER THE SERVICING AGREEMENT**"). Accordingly, the Noteholders are relying on the business judgement and practices of VWL as they exist from time to time, in its capacity as Servicer to collect and enforce claims against the Lessees.

Conflicts of Interest

VWL is acting in a number of capacities in connection with the Programme. VWL will have only those duties and responsibilities expressly agreed to by it in the relevant agreement and will not, by virtue of it or any of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided in each agreement to which it is a party. VWL in its various capacities in connection with the Programme may enter into business dealings from which it may derive revenues and profits without any duty to account therefore to any other Programme Parties.

VWL may hold and/or service claims against Lessees other than the Purchased Expectancy Rights. The interests or obligations of VWL in its respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

VWL may freely engage in other commercial relationships with other parties. In such relationships VWL is not obliged to take into account the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise.

Risks regarding the Sale of Used Vehicles after automatic transfer of full legal title

The rate of repayment may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Leased Vehicles or the level of interest rates from time to time.

There might be various risks involved in the sales of used vehicles which could have the potential of significantly influencing the proceeds generated from the sale of vehicles, e.g. disproportionately high damages and mileage, correlation between the age of the vehicle and its value on the balance sheet of VWL, less popular configuration of cars (e.g. engine, colour), oversized special equipment (the sale value of special vehicle equipment is comparatively low in relation to the resale value of the vehicle), large numbers of homogeneous types of vehicles over short time intervals (e.g. fleet vehicles), general price volatility in the used vehicles market or seasonal impacts on sales (e.g. winter vs. spring).

Risks Resulting from Data Protection Rules

Since 25 May 2018, the Regulation (EU) 2015/679 of the European Parliament and of the Council of 27 April 2016 (the "**General Data Protection Regulation**") applies and, together with the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*), which implements Directive (EU) 2016/680 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data, replaced the German Federal Data Protection Act (*Bundesdatenschutzgesetz*).

Pursuant to the General Data Protection Regulation, a transfer of personal data is permitted, *inter alia*, if (i) the data subject has given consent to the processing of his or her personal data for one or more specific purposes or (ii) processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data.

The assignment of the Purchased Expectancy Rights, however, is not structured in strict compliance with the guidelines for German true sale securitisations of bank assets set out in the circular 4/97 of the German

Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*). In particular, these guidelines require a neutral entity to act as data trustee that is a public notary, a domestic credit institution or a credit institution having its seat in any member state of the European Union or any other state of the European Economic Area and being supervised pursuant to the EU Banking Directives. The Data Protection Trustee does not fall into any of these categories. Arguably, the rationale for identifying regulated credit institutions and notaries as eligible data trustees is, besides their neutrality, their reliability in relation to the protection of data when handling personal data. Thus, the Issuer has been advised that there are good arguments to construe the term neutral entity for this purpose to include other entities having their seat in the European Union or European Economic Area if the relevant entity is equally neutral and reliable in relation to the handling of personal data which is also backed by the view of the German Federal Financial Supervisory Authority (cf. letter of the German Federal Financial Supervisory Authority of 14 December 2007, section capacity as data trustee, BA 37-FR 1903-2007/0001).

If the Issuer was considered to be in breach of the General Data Protection Regulation or the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*), it could be fined and in case of such fines being substantial, this could have an impact on the ability of the Issuer to make payments on the Notes ultimately leading to a risk of the Noteholders to incur a loss.

Residual Value Risk

A residual value risk exists when the estimated market value of a leased asset at the time of disposal upon expiration of a contract is less than the residual value calculated at the time the contract was closed. However, it is also possible to realise more than the calculated residual value at the time the leased asset is disposed of.

Direct and indirect residual value risks are differentiated relative to the bearer of the residual value risks. A direct residual value risk is present when the residual value risk is borne by Volkswagen Leasing GmbH. An indirect residual value risk is present if the residual value risk has been transferred to a third party based on the guaranteed residual value (e.g. customers, dealerships). The initial risk is that the counterparty guaranteeing the residual value might default. If the guarantor of the residual value defaults, the leased asset and hence the residual value risk are transferred to Volkswagen Leasing GmbH.

Historical and other Information

The historical information set out in particular in "**DESCRIPTION OF THE PORTFOLIO**" reflects the historical experience and sets out the procedures applied by the initial Servicer to the Portfolio of the Seller. However, the past performance of financial assets is no assurance as to the future performance of the Purchased Rights. Any deterioration of the future performance of the Purchased Rights, however, may result in the Issuer not receiving sufficient collections to redeem part or all of the Notes.

IV. Risks related to regulatory changes

Risk retention and due diligence requirements

Investors, to which the Securitisation Regulation is applicable, should make themselves aware of the requirements of Article 5 of the Securitisation Regulation, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

The Securitisation Regulation replaced the former risk retention requirements by one single provision, Article 6 of the Securitisation Regulation, which provides for a new direct obligation on originators to retain risk. Article 5 (1)(c) of the Securitisation Regulation requires institutional investors as defined in Article 2 (12) of the Securitisation Regulation (which term also includes an insurance or reinsurance undertaking as defined in the Solvency II Regulation and an alternative investment fund manager as defined in the AIFM Regulation) to verify that, if established in the European Union, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest in accordance with Article 6 of the Securitisation Regulation and the risk retention is disclosed to the institutional investor in accordance with Article 7(1)(e) of the Securitisation Regulation.

With respect to the commitment of the Seller to retain a material net economic interest in the securitisation as contemplated by Article 6(3)(d) of the Securitisation Regulation, the Seller, in its capacity as originator, will retain, for the life of the Programme, such net economic interest through overcollateralisation of the Notes

and the Subordinated Loan and such overcollateralisation acts as a ‘first loss’ retention of no less than 5 per cent. of the nominal value of the securitised assets, *provided that* the level of retention may reduce over time in compliance with Article 10(2) of the RRTS. The 'first loss' tranche being the sum of (i) amounts required for overcollateralisation purposes (which shall include, for the avoidance of doubt, amounts standing to the credit of the Accumulation Account from time to time), (ii) the amount as set forth in connection with the issuance of the relevant Notes for the endowment of the Cash Collateral Account to equal the Specified General Cash Collateral Account Balance and (iii) the Subordinated Loan, such sum being equivalent to no less than 5 per cent. of the nominal value of the securitised exposures.

The outstanding balance of the retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Purchased Expectancy Rights and Purchased Final Payment Receivables. The monthly servicer reports will also set out monthly confirmation as to the Seller's continued holding of the original retained exposures.

It should be noted that there is no certainty that references to the retention obligations of the Seller in this Base Prospectus will constitute explicit disclosure (on the part of the Seller) or adequate due diligence (on the part of the Noteholders) for the purposes of Article 5 of the Securitisation Regulation.

Article 5 of the Securitisation Regulation places an obligation on institutional investors (as defined in the Securitisation Regulation) before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions and monitor on an ongoing basis in a timely manner performance information on the exposures underlying their securitisation positions. After the Issue Date, VWL in its capacity as originator as designated reporting entity under Article 7 of the Securitisation Regulation will prepare Monthly Servicer Reports wherein relevant information with regard to the Purchased Expectancy Rights will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller in accordance with the Securitisation Regulation Disclosure Requirements and will make such information available via the Securitisation Repository.

Where the relevant retention requirements are not complied with in any material respect and there is negligence or omission in the fulfilment of the due diligence obligations on the part of a credit institution that is investing in the Notes, a proportionate additional risk weight of no less than 250 per cent. of the risk weight (with the total risk weight capped at 1250 per cent.) which would otherwise apply to the relevant securitisation position will be imposed on such credit institution, progressively increasing with each subsequent infringement of the due diligence provisions.

If the Seller does not comply with its obligations under Article 6 of the Securitisation Regulation, the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market may be adversely affected.

Before and following the issuance of Notes, relevant investors, to which the Securitisation Regulation is applicable, are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with Article 5 of the Securitisation Regulation.

Noteholders should take their own advice and/or seek guidance from their regulator on compliance with, and the application of, the provisions of Article 6 of the Securitisation Regulation in particular.

On 17 June 2025 the European Commission published a proposal to amend the EU Securitisation Regulation and Regulation (EU) 2024/1623 of 31 May 2024 and commenced consultations on Delegated Regulation (EU) 2025/61 (together the "**Amendment Package**"). In December 2025, the Council and the Committee on Economic and Monetary Affairs provided a report setting out its view on the Amendment Package. On 20 May 2026, the European Parliament has adopted its Committee on Economic and Monetary Affairs compromise proposals on the Amendment Package. The Amendment Package suggests changes to Article 6 and Article 7 of the Securitisation Regulation. The European Commission, the Council and the European Parliament have entered into a trilogue to agree on the final content of the Amendment Package, which has not been concluded yet, so that at the date of this Base Prospectus it cannot be predicted to what extent such changes will come into force. Hence, potential investors should seek professional advise on how an investment in the Notes may be affected by the Amendment Package.

Securitisation Regulation

In the Programme the residual value in a vehicle is monetised in the form of an expectancy right (*Anwartschaftsrecht*) which results from such vehicle being leased to a customer, the leasing cash flows being

securitised and the vehicle being granted as collateral to the Relevant Lease Receivables Purchaser by VWL. An expectancy right is a unique German law concept, i.e. a right *in rem* (*dingliches Recht*), and as such does not have an obligor, so that there is some uncertainty in how the obligor-related requirements of the Securitisation Regulation are to be complied with. However, in a Q&A (Question ID: 2019_5016) the European Banking Authority confirmed that securitisations securitising the residual values in vehicles which are monetised in the form of an expectancy right (Anwartschaftsrecht) are generally able to comply with Articles 20, 21 and 22 of the Securitisation Regulation and can be designated as an STS securitisation when the residual values of the vehicles are guaranteed or fully mitigated by a repurchase obligation.

Although the Programme has been structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in Articles 20, 21 and 22 of the Securitisation Regulation and has been verified by STS Verification International GmbH on 21 May 2021, in its capacity as third party verification agent authorised pursuant to Article 28 of the Securitisation Regulation, and such verification has been confirmed on each annual renewal date since then, no guarantee can be given that it maintains this status throughout its lifetime. The designation of the Programme as compliant with Articles 20, 21 and 22 of the Securitisation Regulation does not constitute, nor shall be regarded as constituting, a recommendation to buy, sell or hold securities. Noteholders and potential investors should verify the current status of the Programme on the website of ESMA. Non-compliance with such status may result in higher capital requirements for investors as an investment in the Notes would not benefit from Articles 243, 260, 262 and 264 of the CRR. Furthermore, following STS classification, any non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer. As the Order of Priority does not foresee a reimbursement of the Issuer for the payment of any of such administrative sanctions and/or remedial measures the repayment of the Notes may be adversely affected.

The Amendment Package suggests changes to the due diligence requirements under the EU Securitisation Regulation. At the date of this Base Prospectus it cannot be predicted to what extent such changes will come into force. Hence, potential investors should seek professional advise on how an investment in the Notes may be affected by the Amendment Package.

Prospective investors should carefully consider (and, where appropriate, take independent advice) in relation to the capital charges associated with an investment in the Notes. In particular, investors should carefully consider the capital charges associated with an investment in the Notes for credit institutions and investment firms, depending on the particular exposure. These effects may include, but are not limited to, a decrease in demand for the Notes in the secondary market, which may lead to a decreased price for the Notes. It may also lead to decreased liquidity and increased volatility in the secondary market. Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements.

Investor compliance with due diligence requirements under the UK Securitisation Regulation

Following the UK's withdrawal from the EU at the end of 2020, the Securitisation Regulation (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the FCA and the PRA of the United Kingdom) (the "**UK Securitisation Regulation**") applied in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018. The UK Securitisation Regulation largely mirrored (with some adjustments) the Securitisation Regulation as it applied in the EU at the end of 2020. However, on 1 November 2024, the UK Securitisation Regulation was revoked and replaced with a new recast regime comprising (i) the relevant sections of the Financial Services and Markets Act 2000, as amended by the Financial Services and Markets Act 2023 ("**FSMA 2023**"), (ii) the Securitisation Regulations 2024 (SI 2024/102), as amended ("**SR 2024**"); as well as (iii) the securitisation part of the Prudential Regulation Authority (PRA) Rulebook (the "**PRA Securitisation Rules**"); and (iv) the securitisation sourcebook ("**SECN**") of the Financial Conduct Authority (FCA) Handbook (collectively, together with the relevant provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**"), the "**UK Securitisation Framework**"). The UK Securitisation Framework applies to this Programme.

The reforms were introduced under the FSMA 2023 as part of the "Edinburgh Reforms" of UK financial services unveiled on 9 December 2022. On 29 January 2024, HM Treasury made the SR 2024 which empowers the FCA and the PRA to make rules applicable to securitisation market participants. On 30 April 2024, the FCA Policy Statement 24/4: Rules relating to securitisation and the PRA Policy Statement 7/24 –

Securitisation: General requirements were published. The FCA subsequently published the SECN and the PRA subsequently published the PRA Securitisation Rules, each with effect from 1 November 2024.

It should be noted that the implementation of the UK Securitisation Framework is a protracted process and will be introduced in phases. The first phase was the publication of the Financial Services and Markets Act 2023 (Commencement No 7) Regulations 2024 on 2 September 2024, which revoked the previous UK Securitisation Regulation regime and replaced it with the recast SR 2024 with effect from 1 November 2024. We note also that on 17 February 2026, both the FCA and the PRA published parallel consultations on possible changes to the securitisation rules in the UK. The deadline for responding to the consultations was on 18 May 2026. The consultation does not represent the final position, and no assurance can be given about the content of the final regulatory changes (if any) that may result from these proposed reforms.

Please note that some divergence between EU and UK regimes exists already. While the UK Securitisation Framework regime bring some alignment with the EU regime, it also introduces new points of divergence and the risk of further divergence between EU and UK regimes cannot be ruled out in the longer term as it is not known at this stage how the ongoing reforms or any future reforms will be finalised and implemented in the UK or the EU.

The UK Securitisation Framework includes investor due diligence requirements which are applicable to UK institutional investors in a securitisation, as prescribed under Article 5 of Chapter 2 of the PRA Securitisation Rules (the "**PRA Due Diligence Rules**"), SECN 4 (the "**FCA Due Diligence Rules**") and regulations 32B, 32C and 32D of the SR 2024 (the "**OPS Due Diligence Rules**", with respect to occupational pension schemes with their main administration in the United Kingdom) (together, the "**UK Due Diligence Rules**"). Among other things, prior to holding a securitisation position, such UK institutional investors are required to verify certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as a simple, transparent and standardised securitisation, compliance of that transaction with the EU or UK STS requirements, as applicable. If the UK Due Diligence Rules are not satisfied then, depending on the regulatory requirements applicable to such UK institutional investors, an additional risk weight, regulatory capital charge and/or other regulatory sanction may be applied to such securitisation investment and/or imposed on such UK institutional investor.

In respect of the UK Due Diligence Rules, potential UK institutional investors (as defined in the UK Securitisation Framework) should note in particular that:

- in respect of the risk retention requirements set out in SECN 5.2.8R(1)(d), VWL in its capacity as originator, commits to retain a material net economic interest with respect to this Programme in compliance with Article 6(3)(d) of the Securitisation Regulation and Article 6 of Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023 or any successor delegated regulation only and not in compliance with SECN 5.2.8R(1)(d), and

- in respect of the transparency requirements set out in SECN 6.2.1(R), the Servicer in its capacity as designated reporting entity under Article 7 of the Securitisation Regulation will make use of the standardised templates developed by ESMA in respect of the Securitisation Regulation Disclosure Requirements for the purposes of this Programme and will not make use of the standardised templates adopted by the FCA.

No assurance can be given that the information included in this Base Prospectus or provided in accordance with the Securitisation Regulation Disclosure Requirements will be sufficient for the purposes of assisting such UK institutional investors in complying with their due diligence obligations under the UK Due Diligence Rules. This is also relevant given the Amendment Package.

Therefore, relevant UK institutional investors are required to independently assess and determine the sufficiency of the information described in this Base Prospectus for the purposes of complying with the UK Due Diligence Rules, and any corresponding national measures which may be relevant to investors, and no assurance can be given that this is the case. None of the Issuer, the Arranger, the Lead Manager, the Security Trustee, the Servicer, the Seller or any of the other Programme Parties makes any representation that any such information described in this Base Prospectus is sufficient in all circumstances for such purposes.

The UK Securitisation Framework makes provisions for a securitisation transaction to be designated as an STS Securitisation. Under the UK Securitisation Framework, securitisation transactions which have been

notified to ESMA as meeting the requirements to qualify as an STS Securitisation under the Securitisation Framework can also qualify as an STS Securitisation under the UK Securitisation Framework, provided that the securitisation transaction remains on the ESMA register and continues to meet the requirements for STS Securitisations under the Securitisation Regulation. This Programme is not intended to be designated as an STS Securitisation for the purposes of the UK Securitisation Framework. Investors should therefore consider the consequence from a regulatory perspective of the Notes not being considered an STS Securitisation, including (but not limited to) that the lack of such designation may negatively affect the regulatory position of the Notes and, in addition, have a negative effect on the price and liquidity of the Notes in the secondary market.

U.S. Risk Retention

The Programme will not involve risk retention by the Seller for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Base Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned Affiliate or branch of the sponsor or issuer organised or located in the United States.

There can be no assurance that the exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure of the offering of the Notes to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the risk retention requirements of the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

Reform of EURIBOR Determinations

EURIBOR qualifies as a critical benchmark (a "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council, as amended, including by Regulation (EU) 2025/914 (the "**Benchmarks Regulation**").

Regulation (EU) 2025/914 amended the scope of the Benchmarks Regulation with effect from 1 January 2026. Under the amended regime, the scope of the Benchmarks Regulation has been narrowed to cover critical benchmarks, significant benchmarks, EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and certain commodity benchmarks. As EURIBOR continues to be classified as a critical benchmark, it remains fully within the scope of the Benchmarks Regulation.

The Benchmarks Regulation applies to "contributors", "administrators" and "users" of in-scope benchmarks (such as EURIBOR) in the EU, and among other things, (i) requires in-scope benchmark administrators to be authorised and to comply with extensive requirements in relation to the administration of benchmarks and (ii) ban the use of in-scope benchmarks of unauthorised administrators.

EURIBOR is administered by the European Money Markets Institute, which is authorised and supervised in respect of EURIBOR in accordance with the Benchmarks Regulation and is included in the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulation.

If EURIBOR were no longer provided, if the European Money Markets Institute were no longer authorised in respect of EURIBOR or were no longer included in the register referred to above, or if the regulatory status or availability of EURIBOR were otherwise to change, the use of EURIBOR could be restricted or prohibited. This could adversely affect the determination of interest payable on the Notes, their value and their liquidity.

Furthermore, it is not possible to ascertain as at the date of this Base Prospectus (i) what the impact of the Benchmarks Regulation will be on the determination of EURIBOR in the future, which could adversely affect the value of the floating rate Notes, (ii) how changes in accordance with the Benchmarks Regulation may impact the determination of EURIBOR for the purposes of the floating rate Notes and the Swap Agreement, (iii) whether any changes in accordance with the Benchmarks Regulation will result in a sudden or prolonged increase or decrease in EURIBOR rates or (iv) whether changes in accordance with the Benchmarks Regulation will have an adverse impact on the liquidity or the market value of the floating rate Notes and the payment of interest thereunder.

Any consequential changes to EURIBOR as a result of the European Union, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the value of and return on the floating rate Notes. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules of methodologies used in certain Benchmarks, adversely affect the performance of a Benchmark or lead to the disappearance of certain Benchmarks. Upon the occurrence of a Benchmark Event, the Servicer, on behalf of the Issuer, shall have the right to determine a Substitute Reference Rate in its due discretion, but subject to a prior coordination with the Expectancy Rights Trustee, to replace EURIBOR. There can be no assurance, however, that an appropriate Substitute Reference Rate will be available in such a situation and, if available, that the Substitute Reference Rate will generate interest payments under the floating rate Notes resulting in the floating rate Noteholders receiving the same yield that they would have received had EURIBOR been applied for the remaining life of the floating rate Notes. Furthermore, as alternative or reformed reference rates to replace the EURIBOR calculated according to their original methodology are still in the process of being identified and developed by or with the involvement of administrators, contributors, central banks, supervisory authorities and market participants, it cannot be predicted at the date of this Base Prospectus what such Substitute Reference Rate would be. Should the Servicer, on behalf of the Issuer, substitute EURIBOR for a Substitute Reference Rate, this could negatively affect the yield and the market value of the floating rate Notes. If the Servicer, on behalf of the Issuer, does not make use of its right to determine a Substitute Reference Rate, interest payable on the floating rate Notes will be determined in reliance on the ordinary fallback mechanism set forth in the Conditions, pursuant to which the Interest Determination Agent will initially determine EURIBOR by the offered quotation or the arithmetic mean of the offered quotations on the Screen Page on the last day preceding the second Business Day prior to the commencement of the relevant Interest Accrual Period on which such quotations were offered. In a situation where EURIBOR has definitely ceased to exist, no such quotes might be provided, in which event interest payable under the floating rate Notes would be determined on the basis of the rate(s) shown on the relevant screen page of the relevant information vendor on last day on which such screen rate was available, effectively turning floating rate notes into Notes with fixed interest payments. The application of this fallback mechanism could have significant negative effects on the yield and the market value of the floating rate Notes, particularly because EURIBOR immediately prior to its definite disappearance might be subject to high volatility.

The Benchmarks Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Benchmarks Regulation**") contains similar requirements with respect to the UK, in particular the requirement for benchmark administrators to be authorised or registered (or, if non-UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and prevent certain uses by UK-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-UK based, deemed equivalent or recognised or endorsed). Pursuant to the UK Benchmarks Regulation, as amended by the Financial Services and Markets Act 2023 (Benchmarks and Capital Requirements) (Amendment) Regulations 2023, the transitional period for third country benchmarks has been extended from 31 December 2025 to 31 December 2030.

Basel Capital Accord and regulatory capital requirements

The European authorities have incorporated the Basel III framework into EU law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC (Capital Requirements Directive – "**CRD**"), as amended by Directive (EU) 2019/878 of 20 May 2019 (the "**CRD V**") and Directive (EU) 2024/1619 of 31 May 2024 (the "**CRD VI**"), and the CRR, as amended by Regulation (EU) 2019/876 of 20 May 2019 (the "**CRR II**") and Regulation (EU) 2024/1623 of 31 May 2024 (the "**CRR III**"). The CRR III applies since 1 January 2025.

In respect of the CRD VI Member States will have 18 months to transpose the directive into national legislation.

CRR III implements changes to the output floor which had been introduced to reduce excessive variability of banks' capital requirements calculated with internal models. The output floor will be implemented on a transitional basis starting with 50% as of 1 January 2025 and ending with 72.5% from 1 January 2030 onwards. For the computation of the output floor based on calculation of the risk weights of all risks and exposures under standardised approach, CRR III also implements transitional changes to the p-factor, for the exposures that are risk weighted using the SEC-IRBA or the Internal Assessment Approach and, which shall, until 31 December 2032, apply the following factor p: (a) p = 0,25 for STS (b) p = 0,5 for non-STS. Further key changes of CRR III are changes to the risk weight provisions.

Additionally, Regulation (EU) No 2015/61 of 10 October 2014 (the "**LCR Regulation**") sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. On 19 November 2018, Delegated Regulation (EU) 2018/1620 amending the LCR Regulation (the "**Delegated Regulation**") entered into force, pursuant to which, *inter alia*, transactions exposures of securitisations, which qualify as simple, transparent and standardised securitisations in accordance with the Securitisation Regulation, shall qualify as Level 2B high quality liquid assets, if they additionally fulfil the conditions laid down in Article 13 of the LCR Regulation.

The CRR III and the CRD VI could affect the risk-based capital treatment of the Notes for investors which are subject to bank capital adequacy requirements under these provisions or implementing measures and may have negative implications on the cost of regulatory capital for certain investors and thereby on the overall return from an investment of the Notes and the liquidity of the Notes. Therefore, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them by the CRR III and the CRD VI and its amendments. No predictions can be made as to the precise effects of such matters on any investor or otherwise. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future implementation of and changes to the CRR III and the CRD VI, or other regulatory or accounting changes.

The Amendment Package suggests changes to the CRR III and the LCR Regulation. The European Commission, the Council and the European Parliament have entered into a trilogue to agree on the final content of the Amendment Package, which has not been concluded yet, so that at the date of this Base Prospectus it cannot be predicted to what extent such changes will come into force. Hence, potential investors should seek professional advise on how an investment in the Notes may be affected by the Amendment Package.

V. Risks related to the taxation

The Common Reporting Standard

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements the Common Reporting Standard ("**CRS**") in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis.

For the purposes of complying with its obligations under CRS and DAC II, if any, the Issuer shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the relevant tax authorities who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by the Issuer to comply with its CRS and DAC II obligations, if any, may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed as a result under applicable law. Such monetary penalties may lead to an inability of the Issuer to pay fully or partially interest on the Notes and or to redeem part or all of the Notes.

Income tax

A foreign corporation is subject to unlimited German resident taxation if it maintains its place of effective management and control (*Geschäftsleitung*) in Germany. As a consequence, the foreign corporation would

be subject to German resident taxation on its worldwide income, unless certain branch income is tax-exempt according to the provision of any applicable tax treaty. The determination of where the place of effective management and control is located is based on factual circumstances and cannot be made with scientific accuracy. If the German tax authorities and German fiscal courts come to the conclusion that the Issuer maintains its effective place of management and control in Germany, the Issuer's worldwide income would be subject to German corporate income except for non-German branch income which is tax-exempted according to the provision of any applicable tax treaty; ancillary charges might be assessed additionally.

A foreign corporation that does not maintain its effective place of management and control in Germany may become subject to limited German corporate income taxation if it maintains a permanent establishment (*Betriebsstätte*) or has a permanent representative (*Ständiger Vertrete*r) in Germany. The Issuer does not maintain any business premises or office facilities in Germany. In addition, the servicing activities of the Servicer should not constitute business being rendered for, and subject to the directions of, the Issuer on a permanent basis such that the Issuer would not have a permanent representative in Germany (*ständiger Vertreter*) due to the collection services of the Servicer. The competent German tax authorities are still in the process of determining which elements of the activities of a foreign entity (including having its receivables serviced by a German entity) may create a permanent establishment or a permanent representative of such entity pursuant to German domestic law. Should the German tax authorities and German fiscal courts come to the conclusion that the Issuer maintains a permanent establishment (*Betriebsstätte*) or has a permanent representative (*Ständiger Vertrete*r) in Germany, all income attributable to the functions rendered by the Servicer would be subject to German limited corporate income taxation; plus ancillary charges (if any). Such income might include all refinancing income and expenses of the Issuer and, therefore, the earnings-stripping rule might apply to the interest payable on the issued Notes.

Any German corporate income tax amounts paid by the Issuer to the German tax authorities would reduce the amounts available for payments under the Notes.

Trade tax

The Issuer is subject to German trade tax if its effective place of management and control is in Germany or the Issuer maintains a permanent establishment in Germany. As outlined above, there is no final position of the German tax authorities and the German fiscal courts with respect to the precise criteria applicable for determining the effective place of management and control and a permanent establishment of a foreign issuer in ABS-transactions. In case the German tax authorities and the German fiscal courts come to the conclusion that the Issuer maintains its effective place of management and control or a permanent establishment in Germany, German trade tax will, in principle, be levied on business profits derived by the Issuer attributable to the German presence; plus ancillary charges (if any). In order to cover such potential German trade tax risk, VWL has undertaken to indemnify the Issuer against any liabilities, costs, claims and expenses resulting from such trade tax claims, except those penalties and interest surcharges that are due to the gross negligence or wilful misconduct of the Issuer. Any German trade tax amounts nevertheless to be paid by the Issuer to the German tax authorities would reduce the amounts available for payments under the Notes.

U.S. Foreign Account Tax Compliance Act

When dealing with cases with a US connection the regulations of the Foreign Account Tax Compliance Act ("**FATCA**") could apply. Under the FATCA regime and the corresponding local regulations in Luxembourg, and Germany specific financial and non-financial institutions are required to exchange tax relevant information with the US tax authorities. A non-compliance with such reporting obligations can result in a duty to withhold 30 per cent. U.S. withholding tax on, *inter alia*, interest and other fixed or determinable annual or periodical income of persons or entities taxable in the US. However, if an amount in respect of such withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the Notes Conditions, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors in the Notes may receive less interest or principal than expected.

ATAD Laws

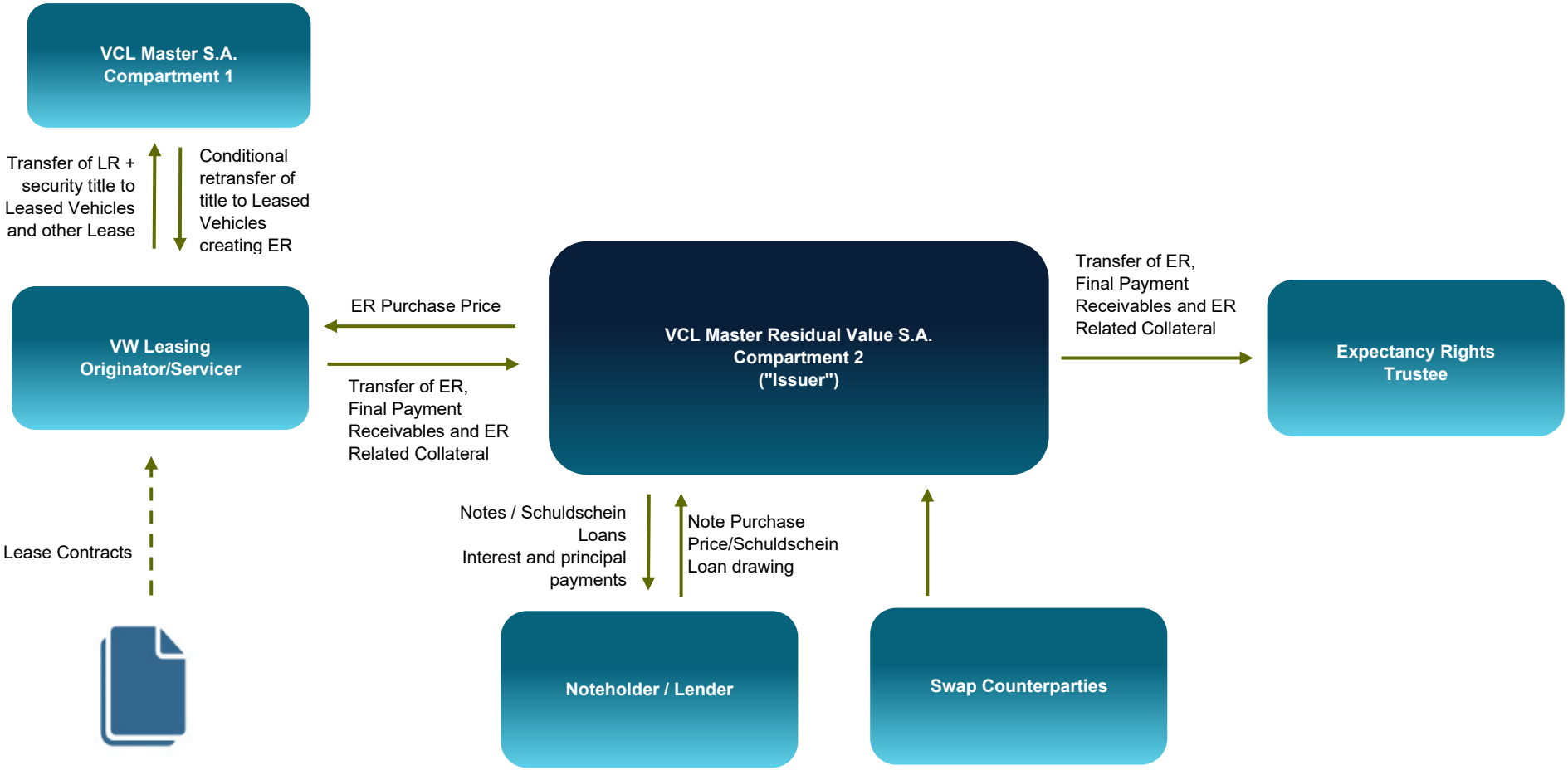
The Issuer is liable to Luxembourg corporate income tax on its worldwide net profits. The Luxembourg laws of 21 December 2018, which implements the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (commonly known as "**ATAD**") and the Luxembourg law of 20 December 2019 implementing the Council Directive (EU)

2017/952 of 29 May 2019 regarding hybrid mismatches with third countries (commonly known as ATAD 2), together known as the "**ATAD Laws**", introduced new tax measures into Luxembourg law, including among others a limitation as regards so-called "exceeding borrowing costs" and hybrid mismatch rules. Whilst certain exemptions and safe harbor provisions (for example, exceeding borrowing costs up to 3 million euro will always remain deductible) or the single entity group exemption exist in relation to the limitation of exceeding borrowing costs, these new rules may in certain situations result in the limitation respectively the denial of the deduction of payments to investors for Luxembourg tax purposes, which may adversely affect the income tax position of the Issuer and as such affect generally its ability to make payments to the holders of the Notes. According to the December infringement package published by the European Commission on 2 December 2021, the European Commission sent a reasoned opinion to Luxembourg asking it to correctly transpose the ATAD into its local laws regarding the treatment of securitisation vehicles subject to and compliant with the Securitisation Regulation. Under current Luxembourg law and contrary to the wording of the ATAD, securitisation companies covered by the Securitisation Regulation are excluded from the scope of the interest deduction limitation rules. The reasoned opinion follows a formal notice sent to Luxembourg on 14 May 2020. In response, Luxembourg adopted a bill of law on 9 March 2022 to remove securitisation vehicles subject to and compliant with the Securitisation Regulation from the list of financial undertakings that are out of scope of the interest deduction limitation rule as from 1 January 2023. Given the absence of ratification of the bill of law so far, the European Commission considered Luxembourg's reply to its reasoned opinion as not satisfactory and decided, on 14 July 2023, to refer Luxembourg to the ECJ for failing to correctly transpose ATAD. The action was brought on 20 February 2024 to the ECJ by the European Commission. The outcome of an ECJ court case and/or of the bill of law, and the impacts on the Issuer, if any, as well as whether such outcome/impacts ultimately will or will not have a retroactive effect remain uncertain and may as such negatively impact this Base Prospectus or alter the tax position of the Issuer.

In any case, clarifications as regards the ATAD Laws and their interpretation may be enacted after the date of this Base Prospectus, possibly with retroactive effect, and could alter the tax position of the Issuer. In addition, the Issuer may take positions with respect to certain tax issues resulting from the ATAD Laws which may depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the applicable tax authority, there could be a materially adverse effect on the Issuer and its ability to make payments to the holders of the Notes.

Therefore, prospective holders of the Notes should make an investment decision only after careful consideration, with its independent advisers, as to the consequences of the ATAD Laws and its potential impacts on the Issuer.

Structure Diagram



ER = Expectancy Rights to Leased Vehicles
LR = Lease Receivables

LEGAL STRUCTURE OF THE PROGRAMME

The following paragraphs contain a brief overview of the legal structure of the programme. This overview is necessarily incomplete and prospective investors are urged to read the entire Base Prospectus together with the relevant Final Terms, carefully for more detailed information.

The proceeds from the issue of the VCL Master Instruments have been used and shall be used to acquire a portfolio of Lease Receivables from VWL, whereas the proceeds from the issue of the Notes have been invested and shall be invested to acquire Residual Values in the form of Expectancy Rights. Although the entire Programme is described in the following paragraphs, **only the Notes are the subject of this Base Prospectus**. The conditional retransfer of collateral granted for security purposes to VCL Master S.A. creates the Expectancy Rights to be sold and transferred to the Issuer for allocation to its Compartment 2.

The programme is structured in a manner which exposes the Noteholders and the Lenders to

(a) in relation to Purchased Expectancy Rights, to the extent the respective Leased Vehicles related to the Purchased Expectancy Rights are realised by way of sale in the open market, the market risk associated with the realisation of the Leased Vehicles; and

(b) in relation to Final Payment Receivables, the credit risk of the underlying Lessees.

To the extent that the Security, or the proceeds of the realisation thereof, and the Issuer's additional free assets (*sonstiges freies Vermögen*), if any, prove ultimately insufficient to satisfy the claims of the Noteholders and the Lenders in full, then claims in respect of any shortfall will be extinguished and neither the Noteholders, the Lenders nor the Expectancy Rights Trustee will have any further claims against the Issuer acting with respect to its relevant Compartment. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when, in the opinion of the Expectancy Rights Trustee, no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders and the Lenders, and neither assets nor proceeds will be so available thereafter.

Inter alia, the following legal relationships are or have been entered into in order to implement the programme:

Sale of Lease Receivables, Expectancy Rights, Final Payment Receivables and corresponding Expectancy Rights Related Collateral

VWL and VCL Master S.A. entered into the VCL Master Receivables Purchase Agreement pursuant to which:

(a) VWL sells Lease Receivables to the VCL Master S.A. and transfers the Leased Vehicles for security purposes to VCL Master S.A.;

(b) VCL Master S.A. funds the purchase price for the Lease Receivables by issuing and selling the VCL Master Instruments.

Pursuant to clause 8.8 of the VCL Master S.A. Receivables Purchase Agreement in the course of a term takeout, VWL and the Relevant Lease Receivables Purchaser will enter into a Relevant Receivables Purchase Agreement pursuant to which:

(a) VWL has been authorised (*ermächtigt*) by the VCL Master Security Trustee and by VCL Master S.A. to assign Lease Receivables to the Relevant Lease Receivables Purchaser;

(b) the Relevant Lease Receivables Purchaser funds the purchase price for the Lease Receivables by issuing and selling notes.

VWL and the Issuer entered into the Expectancy Rights Purchase Agreement pursuant to which:

(a) VWL sells Expectancy Rights, Final Payment Receivables and corresponding Expectancy Rights Related Collateral to the Issuer; and

(b) the Issuer funds the purchase price for the Expectancy Rights, the Final Payment Receivables and corresponding Expectancy Rights Related Collateral by issuing and selling the Notes.

During the Revolving Period VWL has the right to sell and transfer to the Issuer at its option under the Expectancy Rights Purchase Agreement or any Additional Expectancy Rights Purchase Agreement on any Additional Purchase Date the Expectancy Rights and related Expectancy Rights Related Collateral regarding the Leased Vehicles in relation to Lease Receivables which have been sold and transferred to Relevant Lease Receivables Purchaser in accordance with the Relevant Receivables Purchase Agreement.

The purchase price for the Expectancy Rights, Final Payment Receivables and corresponding other Expectancy Rights Related Collateral have been funded or, respectively, will be funded by the issue of Instruments and from cash proceeds available in the Accumulation Account.

***In rem* transfers**

Under the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement, VWL will assign and transfer to the Issuer, Expectancy Rights, the Final Payment Receivables and corresponding Expectancy Rights Related Collateral in relation to Leased Vehicles.

Post-funding situation

The Issuer authorises the Expectancy Rights Trustee to act for the Programme Creditors pursuant to the terms of the Trust Agreement.

The Issuer has entered into the Servicing Agreement with VWL pursuant to which VWL will service the Final Payment Receivables and realise the Expectancy Rights and Expectancy Rights Related Collateral.

The Issuer has further entered into the Repurchase Agreement with VWL under which VWL undertakes to purchase the Leased Vehicles upon expiry of the underlying Lease Contract and transformation of the related Expectancy Rights into full legal title to the Leased Vehicles.

In order to comply with Data Protection Rules, VWL will make an encrypted list (with only the names and addresses of the respective Lessees) available to the Issuer and will make the Portfolio Decryption Key for the decryption in a secured excel file available to the Data Protection Trustee.

USE OF PROCEEDS

The aggregate net proceeds from the issuance of the Notes and the borrowings under the Schuldschein Loans and the Subordinated Loan will be used to purchase Expectancy Rights from VWL during the Revolving Period and to pay costs related to the issue of the Notes and the advances under the Schuldschein Loans, all as further described for the relevant Series of Notes in the relevant Final Terms and for the Schuldschein Loans in the relevant Schuldschein (Certificate of Indebtedness).

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

General Conditions of the Notes

No obligation of VWL whatsoever will arise from the Notes.

Denomination

The issue in the aggregate Nominal Instrument Amount of up to EUR 12,000,000,000 consists of registered Notes with a Nominal Instrument Amount of EUR 100,000 each, ranking equally among themselves. The Class A Notes will rank equally with the Senior Schuldschein Loans but senior to the Class B Notes and the Class B Notes will rank equally with the Junior Schuldschein Loans but senior to the Subordinated Loan.

Global Notes

The Notes of each Series are, each, issued in registered form and represented by a global note (each a "**Global Note**") without coupons. Each Global Note shall be deposited with a Common Depositary for Clearstream, Luxembourg and Euroclear and be held in book-entry form only. Each Global Note will bear the personal signatures of two (2) duly authorised directors of VCL Master Residual Value S.A. and will be authenticated by one or more employees of the Registrar.

For each Series of Notes, the Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the names and addresses of the Noteholders (as defined below) and the particulars of such Notes held by them and all transfers and payments (of interest and principal) of such Notes. The rights of the Noteholders evidenced by the Global Note and title to the relating Notes itself pass by assignment and registration in the relevant Register. The Global Notes will be issued in the name of a nominee of the common depositary for Clearstream Luxembourg and Euroclear (each such nominee, respectively, the "**Registered Holder**"). The Registered Holder will be subsequently registered as Noteholder in the relevant Register.

Each person (other than Euroclear or Clearstream Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream Luxembourg, as the holder of a particular nominal amount of such Notes shall be treated by the Issuer and any paying agent as the holder of such nominal amount of the Notes for all purposes.

No transfer of Notes will be valid unless entered into the Register, *provided that* the interests in the Notes represented by a Global Note are transferable only according to applicable rules and regulations of Clearstream Luxembourg, and Euroclear, as the case may be. Each of the Global Notes will not be exchangeable for definitive notes.

Payments of Principal and Interest

Payments of principal and interest, if any, on the Notes shall be made by the Principal Paying Agent on behalf of the Issuer for further payment to Clearstream, Luxembourg and Euroclear or to its order for credit to the relevant account holders of Euroclear and Clearstream, Luxembourg. All payments in respect of any Note made by, or on behalf of, the Issuer, or to the order of Euroclear or Clearstream, Luxembourg shall discharge the liability of the Issuer under such Note to the extent of sums so paid.

The Issuer shall have the right to request, by notice to the holders of any Series of the Notes to be delivered in accordance with Condition 12 no later than twenty (20) calendar days prior to the final day of the then current Revolving Period applicable to such Series of Notes (each an "**Instrument Revolving Period Expiration Date**", where the first such date for each Series will be set out in the relevant Final Terms), the extension of such current Instrument Revolving Period Expiration Date together, if relevant, with an amendment to the Margin with respect to such extension period and the extension of the relevant Legal Maturity Date for a period specified in the notice, which shall be equal to the period specified in such notice for the extension of the current Instrument Revolving Period Expiration Date. The extended relevant Instrument Revolving Period Expiration Date and the new Margin, if any, for the period for which such Instrument Revolving Period Expiration Date has been extended shall become effective only if (A) the Issuer received confirmation from the Rating Agencies that the rating of the relevant Instrument will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than for the then outstanding Instruments before the Instrument Revolving Period Expiration Date was

extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Instruments as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders in the form prescribed in Condition 12 that it has received such reaffirmation and that it agrees to the requested amendments and (D) that the Issuer has arranged sufficient interest hedging for the amended Instrument Revolving Period Expiration Date.

The Notes of each Series are scheduled to be redeemed in full on the Payment Date specified to be the scheduled repayment date for such Series in the relevant Final Terms (each a "**Scheduled Repayment Date**").

Notwithstanding Condition 8 of the Notes Conditions, all payments of interest on and principal of each Series of Notes will be due and payable at the latest in full on the respective legal maturity date of such Series of Notes as set out in the relevant Final Terms (each a "**Legal Maturity Date**") *provided that* whenever with respect to a Series of Notes the relevant Instrument Revolving Period Expiration Date is extended, the relevant Legal Maturity Date shall be extended automatically for the same period as the relevant Instrument Revolving Period Expiration Date applicable to such Series.

On the 25th day of each calendar month or, in the event such day is not a Business Day, on the next following Business Day, unless such day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (the "**Payment Date**") the Issuer shall, subject to Condition 5(c), pay to each Noteholder interest on the principal amount of Notes outstanding immediately prior to the respective Payment Date at the Senior Instrument Interest Rate or Junior Instrument Interest Rate, and shall make repayments of the principal amount of relevant Notes by paying to the Noteholders of any Amortising Instrument the Senior Instrument Principal Payment Amount or Junior Instrument Principal Payment Amount, as applicable.

The Available Distribution Amount on each Payment Date shall equal the sum of the following amounts: (i) the Expectancy Rights Collection Amount, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus (ii) any interest accrued on the Accumulation Account and the Distribution Account; plus (iii) any Net Swap Receipts under the Swap Agreements and any other amounts included in the Available Distribution Amount pursuant to clause 20 *(Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement; plus (iv) payments from the Cash Collateral Account as provided for in clause 22.2 (*Cash Collateral Account*) of the Trust Agreement; plus (v) payments from the VCL Master Distribution Account made on the immediately preceding Payment Date; plus (vi) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus (vii) any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Notes in accordance with Condition 9(b); plus (viii) any amount to be debited from the Buffer Release Reserve Ledger on such Payment Date subject to and in accordance with the relevant mechanics of the Buffer Release Reserve Ledger; plus (ix) any Negative Buffer Release Amount, until a Reserve Trigger Event has occurred and the Buffer Release Reserve has been funded; but less (x) any Positive Buffer Release Amount, provided that no Credit Enhancement Increase Condition is in effect. For the avoidance of doubt if a Credit Enhancement Increase Condition is in effect, the Positive Buffer Release Amount will remain forming part of the Available Distribution Amount as part of the Expectancy Rights Collection Amount under limb (a) of the definition of Available Distribution Amount.

The Issuer is only obliged to make any payments to the Noteholders if it has first received such amounts to freely dispose of them. It is understood that interest and principal on the Notes will not be due on any Payment Date except to the extent there are sufficient funds in the respective Available Distribution Amount to pay such amounts in accordance with the Order of Priority. All payment obligations of the Issuer are limited recourse and constitute solely obligations of the Issuer to distribute amounts out of the respective Available Distribution Amount according to the Order of Priority.

Instrument Amortisation Amounts

On each Payment Date, to the extent of the respective Available Distribution Amount in accordance with the applicable Order of Priority of distributions set forth below, the Issuer will pay to the holders of the Amortising Instruments an aggregate amount in respect of principal equal to the Instrument Amortisation Amount of the respective Instrument. Prior to an Enforcement Event, the respective Instrument Amortisation Amount is the amount necessary to reduce the outstanding principal amount of the respective Instruments to the Senior

Instrument Targeted Balance or the Junior Instrument Targeted Balance, as applicable. The respective Instrument Amortisation Amount is intended to reduce the aggregate outstanding principal amounts of the Amortising Instruments to amounts which would leave an amount of overcollateralisation constant as a percentage of the Aggregate Discounted Expectancy Rights Balance, subject to certain specified increases in those percentages in case a Credit Enhancement Increase Condition is in effect.

Order of Priority of distributions

In respect of the Notes, distributions will be made on each Payment Date from the Available Distribution Amount according to the following Order of Priority:

(a) on each Payment Date prior to the occurrence of an Enforcement Event:

first, in or towards payment of amounts due and payable in respect of taxes (if any) by the Issuer and allocated to the Issuer's Compartment 2;

second, in or towards payment, rateably and pari passu, of amounts (excluding any payments under the Trustee Claims) due and payable and allocated to the Issuer's Compartment 2 (i) to the Expectancy Rights Trustee under the Trust Agreement and (ii) pari passu to any successor of the Expectancy Rights Trustee (if applicable) appointed pursuant to clause 31 (Replacement of Expectancy Rights Trustee) of the Trust Agreement or under any agreement replacing the Trust Agreement;

third, in or towards payment of the Servicer Fee to the Servicer;

fourth, in or towards payment, rateably and pari passu, of amounts due and payable and allocated to the Issuer's Compartment 2 (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iii) to the Rating Agencies the fees for the monitoring, and (iv) to the English Process Agent under the process agency agreements;

fifth, in or towards payment, rateably and pari passu, of amounts due and payable and allocated to the Issuer's Compartment 2 (i) to the directors of the Issuer and (ii) in respect of other administration costs and expenses of the Issuer including without limitation, any costs relating to the listing of the Notes, or amounts due and payable to the paying agents, any auditors' fees, any tax filing fees and any annual return which are to be allocated to Compartment 2;

sixth, in or towards payment, rateably and pari passu, of amounts due and payable and allocated to the Account Bank maintaining the Accounts for account management fees and amounts payable to the Cash Administrator for cash administration fees due under the Account Agreement, the Principal Paying Agent, the Registrar, the Interest Determination Agent and the Calculation Agent under the Agency Agreement, to the Custodian of any amounts due to it from the Issuer under the Custody Agreement and a Note Purchaser or Lender under the Programme Agreement;

seventh, pari passu and rateably as to each other on all floating rate Instruments of amounts due and payable by the Issuer to the Swap Counterparties in respect of any Net Swap Payments or any Swap Termination Payments under a Swap Agreement (if any and provided that a Swap Counterparty under the respective Swap Agreement is not a defaulting party (as defined in the respective Swap Agreement) and there has been no termination of the transaction under the respective Swap Agreement due to a termination event relating to the respective Swap Counterparty's downgrade);

eighth, pari passu and rateably to each other of amounts due and payable in respect of (a) interest accrued on the Senior Instruments during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) pari passu and rateably as to each other on all Senior Instruments;

ninth, pari passu and rateably to each other of amounts due and payable in respect of (a) interest accrued on the Junior Instruments during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) pari passu and rateably as to each other on all Junior Instruments;

tenth, in or towards payment to the Cash Collateral Account (as defined below), until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;

eleventh, pari passu and rateably, in or towards payment of (a) the Instrument Amortisation Amount to each Senior Instrument and (b) an amount equal to the Senior Instrument Accumulation Amount to the Accumulation Account maintained for Non-Amortising Instruments;

twelfth, pari passu and rateably, in or towards payment of (a) the Instrument Amortisation Amount to each Junior Instrument and (b) an amount equal to the Junior Instrument Accumulation Amount to the Accumulation Account maintained for Non-Amortising Instruments;

thirteenth, pari passu and rateably as to each other in or towards payment to the Swap Counterparties of any payments due under the respective Swap Agreements other than those made under item seventh above, if any;

fourteenth, upon the occurrence of an Insolvency Event with respect to VWL, all remaining excess shall be transferred pro rata and pari passu to any VCL Master Distribution Account until all series of VCL Master Instruments relating to such VCL Master Distribution Account are redeemed in full;

fifteenth, pari passu and rateably as to each other in or towards payment to amounts due and payable in respect of (a) interest accrued during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) on the Subordinated Loan;

sixteenth, to the Subordinated Lender to reduce the outstanding principal amount of the Subordinated Loan; and

seventeenth, to pay all remaining excess to VWL by way of a final success fee.

(b) Distribution will be made from the Cash Collateral Account on any Payment Date prior to the occurrence of a Foreclosure Event, if and to the extent the General Cash Collateral Amount exceeds the Specified General Cash Collateral Account Balance and no Credit Enhancement Increase Condition is in effect, according to the following Order of Priority, *provided that* for any Payment Date on which a Term Takeout takes place, the Specified General Cash Collateral Account Balance shall be calculated using the aggregate outstanding principal amount of the Instruments following the redemption of the Instruments that occurs on such Payment Date as a result of such Term Takeout:

first, to the Subordinated Lender, amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);

second, to the Subordinated Lender an amount necessary to reduce the outstanding principal amount of the Subordinated Loan; and

third, all remaining excess to VWL by way of a final success fee.

(c) Following the occurrence of an Enforcement Event, distributions will be made by the Expectancy Rights Trustee from the Available Distribution Amount and from any amounts standing to the credit of the Cash Collateral Account, and according to the following Order of Priority:

first, amounts due and payable in respect of taxes (if any) by the Issuer and allocated to the Issuer's Compartment 2;

second, amounts (excluding any payments under the Trustee Claim) due and payable and allocated to the Issuer's Compartment 2 (i) to the Expectancy Rights Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Expectancy Rights Trustee (if applicable) appointed pursuant to clause 30 (*Termination by the Expectancy Rights Trustee for good cause*) and clause 31 (*Replacement of Expectancy Rights Trustee*) of the Trust Agreement or under any agreement replacing the Trust Agreement;

third, in or towards payment of the Servicer Fee to the Servicer;

fourth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Issuer's Compartment 2 (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iii) to the Rating Agencies the fees for the monitoring, and (iv) to the English Process Agent under the process agency agreements;

fifth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Issuer's Compartment 2 (i) to the directors of the Issuer and (ii) in respect of other administration costs and expenses of the Issuer including without limitation, any costs relating to the listing of the Notes, or any amounts due and payable to the paying agents, any auditors' fees, any tax filing fees and any annual return which are to be allocated to Compartment 2;

sixth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Account Bank maintaining the Accounts for account management fees and amounts payable to the Cash Administrator for cash administration fees due under the Account Agreement, the Principal Paying Agent, the Registrar, the Interest Determination Agent and the Calculation Agent under the Agency Agreement, to the Custodian of any amounts due to it from the Issuer under the Custody Agreement and a Note Purchaser or Lender under the Programme Agreement;

seventh, *pari passu* and rateably as to each other on all floating rate Instruments amounts due and payable by the Issuer to the Swap Counterparties in respect of any Net Swap Payments or any Swap Termination Payments under a Swap Agreement (if any and *provided that* a Swap Counterparty under the respective Swap Agreement is not a defaulting party (as defined in the respective Swap Agreement) and there has been no termination of the transaction under the respective Swap Agreement due to a termination event relating to the respective Swap Counterparty's downgrade);

eighth, *pari passu* and rateably to each other towards payment of amounts due and payable in respect of (a) interest accrued on the Senior Instruments during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all Senior Instruments;

ninth, pari passu and rateably to the holders of Senior Instruments in respect of principal until the Senior Instruments are redeemed in full;

tenth, pari passu and rateably to each other towards payment of amounts due and payable in respect of (a) interest accrued on the Junior Instruments during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) pari passu and rateably as to each other on all Junior Instruments;

eleventh, pari passu and rateably to the holders of Junior Instruments in respect of principal until the Junior Instruments are redeemed in full;

twelfth, *pari passu* and rateably as to each other in or towards payment to the Swap Counterparties of any payments due under the respective Swap Agreements other than those made under item *seventh* above, if any;

thirteenth, upon the occurrence of an Insolvency Event with respect to VWL, all remaining excess shall be transferred to the VCL Master Distribution Account until all series of VCL Master Instruments are redeemed in full;

fourteenth, towards payment of amounts due and payable in respect of (a) interest accrued during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) on the Subordinated Loan;

fifteenth, to the Subordinated Lender until the Subordinated Loan has been redeemed in full; and

sixteenth, to pay all remaining excess to VWL by way of a final success fee.

(d) However, (i) any proceeds arising from a Term Takeout shall not be distributed according to the above Order of Priority but shall be distributed

first to the then outstanding Senior Instruments, until the Redeemable Amount of all then outstanding Senior Instruments has been redeemed in full;

second to the then outstanding Junior Instruments, until the Redeemable Amount of all then outstanding Junior Instruments has been redeemed in full;

third to the Subordinated Loan; and

fourth to VWL by way of an additional success fee.

and (ii) amounts distributed to a specific Senior Instrument or a specific Junior Instrument exceeding the amount required to redeem such Instrument in full shall be distributed to the other Senior Instruments and the other Junior Instruments, respectively, whereas in case of Non-Amortising Instruments, any redemption payments will be made in a way to redeem a certain number of Notes in their principal amount of Euro 100,000 or Schuldschein Loans in their principal amount of EUR 100,000.

Cash Collateral Account

On each Payment Date which is also an Issue Date, VWL will fund an increase of the Cash Collateral Account with an amount equal to the Specified General Cash Collateral Account Balance. The Issuer will deposit such funds in the Cash Collateral Account at the Account Bank and has agreed to keep these accounts at all times with a bank that has the Account Bank Required Ratings. In the event that the Cash Collateral Account Bank ceases to have the Account Bank Required Ratings, the Issuer shall within sixty (60) calendar days procure transfer of the accounts held with the Cash Collateral Account Bank to an Eligible Collateral Bank which shall be appointed by the Issuer within the sixty (60) calendar day period referred to above (and the Issuer undertakes to the Security Trustee to take such action).

Prior to the occurrence of an Enforcement Event, on each Payment Date, after the payment of interest on the Instruments and certain other amounts payable by the Issuer, any remaining portion of the Available Distribution Amount will be deposited in the respective Cash Collateral Account until the General Cash Collateral Amount on deposit in the Cash Collateral Account equals the Specified General Cash Collateral Account Balance.

The Cash Collateral Account will contain a Buffer Release Reserve Ledger in which the Buffer Release Reserve will be administered.

Purpose of the Buffer Release Reserve is to cover any shortfalls in case the Buffer Release Rate is a negative number. Prior to the occurrence of a Reserve Trigger Event, any shortfalls due to the fact that the Buffer Release Rate is a negative number will be mitigated by the payment obligation of the Seller to pay the Negative Buffer Release Amount in accordance with clause 17.1 of the Expectancy Rights Purchase Agreement. On any Payment Date, upon the occurrence of a Reserve Trigger Event, the Required Buffer Release Reserve Amount shall be used to pay an amount equal to the Negative Buffer Release Amount for such Payment Date and with such mitigate the fact that the Buffer Release Rate is a negative number. Therefore, prior to the service of an Enforcement Notice, an amount equal to the Negative Buffer Release Amount for relevant Payment Date shall be debited from the Buffer Release Reserve Ledger and shall form part of the Available Distribution Amount on such Payment Date and shall be applied towards any payment to be made pursuant to items *first* to *ninth* of the Order of Priority, as set out in clause 21.2(a) (*Order of Priority*) of the Trust Agreement..

On each Payment Date amounts payable under item *tenth* of the Order of Priority according to clause 21.2(a) of the Trust Agreement will be paid until the amount of funds in the Cash Collateral Account is equal to the Specified General Cash Collateral Account Balance. On each Payment Date the General Cash Collateral Amount shall be used with respect to (a) to cover any shortfalls in the amounts payable under items *first* through *ninth* of the respective Order of Priority in clause 21.2(a) of the Trust Agreement, (b) to make payment of the amounts due and payable under clause 21.2(b) (*Order of Priority*) of the Trust Agreement and (c) on the earlier of (i) the latest occurring Legal Maturity Date of any Instrument or (ii) the date on which the Aggregate Expectancy Rights Balance has been reduced to zero, to make payment of the amounts due and payable under items *eleventh, twelfth, fifteenth* and *sixteenth* of the Order of Priority set out in clause 21.2(a) (*Order of Priority*) of the Trust Agreement.

On each Payment Date, any amount of the General Cash Collateral Amount in excess of the Specified General Cash Collateral Account Balance for that Payment Date (*provided that* no Credit Enhancement Increase Condition is in effect) will be released for payment to the Subordinated Lender of the Subordinated Loan (until all amounts payable in respect of accrued and unpaid interest have been made and the principal of the Subordinated Loan has been reduced to zero) and thereafter to VWL as provided for under the terms of the Trust Agreement *provided that* for such purposes, on any Payment Date on which a Term Takeout takes place, the relevant Specified General Cash Collateral Account Balance will be calculated using the aggregate outstanding principal amount of the Instruments following the redemption of the Instruments that occurs on the respective Payment Date as a result of such Term Takeout.

If on any Payment Date prior to the service of an Enforcement Notice, the balance deposited on the Buffer Release Reserve Ledger exceeds the actual Required Buffer Release Reserve Amount, such excess shall be repaid directly to the Seller (whereby such excess shall not form part of the Available Distribution Amount).

Duties of the Issuer

In addition to its obligation to make payments to the Noteholders as set out in the Notes Conditions, the Issuer undertakes to hold, administer and collect or realise in accordance with the Notes Conditions, the Purchased Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and Ancillary Rights arising from Lease Contracts which VWL has concluded with private individual and commercial Lessees, claims against the insurer pursuant to loss insurance policies covering the respective Leased Vehicles, damage claims arising from a breach of contract or in tort against a respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage or loss of the Leased Vehicles, any claims arising from the acceptance by a third party to purchase the respective Leased Vehicles upon the expiration of the Lease Contract and the right to require VWL to repurchase the Expectancy Rights purchased by the Issuer under the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement and further described below under "**DESCRIPTION OF THE PORTFOLIO**", the General Cash Collateral Amounts, the rights arising from the Swap Agreements and the Security, as well as any further rights arising from the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement, particularly the right to payment of the Settlement Amount.

Duties of VWL

VWL shall deliver to the Issuer at all times upon demand and to the extent available to VWL the following documents insofar as such documents are required for the assertion of the rights transferred herein:

(i) the certificates of receipt signed by the Lessee concerning the acceptance of the Leased Vehicles;

(ii) the documents concerning the execution of the Lease Contract;

(iii) the respective original vehicle registration certificate (*Kraftfahrzeugbrief* or *Zulassungs-bescheinigung Teil II*);

(iv) to the extent that VWL is entitled to a disclosure, any information concerning the Lessee, especially regarding financial standing, which is available to VWL;

(v) proof of VWL's unrestricted title to the Leased Vehicles through presentation of the invoice with the provision for passage of title and the proof of payment; and

(vi) any further information or documents which are of substantial importance to the Lease Contracts.

In accordance with the Data Protection Trust Agreement, VWL, promptly after the execution of the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement is obliged to make the Portfolio Decryption Key (which is for the decryption of the encrypted list of the names and addresses of the respective Lessees for each contract number relating to a Lease Contract) available to the Data Protection Trustee. The Issuer is obliged to keep confidential all information about the Lessees and the business of VWL obtained in connection with the execution of Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement. The foregoing shall not apply (i) to information which is generally known or becomes generally known without the Issuer being responsible for such disclosure, (ii) to information the disclosure of which VWL has expressly or tacitly permitted, (iii) if the Issuer is legally obliged to disclose

information, and (iv) if the disclosure of information by the Issuer is necessary for asserting rights arising from the Notes or the agreements concluded in connection with the issue of the Notes.

Realisation of Security

The Expectancy Rights Trustee is authorised and obliged to adequately realise the ownership interest given in the form of a directly enforceable security interest in the Leased Vehicles by selling the Leased Vehicles or having the Leased Vehicles sold by third parties commissioned by the Expectancy Rights Trustee. The proceeds of realisation thus gained shall be allocated as provided in clause 16 (*Foreclosure of Security, Foreclosure Event*) of the Trust Agreement.

Clean-Up Call

After expiration of the Revolving Period, VWL will have the right at its option to exercise the Clean-Up Call and to repurchase the Purchased Expectancy Rights allocated to the Purchaser on any Payment Date when the Aggregate Discounted Expectancy Rights Balance on a Payment Date is less than10 per cent. of the Aggregate Discounted Expectancy Rights Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date.

Principal Paying Agent, Registrar

The Issuer will make payments to the Noteholders through the Principal Paying Agent. Payments shall be made from the accounts of the Issuer with The Bank of New York Mellon, Frankfurt Branch, as Account Bank without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the distribution takes place. The Bank of New York Mellon, Frankfurt Branch, is an independent credit institution and is not affiliated to VWL or the Issuer and may be substituted as provided for in Condition 9(j) of the Notes Conditions.

The Issuer has appointed The Bank of New York Mellon SA/NV, Luxembourg Branch as Registrar to keep the Register. The Bank of New York Mellon SA/NV, Luxembourg Branch is an independent credit institution and is not affiliated to VWL or the Issuer and may be substituted as provided for in Condition 9(j) of the Notes Conditions.

Security, Expectancy Rights Trustee and Enforcement

For the benefit of the Programme Creditors the Issuer has appointed the Expectancy Rights Trustee pursuant to the Trust Agreement.

The Issuer has assigned, transferred or procured the transfer, as applicable, to the Expectancy Rights Trustee for security purposes all present and future Purchased Expectancy Rights, Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral which the Seller transfers to the Issuer and all rights arising from the Purchased Expectancy Rights, Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral its claims and other rights arising from the Programme Documents (including the rights to unilaterally alter the legal relationship (*unselbständige Gestaltungsrechte*)), all its claims and other rights from all present and future contracts the Issuer has entered or may enter into in connection with the Instruments, the Subordinated Loan, the Swap Agreements or the Purchased Expectancy Rights, the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and all transferable claims (i) in respect of the Accounts of the Issuer opened pursuant to the Account Agreements and (ii) in respect of all bank accounts which will be opened under the Trust Agreement in the name of the Issuer in the future.

The Expectancy Rights Trustee will automatically acquire full legal title (*Volleigentum*) to the related Leased Vehicle subject to suspensory condition (*aufschiebende Bedingung*):

- that all secured obligations (current and future claims against VWL arising from the Receivables Purchase Agreement and the Servicing Agreement relating to the Relevant Receivables Purchase Agreement, including all future damage claims pursuant to section 280(1) in connection with section 280(3) of the German Civil Code (*Schadensersatz statt der Leistung*) and including all claims arising out of a withdrawal from the Relevant Receivables Purchase Agreement) have been settled; or

- the occurrence of a Lease Contract Termination Event.

Under the Expectancy Rights Purchase Agreement and the Additional Expectancy Rights Purchase Agreements VWL will assign and transfer, as applicable, Expectancy Rights, the Final Payment Receivables and corresponding Expectancy Rights Related Collateral in relation to the Leased Vehicles relating to Purchased Lease Receivables to the Issuer.

The Issuer will also assign its rights, title and interest in the Swap Agreement by way of security in favour of the Expectancy Rights Trustee, pursuant to the Security Assignment Deed.

The Expectancy Rights Trustee has been appointed under the Trust Agreement to exclusively hold the Purchased Expectancy Rights, the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral. The Expectancy Rights Trustee may, subject to the terms of the Trust Agreement realise and have realised, administer and do such other acts as are necessary in connection with the holding, administration and realisation of the Purchased Expectancy Rights, the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral assigned to the Expectancy Rights Trustee in accordance with clause 5 (*Assignment for security purposes, transfer of title for security purposes*) of the Trust Agreement for security purposes.

The Trust Agreement establishes the right and duty of the Expectancy Rights Trustee – to the extent necessary – to hold, administer or realise the Security for the benefit of the Programme Creditors (where such realisation occurs with the consent of the Expectancy Rights Trustee for the Purchased Expectancy Rights) and to perform only those other duties which are necessarily incidental thereto. The Programme Creditors are entitled, subject to the provisions of clauses 17 (*Foreclosure on the Security, Foreclosure Event*) and 18 (*Payments upon occurrence of the Foreclosure Event*) of the Trust Agreement, to demand from the Expectancy Rights Trustee the fulfilment of its duties as specified under the Conditions. The Expectancy Rights Trustee is not obliged to monitor the fulfilment of the duties of the Issuer under the Instruments, the Conditions, the Subordinated Loan or any other Programme Documents to which the Issuer is a party. All rights of the Noteholders shall remain at all times and under all circumstances vested in the Noteholders.

Under the Security Assignment Deed, the Issuer's rights in the Swap Agreements assigned by way of security in favour of the Expectancy Rights Trustee will be held on trust by the Expectancy Rights Trustee for itself and as trustee for the other Programme Creditors. The security created under the Security Assignment Deed can be enforced by the Expectancy Rights Trustee (and the proceeds of such enforcement distributed) in accordance with the provisions of the Trust Agreement.

The Security can be realised pursuant to clause 17 (*Foreclosure on the Security, Foreclosure Event*) of the Trust Agreement if (i) an Insolvency Event occurs with respect to the Issuer; (ii) the Issuer does not pay interest on the most senior Instruments then outstanding on any relevant Payment Date and such failure to pay continues for a period of five (5) Business Days; or (iii) the Issuer defaults in the payment of principal of any Instrument on the respective Legal Maturity Date. Amounts generally will not be due and payable on any Payment Date except to the extent there are sufficient funds in the respective Available Distribution Amount to pay such amounts in accordance with the Order of Priority.

VWL shall undertake all steps necessary to protect the Expectancy Rights Trustee’s security interest in the Expectancy Rights Related Collateral and the Purchased Final Payment Receivables, and to hold the corresponding Leased Vehicles free from attachments or secured rights of third parties.

Servicer

Subject to revocation by the Issuer after a Servicer Replacement Event, VWL is commissioned pursuant to the Servicing Agreement as Servicer to administer and collect the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral (including the exercise of enforcement measures) and to realise the Leased Vehicles in accordance with the Servicer’s customary practices in effect from time to time using the same degree of skill and attention that the Servicer exercises with respect to comparable vehicle lease contracts that the Servicer services, collects or realises for itself or others.

The Servicer has also been empowered to administer the Cash Collateral Account and the Security for and on behalf of the Issuer. The Servicer has undertaken to transfer to the Distribution Account maintained by the Issuer with the Account Bank amounts received from realisation of the Leased Vehicles and allocated to the Issuer, or drawn from the Cash Collateral Account

Subject to the terms of the Servicing Agreement, if

(a) the Monthly Remittance Condition is not satisfied, VWL shall for the first time advance the Monthly Collateral in respect of the month in which the Monthly Collateral Start Date falls to the Distribution Account; and

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

If the Expectancy Rights Trustee does not transfer title to a relevant Leased Vehicle to VWL in accordance with clause 4 (*Transfer of title to Leased Vehicles*) of the Repurchase Agreement but otherwise realises the relevant Leased Vehicle for which the Monthly Collateral has been paid by VWL, the Issuer will on the then following Payment Date release such amounts received for such Monthly Period to VWL outside the Order of Priority, unless at such time VWL is in default with delivering the collections for such Payment Date.

Irrespective of its obligation to advance the Monthly Collateral VWL will still remain being obliged to transfer collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral to the Distribution Account in accordance with the provisions of the Servicing Agreement. However, at any time when either (a) the Monthly Remittance Condition is satisfied or (b) the Monthly Remittance Condition is not satisfied but VWL as Servicer has complied with its obligation to remit the Monthly Collateral to the Distribution Account, VWL is entitled to hold, use and invest at its own risk the amounts collected under the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts collected by it during each Monthly Period without segregating such funds from its other funds, and VWL will be required to make a single transfer of such collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts collected by it to the Distribution Account on the following Payment Date. Otherwise, collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts collected by it will be required to be remitted by it to the Distribution Account on the first Business Day after receipt of such amounts.

Following a breach of the Monthly Remittance Condition, the Monthly Servicer Report will show for each Monthly Period whether the Monthly Collateral which has been transferred by VWL for the relevant Monthly Period exceeds the collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts collected by it for such Monthly Period or whether the collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts collected by it for the relevant Monthly Period exceed the Monthly Collateral for such Monthly Period.

On any Payment Date VWL's obligation to pay such collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts received by VWL for the relevant Monthly Period into the Distribution Account will be netted with its claim for repayment of the Monthly Collateral for such Monthly Period and such Monthly Collateral (after netting) will form part of the Available Distribution Amount on such Payment Date. If for such Monthly Period the Monthly Servicer Report shows (a) that the Monthly Collateral which has been transferred by VWL for the relevant Monthly Period on the respective Monthly Collateral Payment Date exceeds the collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts received by VWL for such Monthly Period, such excess shall be released to VWL outside the Order of Priority on the relevant Payment Date or (b) that the collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts received by VWL for such Monthly Period exceed the Monthly Collateral which has been transferred by VWL for the relevant Monthly Period on the respective Monthly Collateral Payment Date, an amount equal to such excess shall be paid into the Distribution Account by VWL on the relevant Payment Date.

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

Information as to the present leasing business procedures of VWL are described in "**BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH**" and "**ADMINISTRATION OF THE PURCHASED EXPECTANCY RIGHTS AND FINAL PAYMENT RECEIVABLES UNDER THE SERVICING AGREEMENT**", however, VWL will be permitted to change those business procedures from time to time in its discretion.

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

The Servicer will be entitled to receive the Servicer Fee on each Payment Date for the preceding Monthly Period. The Servicer shall charge the Servicer Fee to the Issuer on the basis of the Aggregate Discounted Expectancy Rights Balance for such Payment Date. The Servicer Fee for any Payment Date will be an amount equal to the product of (1) one-twelfth, (2) 1.0 per cent. *per annum* and (3) the Aggregate Discounted Expectancy Rights Balance as of the beginning of the preceding Monthly Period (or as of the Closing Date, in the case of the first Monthly Period). As additional compensation, the Servicer will be entitled to retain all late fees, fees for cheques with insufficient funds or other administrative fees. 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 except for auction, painting, repair or refurbishment expenses and similar expenses with respect to the Leased Vehicles, i.e. such costs will be deducted from the enforcement or sale proceeds.

Dismissal and Replacement of the Servicer

After a Servicer Replacement Event, the Issuer is entitled to dismiss the Servicer.

Repurchase Agreement

Subject to the conditions of the Repurchase Agreement, VWL is obliged to repurchase each Leased Vehicle from the Issuer as soon as the underlying Lease Contract expires or is terminated. Such obligation also comprises Leased Vehicles relating to Lease Contracts where a Lease Contract Termination Event has occurred. The purchase price payable by VWL for each Leased Vehicle shall be (A) in case the related Lease Contract terminated pursuant to a Lease Contract Termination Event set out in item (a) thereof, equal to the sum of (a) the Initial Residual Value or the Additional Residual Value, as applicable, as set out in the data field "ABLECOLRG" of the Initial Electronic File or the relevant Additional Electronic File, each discounted at the Expectancy Rights Discount Rate less (b) an amount equal to the amount of the related Final Payment Receivable, or (B) in case the related Lease Contract terminated pursuant to a Lease Contract Termination Event set out in item (b) or (c) thereof, the sum of (1) the sum of (a) the Additional Residual Value as set out in the data field "ABLECOLRG" of the relevant Additional Electronic File, discounted at the Expectancy Rights Discount Rate less (b) an amount equal to the amount of the related Final Payment Receivable and (2) the excess (if any) of the amount calculated in accordance with clause 17.2(a) of the Trust Agreement over such Additional Residual Value, as applicable. In addition to the payment of the repurchase price, VWL shall pass on the proceeds from the collection of the related Final Payment Receivable to the Issuer. If and to the extent, VWL decides, in its own discretion, not to pass on a Final Payment Receivable to the Issuer, the repurchase price for such Leased Vehicle shall be calculated in accordance with limb (a) above only, without any reduction. Upon payment of the repurchase price the Issuer, acting with authorisation of the Expectancy Rights Trustee, will transfer legal title to the relevant Leased Vehicles to VWL. In case VWL fails to meet its obligations under the Repurchase Agreement, the Issuer may sell the Leased Vehicles into the open market.

Replacement of Issuer

Subject to certain preconditions the Issuer is entitled to appoint another company (the "**New Issuer**") in place of itself as debtor for all obligations arising from and in connection with the Notes.

Notices

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

As long as a Global Note is registered in the name of the Registered Holder notices to each respective Noteholder may be validly given if transmitted to Euroclear and Clearstream Luxembourg for further communication to the persons shown as holders of the Notes in their records. Any notice so given shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was given to Euroclear and Clearstream Luxembourg.

In addition, as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, all notices to the Noteholders regarding the Notes shall be published on the website of the Luxembourg Stock Exchange (www.luxse.com). Any notice referred to above shall be deemed

to have been given to all Noteholders on the seventh day after the day on which the said notice was published on the website of the Luxembourg Stock Exchange (www.luxse.com). Should an official listing be absent, then such notices shall be published in the German Federal Gazette (*Bundesanzeiger*).

Applicable Law, Place of Performance and Place of Jurisdiction

The form and content of the Instruments and all of the rights and obligations of the Noteholders, the Lenders, the Issuer, the Principal Paying Agent, the Registrar and the Servicer under the Instruments shall be subject in all respects to the laws of Germany.

Place of performance and venue is Frankfurt am Main.

Claims arising from the Instruments including claims for payment of interest and principal shall be prescribed in accordance with general prescription rules under German law, i.e. either (i) upon the expiry of three years after the end of the year in which the respective claim has come into existence and in which the creditor of such claim had knowledge of such claim (or did not have such knowledge due to its own gross negligence) or (ii) in any event upon the expiry of ten years.

SCHULDSCHEIN LOANS

Under the Programme Agreement, the Issuer may request from each Lender, on the Initial Issue Date and each Further Issue Date, an Initial Loan or a Further Loan, as applicable, for which such Lender has accepted a Drawdown Request, and the respective Lender undertakes to make available to the Issuer such Initial Loan or Further Loan, as applicable, against delivery of a Schuldschein pursuant to clause 3.5 (Delivery and Payment) of the Programme Agreement.

Each Schuldschein Loan shall be evidenced by a certificate of indebtedness (*Schuldschein*) (each a "**Schuldschein**") and which will be delivered to the respective Lender or the Corporate Services Provider on its behalf.

Upon repayment of a Schuldschein Loan in full, the respective Lender (i) shall invalidate the original Schuldschein and send, or (ii) if the original Schuldschein is held by the Corporate Services Provider as custodian of the respective Lender, shall instruct the Corporate Services Provider as custodian of such Lender to invalidate the Schuldschein and send, a scanned copy of the Schuldschein to the Issuer with a copy to the Principal Paying Agent and send the original Schuldschein immediately thereafter. The repayment of any Schuldschein Loan shall be made by the Issuer to the account of the respective Lender specified in the Register.

If and to the extent on any Issue Date an existing Schuldschein Loan is to be repaid and a new Schuldschein Loan is being borrowed from the same Lender, the Issuer shall be entitled to set off the amount repayable by it to any such Lender upon repayment of the existing Schuldschein Loan against the relevant amount to be raised in respect of the new Schuldschein Loan (rollover). For the avoidance of doubt, the Lender is not entitled to refuse the rollover. Any such rollover must be declared by the Issuer in the respective Drawdown Request.

The Senior Schuldschein Loans constitute direct, unconditional and secured obligations of the Issuer. The Senior Schuldschein Loans rank *pari passu* among themselves and with the Class A Notes. The Junior Schuldschein Loan constitute direct, unconditional and secured obligations of the Issuer. The Junior Schuldschein Loan rank *pari passu* among themselves and with the Class B Notes. The Junior Schuldschein Loans rank junior to the Senior Schuldschein Loans and the Class A Notes but senior to the Subordinated Loan with respect to payment of interest and principal as described in the Order of Priority.

Without limiting the rights of a Lender to transfer its rights and claims under its Schuldschein Loan by the terms of the relevant Accession Letter, a Lender may not assign but may transfer any rights, claims and obligations under a Schuldschein Loan (including the related economic risk), whether in whole or in part, to any third party only if:

(a) it has first offered the rights and claims under the Schuldschein Loan for transfer to the Seller and the Seller has declined such offer;

(b) any partial amounts so transferred shall be equal or higher than EUR 10,000,000 or integral multiples thereof;

(c) the transfer does not result in any tax liabilities of the Issuer or any requirement on the Issuer to deduct or withhold amounts for or on account of tax from any payments in respect of this Schuldschein Loan and the Lender provides to the Issuer a withholding tax confirmation equivalent to that set out in clause 5(d) (and where applicable, the request set out at clause 5(e)) of the Transfer Certificate;

(d) the transfer agreement is made in writing substantially in the form of the transfer certificate set out in Annex 3 to the relevant Schuldschein Loan; and

(e) the relevant transferee has entered into an Accession Letter with the relevant parties thereto to effect the transferee's accession to the Incorporated Terms Memorandum, the Trust Agreement and the Programme Agreement.

Following such transfer, the transferee shall assume the respective position of the original Lender and shall be entitled to exercise its creditors rights severally as if (to the extent) it (the transferee) would have been an original party to the relevant Schuldschein Loan.

SWAP AGREEMENT AND SWAP COUNTERPARTIES

The Issuer will enter into the Swap Agreement with [●] (the "**Swap Counterparty**"). The Swap Agreement will hedge the floating interest rate risk on the Instruments. The Swap Counterparty will be any entity which is an Eligible Swap Counterparty.

The Swap Agreements

Under each Swap Agreement relating to the Senior Instruments bearing a Senior Instrument Floating Rate, the Issuer will undertake to pay to the respective Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of such Senior Instruments bearing a Senior Instrument Floating Rate outstanding on each Payment Date prior to the application of the relevant Order of Priority on such Payment Date, calculated on the basis of a fixed rate of interest [●] per cent. *per annum* on the basis of 30/360. The respective Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of such Senior Instruments bearing a Senior Instrument Floating Rate on each Payment Date prior to the application of the relevant Order of Priority on such Payment Date, calculated on the basis of EURIBOR plus [●] per cent. *per annum* on the basis of the actual number of days elapsed in an Interest Accrual Period divided by 360, and subject to a floor of zero.

Under each Swap Agreement relating to the Junior Instruments bearing a Junior Instrument Floating Rate, the Issuer will undertake to pay to the respective Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of such Junior Instruments bearing a Junior Instrument Floating Rate outstanding on each Payment Date prior to the application of the relevant Order of Priority on such Payment Date, calculated on the basis of a fixed rate of interest [●] per cent. *per annum* on the basis of 30/360. The respective Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Junior Instruments bearing a Junior Instrument Floating Rate on each Payment Date prior to the application of the relevant Order of Priority on such Payment Date, calculated on the basis of EURIBOR plus [●] per cent. *per annum* on the basis of the actual number of days elapsed in an Interest Accrual Period divided by 360, and subject to a floor of zero.

Payments under each Swap Agreement will be exchanged on a net basis on each Payment Date. Payments made by the Issuer under the Swap Agreements (other than termination payments related to an event of default where the Swap Counterparty is a defaulting party, or termination event due to the failure by the Swap Counterparty to take required action after a downgrade of its credit rating) rank higher in priority than all payments on the Instruments. If the amounts paid by the Issuer to a Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used for payments due under each Swap Agreement relating to the Senior Instruments bearing a Senior Instrument Floating Rate and, to the extent such payment obligations have been fully satisfied, will be used for payments due under each Swap Agreement relating to the Junior Instruments bearing a Junior Instrument Floating Rate. Payments by a Swap Counterparty to the Issuer under the respective Swap Agreements will be made into the Distribution Account and will, to the extent necessary, be increased to ensure that such payments are free and clear of all taxes.

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

(1) failure to make a payment under the Swap Agreements when due, if such failure is not remedied within three Business Days of notice of such failure being given; or

(2) the occurrence of certain bankruptcy and insolvency events.

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

(1) illegality of the transactions contemplated by the Swap Agreements; or

(2) an Enforcement Event under the Trust Agreement occurs or any Clean-Up Call or prepayment in full, but not in part, of the Instruments occurs; or

(3) failure of the respective Swap Counterparty to maintain its credit rating at certain levels required by the Swap Agreement, which failure may not constitute a termination event if (in the time set forth in the applicable Swap Agreement) the respective Swap Counterparty:

(i) posts an amount of collateral (in the form of cash and/or securities) as set forth in the Swap Agreement; or

(ii) obtains a guarantee from an institution with an acceptable rating; or

(iii) transfers its rights and obligations under the Swap Agreement to an Eligible Swap Counterparty.

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

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

Governing law

The Swap Agreements, and any non-contractual obligations arising out of or in connection with the Swap Agreements, are and will be governed by, and construed in accordance with, English law.

The Security Assignment Deed

Pursuant to the Security Assignment Deed, the Issuer assigns to the Expectancy Rights Trustee as security for the payment and discharge of the Secured Obligations all of the Issuer's right, title and interest from time to time deriving or accruing from the Swap Agreements (other than in relation to credit support provided thereunder). All rights, benefits and interests granted to or conferred upon the Expectancy Rights Trustee and all other rights, powers and discretions granted to or conferred upon the Expectancy Rights Trustee under the Security Assignment Deed shall be held by the Expectancy Rights Trustee on trust for the benefit of itself and for the Programme Creditors from time to time subject to and in accordance with the Security Assignment Deed and the Trust Agreement. The Security Assignment Deed is governed by English law.

TAXATION

WARNING

This section sets out a summary of certain taxation considerations relating to the Notes

Potential investors should note that the tax legislation of the Noteholders' member state and of the relevant Issuer's country of incorporation may have an impact on the income received from the Notes. All prospective Noteholders should seek independent advice as to their tax position.

GENERAL INFORMATION ON TAX WITHHOLDINGS (INCLUDING WITHHOLDING TAX/CAPITAL GAINS TAX) FOR PAYMENTS UNDER THE NOTES

As described in the Conditions, all payments of principal and any interest are effected less any legally owed withholding tax (including withholding taxes/capital gains tax or flat rate tax, including any surcharges and church taxes), and without payment of additional amounts pursuant to Condition 10 of the Terms and Conditions of the Class A Notes and Condition 10 of the Terms and Conditions of the Class B Notes.

SPECIFIC INFORMATION ON FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code, commonly known as FATCA, a 30% withholding tax will be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders and on certain payments made by non- U.S. financial institutions. The United States of America has entered into an intergovernmental agreement regarding the implementation of FATCA with Luxembourg (the "**Luxembourg IGA**"). Under the Luxembourg IGA, as currently drafted, a financial institution that is treated as resident in Luxembourg and that complies with the requirements of the Luxembourg IGA will not be subject to FATCA withholding on payments it receives and will not be required to withhold on payments of non-U.S. source income. As a result, the Issuer does not expect payments made on or with respect to the Securities to be subject to withholding under FATCA. Account holders and investors are obliged however to report certain information to the Issuer and the Issuer is obliged to report this information with respect to its account holders and investors to the public authorities of the home country for forwarding to the U.S. Internal Revenue Service (the "**IRS**"). Significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Securities in the future.

Potential investors should consult their own tax advisors regarding the potential impact of FATCA.

VERIFICATION BY SVI

STS Verification International GmbH ("**SVI**") has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) as third party pursuant to Article 28 of the Securitisation Regulation (Regulation (EU) 2017/2402) (the "**Securitisation Regulation**").

The verification label "verified – STS VERIFICATION INTERNATIONAL" has been officially registered as a trade mark and is licensed to an issuer of securities if the securities meet the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26e of the Securitisation Regulation.

The verification label is issued on the basis of SVI's verification process, which is explained in detail on the SVI website (www.sts-verification-international.com). The verification process is based on the SVI verification manual. It describes the verification process and the individual inspections in detail. The verification manual is authoritative for all parties involved in the verification process and its application ensures an objective and uniform verification of transactions to be verified.

The originator included in its notification pursuant to Article 27(1) of the Securitisation Regulation a statement that compliance of its securitisation with the STS criteria has been verified by SVI.

DESCRIPTION OF THE PORTFOLIO

The Purchased Expectancy Rights under the Expectancy Rights Purchase Agreement

The Purchased Expectancy Rights represent German law governed expectancy rights (*Anwartschaftsrechte*) to Leased Vehicles relating to Lease Contracts under which Lease Receivables have been originated which were subsequently sold and assigned to the Relevant Lease Receivables Purchaser. Together with the Lease Receivables, VWL has transferred legal title to the Leased Vehicles as collateral to the Relevant Lease Receivables Purchaser. The Relevant Lease Receivables Purchaser has transferred such title to the Leased Vehicles to the Relevant Security Trustee. Such transfer is subject to the resolutory conditions agreed between these parties. The legal title to the Leased Vehicles being automatically retransferred to VWL upon fulfilment of such resolutory condition creates the Expectancy Rights in favour of the Seller.

The related Lease Contracts mainly refer to Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge vehicles. On the Initial Expectancy Rights Purchase Date, VWL has sold and transferred the Initial Expectancy Rights and the Initial Final Payment Receivables with related security to the Issuer under the Expectancy Rights Purchase Agreement and, during the Revolving Period, VWL has the right to sell and transfer to the Issuer, at its option, on each Additional Purchase Date, Additional Expectancy Rights together with Additional Final Payment Receivables and related security.

The Purchased Expectancy Rights solely include Expectancy Rights originated under closed end Lease Contracts (*Verträge ohne Gebrauchtwagenabrechnung* – "**Closed End Lease Contract**"). Closed End Lease Contracts are based on fixed residual values based on the contractual mileage and term of the contract, both being guaranteed by the vehicle dealer in respect of a return of the car in compliance with the term of the contract at the end of the contract term arranging the conclusion of the respective Closed End Lease Contract and VWL. In case of under mileage or if the mileage is exceeded on the return of the car, the residual value will be adjusted by a mileage rate (*Mehr-/ Minderkilometersatz*) which has been agreed at the conclusion of the contract. Under these Closed End Lease Contracts, the respective vehicle-dealer will buy the Leased Vehicle from VWL at an adjusted previously agreed upon repurchase price. The Lessee will get charged or will be refunded with the adjustment.

The Expectancy Rights Trustee will automatically acquire full legal title (*Volleigentum*) to the related Leased Vehicle subject to suspensory condition (*aufschiebende Bedingung*):

- that all secured obligations (current and future claims against VWL arising from the Relevant Receivables Purchase Agreement and the Servicing Agreement relating to the Relevant Receivables Purchase Agreement, including all future damage claims pursuant to section 280(1) in connection with section 280(3) of the German Civil Code (*Schadensersatz statt der Leistung*) and including all claims arising out of a withdrawal from the Relevant Receivables Purchase Agreement) have been settled; or

- the occurrence of a Lease Contract Termination Event.

The occurrence of an insolvency of VWL following the acquisition of an Expectancy Right on but prior to the occurrence of the suspensory condition (*aufschiebende Bedingung*) will not hinder the acquisition of such full legal title to the respective Leased Vehicle by the Issuer.

Warranties and Guarantees in relation to the Sale of the Purchased Expectancy Rights and Final Payment Receivables

Under the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement, VWL warrants and guarantees with respect to the Purchased Expectancy Rights and the related Lease Receivables, in the form of a separate guarantee undertaking pursuant to section 311(1) of the German Civil Code, in respect of each Additional Cut-Off Date that:

(a) the related Purchased Lease Receivables constitute legal, valid and enforceable rights and claims against the respective Lessees;

(b) the related Purchased Lease Receivables are assignable;

(c) the related Purchased Lease Receivables are denominated and payable in EUR;

(d) the related Leased Vehicles are existing;

(e) it may dispose of the Purchased Expectancy Rights free from rights of third parties and encumbrances;

(f) the related Purchased Lease Receivables are free of defences, whether pre-emptory or otherwise (*Einwendungen oder Einreden*) for the agreed term of the Lease Contract as well as free from rights of third parties and that the Lessees in particular have no set-off claim;

(g) the Purchased Expectancy Rights have been legally validly created as a legal consequence of the transfer of title to the Leased Vehicles for security purposes and the conditional retransfer of title, and exclusively relate to Leased Vehicles in respect of which Lease Receivables were sold to the Relevant Lease Receivables Purchaser, and VWL may dispose of such Purchased Expectancy Rights free from rights of third parties and encumbrances;

(h) no related Purchased Lease Receivable was overdue at the last day of the month preceding the Closing Date or the Additional Purchase Date, as applicable;

(i) the status and enforceability of the related Purchased Lease Receivables is not impaired by set-off rights or due to warranty claims or any other rights (including claims which may be set off) of the Lessee (even if the Purchaser knew or could have known of the existence of such defences or rights on the respective Cut-Off Date);

(j) none of the Lessees is an Affiliate of Volkswagen AG, Familie Porsche, Stuttgart and Familie Piëch, Salzburg Gruppe (registered under a single borrower unit at the German central bank (Bundesbank);

(k) according to VWL's records, no Lease Contract relating to a Purchased Receivable has been terminated or is in the process of being terminated;

(l) the related Lease Contracts relating to the Purchased Receivables are governed by the laws of Germany;

(m) the related Lease Contracts relating to the Purchased Receivables have been entered into exclusively with Lessees which, if they are corporate entities, have their registered office in Germany or, if they are individuals have their place of residence in Germany;

(n) on the Initial Cut-Off Date or on the respective Additional Cut-Off Date, as applicable, at least two lease instalments have been paid in respect of each related Lease Contract and that the related Lease Contracts require substantially equal monthly payments to be made within 72 months of the date of origination of the respective Lease Contract;

(o) it may freely dispose of title and Expectancy Rights to the Leased Vehicles and that no third-party's rights prevent such dispositions;

(p) according to VWL's records, no insolvency proceedings have been initiated against any of the Lessees during the term of the related Lease Contracts up to the last day of the month preceding the Closing Date or the Additional Purchase Date, as applicable;

(q) the related Lease Receivables do not represent a separately conducted business or business segment of VWL;

(r) none of the related Lease Contracts will mature later than one year prior to the latest occurring Legal Maturity Date under any of the Instruments;

(s) the purchase of Additional Expectancy Rights will not have the result that the Aggregate Discounted Expectancy Rights Balance of all Expectancy Rights exceeds the following concentration limits with respect to the percentage of the Discounted Expectancy Rights Balance (i) used vehicles (concentration limit: 20 per cent.), (ii) for Volkswagen Nutzfahrzeuge vehicles (concentration limit: 22 per cent.) and (iii) for non-VW group (Volkswagen, Audi, SEAT, Skoda or Volkswagen Nutzfahrzeuge) vehicles (concentration limit: 5 per cent.);

(t) that the related Lease Receivables have not been subject to forbearance amendments which had been agreed between VWL and the respective Lessee on basis of either (i) the German law on reduction of the consequences of the Corona Pandemic in the civil-, insolvency- and criminal procedure law (*Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht*) or (ii) a voluntary forbearance amendment VWL offered to the respective Lessee to limit the impact of the Corona Pandemic on the economic situation of such Lessee; and

(u) none of the Lessees has exercised its right of revocation, if any.

In addition to the aforementioned, VWL warrants and guarantees with respect to the Lease Receivables related to the Purchased Expectancy Rights, in the form of a separate guarantee undertaking pursuant to section 311(1) of the German Civil Code, on the Initial Cut-Off Date and in respect of each Additional Cut-Off Date, as applicable, that:

(a) the Aggregate Discounted Receivables Balance resulting from Lease Contracts with one and the same Lessee will not exceed 0.5% of the Aggregate Discounted Receivables Balance;

(b) the acquisition of the Leased Vehicles by VWL is financed in compliance with the requirements of section 108 (1), 2nd sentence of the German Insolvency Code (*Insolvenzordnung*) and in particular that (i) in case of a Lease Contract which relates also to maintenance or other service obligations of VWL that such service and maintenance obligations do not constitute the core focus (*Schwerpunkt*) of VWL's contractual obligations and that the service and maintenance obligations identified in the specific Lease Contract do not relate to any Leased Vehicles that are not the subject of that specific Lease Contract, and (ii) that the remuneration paid by the Lessee for such maintenance or service obligations will not exceed the amount of the Lease Receivables originated under such Lease Contract;

(c) the Aggregate Discounted Receivables Balance in EUR resulting from Lease Contracts with a remaining term greater than 36 months is not larger than 40 per cent. of the Aggregate Discounted Receivables Balance; and

(d) the Purchased Lease Receivables will not include Lease Receivables:

  (i) relating to a Lessee who VWL considers as unlikely to pay its credit obligations to VWL and/or to a Lessee who is past due more than 90 days on any material credit obligation to VWL;

  (ii) relating to a credit-impaired lessee or guarantor, who on the basis of information obtained (i) from the Lessees of the Purchased Lease Receivables, (ii) in the course of VWL's servicing of the Purchased Lease Receivables, or VWL's risk management procedures or (iii) from a third party:

    (1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the respective Receivable to the Issuer;

    (2) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to VWL; or

    (3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by VWL which are not securitised.

(e) the Senior Instrument Actual Overcollateralisation Percentage is determined as not being lower than 42.30 per cent. and the Junior Instrument Actual Overcollateralisation Percentage is determined as not being lower than 31.30 per cent. on two consecutive Payment Dates.

In the event of (i) a breach of any of the warranties set forth above at the Closing Date, the Initial Expectancy Rights Purchase Date and/or an Additional Purchase Date, respectively, or (ii) an operational or IT-related issues arise in respect of a Purchased Expectancy Right, which materially and adversely affects the interests of the Purchaser, the Lenders or the Noteholders, VWL shall have until the end of the related monthly period which includes the 60th day (or, if VWL elects, an earlier date) after the date that VWL became aware or was notified of such breach or failure or operational or IT-related issues to cure or correct such breach or failure. Any such breach or failure will not be deemed to have a material and adverse effect if such breach or failure does not affect the ability of the Purchaser to receive and retain timely payment in full on the related Lease Contract or, respectively, full legal title to the Leased Vehicles being the subject of the related Expectancy Rights. If VWL does not cure or correct such breach or failure or operational or IT-related issues prior to such time, then VWL shall either:

(a) replace any Purchased Final Payment Receivables and the related Purchased Expectancy Rights affected by such breach which materially and adversely affects the interests of the Purchaser or the Noteholders, by taking into account the warranties and guarantees set out in clauses 6.1 and 6.2 of the Expectancy Rights Purchase Agreement, with a Final Payment Receivable and the related Expectancy Right the present value of which shall be at least the Settlement Amount on the Payment Date following the expiration of such period; or

(b) settle any Purchased Final Payment Receivables and the related Purchased Expectancy Rights affected by such breach which materially and adversely affects the interests of the Issuer, the Lenders or the Noteholders on the Payment Date following the expiration of such period. Any such settlement by VWL shall be at a price equal to the Settlement Amount.

Upon payment of such Settlement Amount by VWL, the Issuer, the Expectancy Rights Trustee shall release and shall execute and deliver such instruments of release, transfer or assignment, in each case without recourse or representation, as shall be reasonably necessary to vest in VWL or its designee any Purchased Final Payment Receivable and related Purchased Expectancy Rights settled. The right to cause VWL to settle or replace any Purchased Final Payment Receivable and related Purchased Expectancy Rights as described above will constitute the sole remedy respecting such breach available to the Issuer and the Expectancy Rights Trustee. Neither the Issuer nor the Expectancy Rights Trustee will have any duty to conduct an affirmative investigation as to the occurrence of any condition requiring the settlement of any Purchased Final Payment Receivable and related Purchased Expectancy Rights.

VWL warrants and guarantees, that the Lease Receivables related to the Purchased Expectancy Rights are originated in the ordinary course of the business of VWL pursuant to lease granting standards which also apply to leases which will not be securitised. In particular VWL warrants and guarantees, that it has in place (i) effective systems to apply its standard lease criteria for granting the Lease Receivables and (ii) processes for approving and, where relevant, amending, renewing and re-financing the Lease Receivables, in order to ensure that granting of the Lease Receivables is based on a thorough assessment of each Lessee's creditworthiness. Furthermore VWL warrants and guarantees, that the assessment of each Lessee's creditworthiness (i) will be performed on the basis of sufficient information, where appropriate obtained from the Lessee and, where necessary, on the basis of a consultation of the relevant database and (ii) will be repeated before any significant increase in the total amount is granted after the conclusion of the lease, in combination with an update of the Lessee's financial information.

The Issuer may on any Payment Date, for the purpose of a Term Takeout, offer to sell and assign to a securitisation vehicle nominated by the Seller (in each case, the "**Transferee**") any or all Purchased Expectancy Rights, provided that the Rating Agencies will have confirmed (by way of press release or otherwise) that the sale of the Term Takeout Receivables will not in and of itself result in a downgrade, withdrawal or qualification of the rating assigned to Class A Notes or the Senior Schuldschein Loans or the Rated Class B Notes or the Junior Schuldschein Loans prior to the Term Takeout. If accepted by the Transferee, the purchase price to be paid by the Transferee acquiring the Purchased Expectancy Rights will be equal to the Residual Value in respect of each such Purchased Expectancy Right, discounted as at the respective Payment Date at the Expectancy Rights Discount Rate, but shall be an amount no less than the Aggregate Redeemable Amount, and will be paid into the Distribution Account for value on such Payment Date. The selection of Purchased Expectancy Rights for the purposes of a Term Takeout will be made on a random basis and the proceeds from any Term Takeout will be paid into the Distribution Account but will not be applied according to the Order of Priority but instead be distributed as separately provided in clause 21.3 (*Order of Priority*) of the Trust Agreement. Any such randomly selected Purchased Expectancy Right shall

comply with the same warranties and guarantees as set out in clause 6.6 (*Warranties by VWL with respect to the Purchased Expectancy Rights*) of the Expectancy Rights Purchase Agreement at the time of the transfer to the Transferee. For the avoidance of doubt, in case of Non-Amortising Instruments any redemption payments will be made in a way to redeem a certain number of Notes in their principal amount of EUR 100,000 or Schuldschein Loans in their principal amount of EUR 100,000.

The Purchased Final Payment Receivables and Purchased Expectancy Rights acquired and transferred by assignment under the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement from VWL have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes.

Description of the Lease Contracts, Residual Values represented by the Expectancy Rights as at the Additional Cut-Off Date falling in August 2026

The information below contains data of the pool as relevant for the Notes outstanding on the date of this Base Prospectus. The aggregate amount of the Instruments is expected to be around EUR [●]. In case of the issuance of Further Notes, the amended stratification tables and information will be inserted into the Final Terms for the relevant Series of Notes.

The Portfolio information presented in this Base Prospectus is based on a pool on the Additional Cut-Off Date falling in August 2026.

1. Distribution by contract concentration

[●]

2. Distribution by contract concentration: Top 20 Lessees

[●]

3. Distribution by payment type

[●]

4. Distribution by outstanding discounted balance

[●]

5. Distribution by outstanding nominal balance

[●]

6. Distribution by remaining contract term

[●]

7. Distribution by seasoning

[●]

8. Distribution by total number of instalments

[●]

9. Distribution of Discounted Residual Values by vehicle brands and models

[●]

10. Distribution by geographic region of Residual Values (RV)

[●]

11. Distribution by industry sector

[●]

12. Distribution by contract type

[●]

13. Distribution by type of vehicles and corresponding Residual Values (RV)

[●]

14. Distribution by customer type

[●]

15. Distribution by motor type

[●]

16. Retention of net economic interest

[●]

The Purchased Expectancy Rights and Purchased Final Payment Receivables have not been selected by the Seller with the aim of rendering losses on the Purchased Expectancy Rights and Purchased Final Payment Receivables to the Issuer, measured over the life of the Transaction, higher than the losses over the same period on comparable Expectancy Rights and Final Payment Receivables held on the balance sheet of the Seller.

Verification pursuant to Article 22(2) of the Securitisation Regulation has occurred prior to the Renewal Date and no significant adverse findings have been found.

Weighted Average Lives of the Notes

Weighted average lives of the Notes refer to the average amount of time that will elapse (on a 30/360 basis) from the date of issuance of a security to the date of distribution of amounts to the investor distributed in reduction of principal of such security (assuming no losses). The weighted average life of the Notes will be influenced by, amongst other things, the rate at which the Expectancy Rights are paid, which may be in the form of scheduled amortisation, prepayments or liquidations and the rate at which realisation proceeds are generated under the Expectancy Rights.

Purchased Expectancy Rights

The following table is prepared on the basis of certain assumptions, as described below, regarding the weighted average characteristics of the Purchased Expectancy Rights and the performance thereof.

The table assumes, among other things, that the Issuer holds a pool of Purchased Expectancy Rights with the following characteristics,

(a) the Portfolio is subject to a constant annual rate of prepayment as set out in the below table under the header "CPR";

(b) no Purchased Expectancy Rights are repurchased by the Seller;

(c) each Series of Instruments is expected to have the characteristics on 25 September 2026 as set out in the below table

Instrument	Outstanding Balance	Fixed Rate Under the Swap	Floating Margin / Fixed Rate	Year Began Amortising	Instrument type
Series A 2015-1	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2015-2	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2015-3	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2015-5	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2016-1	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2016-2	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2018-4	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2018-5	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2024-1	EUR [●]	[●]%	[●]%	Revolving	Note
Series A 2026-1	EUR [●]	N/A	[●]%	Revolving	Note
Series A 2026-2	EUR [●]	[●]%	[●]%	Revolving	Note
Senior SSL 2025-1	EUR [●]	[●]%	[●]%	Revolving	Schuldschein Loan
Series B 2015-1	EUR [●]	[●]%	[●]%	Revolving	Note
Series B 2016-1	EUR [●]	[●]%	[●]%	Revolving	Note
Series B 2016-3	EUR [●]	[●]%	[●]%	Revolving	Note

Instrument	Outstanding Balance	Fixed Rate Under the Swap	Floating Margin / Fixed Rate	Year Began Amortising	Instrument type
Series B 2018-1	EUR [●]	[●]%	[●]%	Revolving	Note
Series B 2018-2	EUR [●]	[●]%	[●]%	Revolving	Note
Series B 2020-1	EUR [●]	[●]%	[●]%	Revolving	Note
Series B 2020-2	EUR [●]	[●]%	[●]%	Revolving	Note
Series B 2026-1	EUR [●]	N/A	[●]%	Revolving	Note

(d) the Payment Date is assumed to be the 25th day of each month;

(e) the Clean-Up Call is exercised except for the scenario at 0% CPR below;

(f) the Purchased Expectancy Rights are fully realised;

(g) the Expectancy Rights Discount Rate is to be 6.84 per cent. and the payments are discounted back to 31 August 2026;

(h) third party expenses and servicing fees together are assumed to be 1.03 per cent;

(i) there is no Reserve Trigger Event in effect and the Negative Buffer Release Amount (if any) is paid each month by the Seller and forms part of the Available Distribution Amount,

(j) there is no Credit Enhancement Increase Condition in effect and the Positive Buffer Release Amount (if any) is paid to the Seller outside of the Order of Priority;

(k) no Early Amortisation Event occurs;

(l) no tap issuance has been or will be made;

(m) no extension of the Revolving Period on the Payment Date falling in September 2027;

(n) the Subordinated Loan balance is EUR [●];

(o) the Accumulation Account balance at the end of the Revolving Period is EUR [●];

(p) the theoretical swap rate required to swap the Subordinated Loan is [●] per cent;

(q) EURIBOR rate for one month is [●]%;

(r) the General Cash Collateral Amount on the Payment Date falling in September 2026 is EUR [●]; and

(s) Receivables in arrears are paid during the first period.

The approximate average lives of the Notes, at various assumed rates of prepayment of the Purchased Expectancy Rights, would be as follows:

Revolving Series

	Class A			Class B		
CPR (per cent.)	Average Life in Years	First Principal Payment	Expected Maturity	Average Life in Years	First Principal Payment	Expected Maturity
0% (no CuC)	[●]	[●]	[●]	[●]	[●]	[●]
2%	[●]	[●]	[●]	[●]	[●]	[●]
5%	[●]	[●]	[●]	[●]	[●]	[●]
10%	[●]	[●]	[●]	[●]	[●]	[●]

The exact average lives of the Notes cannot be predicted as the actual rate at which the Purchased Expectancy Rights will be repaid and a number of other relevant factors are unknown.

The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

The information set out in this section entitled "**Weighted Average Life of the Notes**" has been provided by the Lead Manager for use in this Base Prospectus and the Lead Manager (subject to the qualifications in this section) is solely responsible for the accuracy of the information set out in this section entitled "**Weighted Average Life of the Notes**" taking into account the assumptions selected above, except to the extent that any inaccuracy results from information provided by VWL to the Lead Manager for the purpose of preparing this section of the Base Prospectus in which case VWL is solely responsible for the accuracy of the information set out in this section entitled "**Weighted Average Life of the Notes**" to the extent of the inaccuracy.

The calculation of the approximate average lives of the Notes as made by the Lead Manager is based on the assumptions selected above, is produced with respect to the date of this Base Prospectus only and is, in particular, not based on any tap-ups or term take-outs to occur with respect to any Series of Notes after the date of this Base Prospectus. However, it should be noted that the exact average lives of the Notes cannot be predicted as the actual rate at which the Purchased Expectancy Rights will be repaid, and other relevant factors are unknown and largely outside the control of the Issuer and the Lead Manager. Therefore, each investor should be aware that any such assumption is likely to change and any such change in any assumption used for calculating the approximate average lives of the Notes may lead to a change of the approximate average lives of the Notes. Furthermore, it should also be noted that the calculation of the approximate average lives of the Notes as made by the Lead Manager and as made by the provider of the cash flow model pursuant to Article 22(3) of the Securitisation Regulation might deviate from each other due to different calculation methods used by the Lead Manager (for the purpose of calculating the Weighted Average Life of the Notes) and the provider of the cash flow model (for the purpose of Article 22(3) of the Securitisation Regulation).

To the best knowledge and belief of the Issuer, the above information has been accurately reproduced. The Issuer is able to ascertain from the above information provided by the Lead Manager that no facts have been omitted which would render the reproduced information inaccurate or misleading.

Amortisation Profile of the Purchased Expectancy Rights (Run out schedule)

The amortisation of the Purchased Expectancy Rights is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic; they must therefore be viewed with considerable caution.

[●]

Assumed Amortisation of the Class A Notes

This amortisation scenario is based on the assumptions listed under "Weighted Average Lives of the Notes" above and on a CPR of 2 per cent.:

[●]

The amortisation of the Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic; they must therefore be viewed with considerable caution.

Assumed Amortisation of the Class B Notes

This amortisation scenario is based on the assumptions listed under "Weighted Average Lives of the Notes" above and on a CPR of 2 per cent.:

[●]

The amortisation of the Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic; they must therefore be viewed with considerable caution.

Additional Rights

Settlement and Reduction

In order to reimburse the Issuer, VWL pays the Settlement Amount, in respect of any Purchased Expectancy Right to a Leased Vehicle for which the respective Lessee legitimately terminates, revokes or invalidates the Lease Contract, or asserts a right to refuse performance or to performance by set-off, on the immediately following Payment Date. The Settlement Amount shall be paid by VWL to the Issuer acting with respect to its Compartment 2 in case of a reduction of the Purchased Expectancy Right (each being a "**Settlement**"). The Settlement Amount shall be due immediately. VWL shall be entitled to set-off payment of the Settlement Amount with other amounts owed to it under the Expectancy Rights Purchase Agreement or any other Programme Document.

As long as VWL remains appointed as Servicer, VWL is entitled to materially alter any Lease Contract by termination or alteration of the respective Lease Contract if such termination or alteration is based on grounds other than the deterioration of the credit-worthiness of the relevant Lessee as determined in accordance with VWL's customary practices in place from time to time. After an alteration of a Lease Contract has taken place the Issuer or VWL shall be obliged to indemnify the other party for any changes in the corresponding Discounted Expectancy Rights Balance by means of a Compensation Payment. Any Compensation Payment shall be made by the Issuer or VWL, as applicable, by no later than the next Payment Date. Compensation Payments due by VWL or the Issuer, as applicable, may be netted. VWL shall notify the Issuer of the Compensation Payments on an aggregated basis in the Monthly Servicer Report issued for the Monthly Period in which such modification occurred. The right to alter Lease Contracts may only be exercised for instalments not yet due under the respective Lease Contract and the related Purchased Expectancy Rights.

The Settlement Amount to be paid in the case of a Clean-Up Call (the "**Clean-Up Call Settlement Amount**") which could be exercised on any Payment Date when the Aggregate Discounted Expectancy Rights Balance on a Payment Date is less than 10 per cent. of the Aggregate Discounted Expectancy Rights Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, means the lesser of (i) an amount equal to the outstanding Discounted Expectancy Rights Balance which would have become due if the Clean-Up Call had not occurred, calculated as at the last calendar day of the month in which the repurchase is to become effective and (ii) an amount equal to the theoretical present value of each Purchased Expectancy Right remaining to be paid in the future, calculated by discounting such amount using the Expectancy Rights Discount Rate, on the basis of a 360-day year (each month consisting of 30 days), which discount rate is determined by reference to: (i) the weighted average (calculated on the basis of the outstanding principal amount of the Instruments and the outstanding principal amount of the Subordinated Loan as at the end of the relevant Monthly Period) of the Senior Instrument Swap Fixed Rate, the Junior Instrument Swap Fixed Rate, the Senior Instrument Fixed Rate, the Junior Instrument Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under the Swap Agreements) that would be required to swap the floating rate interest payments under the Subordinated Loan; plus (ii) the Servicer Fee at a rate of 1 per cent. per annum, and plus (iii) 0.03 per cent. for administrative costs and fees. It shall be calculated as at the last calendar day of the month in which the repurchase is to become effective

For the purposes of calculating the Clean-Up Call Settlement Amount, the risk of losses inherent to the relevant Purchased Expectancy Rights shall be taken into account on the basis of the risk status of such Purchased Expectancy Rights assessed by VWL immediately prior to the repurchase becoming effective.

Enforcement and Sale of Expectancy Rights and Leased Vehicles

The Expectancy Rights Trustee has been appointed to exclusively hold, *inter alia*, the Purchased Expectancy Rights. The Expectancy Rights Trustee herewith authorises the Issuer or the Relevant Security Trustee, as the case may be, to sell or enforce or to have sold or enforced, to administer and to do such other acts as are necessary in connection with the holding, administration and realisation of such Purchased Expectancy Rights assigned to the Expectancy Rights Trustee.

The Leased Vehicles relating to the Purchased Expectancy Rights which have been transferred for security purposes to the Expectancy Rights Trustee shall, following expiry or termination of the underlying Lease Contract, be sold by the Issuer or enforced by the Expectancy Rights Trustee, as follows:

(a) Prior to the occurrence of a Servicer Insolvency Event, the Issuer or the Expectancy Rights Trustee, as applicable, shall sell the Leased Vehicles either in accordance with the terms of the Repurchase Agreement or by other means and the Relevant Security Trustee consents to such sale. The Issuer's portion of the Vehicle Sale Amount or the Repurchase Price, as applicable, shall be an amount equal to the present value of the Purchased Expectancy Right under such Lease Contract.

(b) In case of excess payments over the respective sale proceeds, such excess payments shall, provided that all amounts due to the Relevant Lease Receivables Purchaser under the Relevant Receivables Purchase Agreement in the context of the Purchased Lease Receivables and all amounts due to the Issuer with respect to the Purchased Expectancy Rights have been paid, be paid to VWL.

(c) Following the occurrence of a Servicer Insolvency Event, the Relevant Security Trustee or any Person entitled to the corresponding lease receivables to the relevant Expectancy Rights and the Expectancy Rights Trustee shall be free to sell or have sold the Leased Vehicles to any third party. Proceeds resulting from such sale shall be allocated to the Issuer as follows:

(i) if the Lease Contract relating to such Leased Vehicle has prematurely ended prior to the contractual lapse of contract (*Ablauf der regulären, ursprünglich vereinbarten Leasingdauer*) for any reason other than termination (*Kündigung*) by VWL, insolvency or death of the Lessee, the Issuer's portion shall be an amount equal to the present value of the Purchased Expectancy Right under such Lease Contract; or

(ii) if the Lease Contract has prematurely ended prior to the contractual lapse of contract (*Ablauf der regulären, ursprünglich vereinbarten Leasingdauer*) because of a termination (*Kündigung*) by VWL or insolvency or death of the Lessee, the Issuer's portion shall be an amount equal to such proceeds multiplied by a fraction expressed as a percentage

(1) the numerator of which is the present value of the Leased Vehicle's residual value determined as of the originally scheduled contractual end date of the Lease Contract as assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*) under such Lease Contract and the denominator of which is the sum of the present value of the Leased Vehicle’s residual value determined on the originally scheduled contractual end date of the Lease Contract as assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*) and the present value of the remaining Purchased Lease Receivables under such Lease Contract; or

(2) to the extent the present value of the Leased Vehicle’s residual value has not been assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*), the numerator of which is the present value of the contractually agreed Leased Vehicle's residual value as specified in the respective Lease Contract and the denominator of which is the sum of the present value of the contractually agreed Leased Vehicle's residual value as specified in the respective Lease Contract and the present value of the remaining Purchased Lease Receivables under such Lease Contract.

(d) In case of excess payments over the respective sale proceeds, such excess payments shall, provided that all amounts due to the Relevant Lease Receivables Purchaser under the Relevant Receivables Purchase Agreement in the context of the related Purchased Lease Receivables and all amounts due to the Issuer with respect to the Purchased Expectancy Rights have been paid, be paid to VWL.

(e) If the Lessee makes a combined payment on the lease receivable for all lease contracts that it has with VWL and does not instruct which payment needs to be allocated to which lease contract, then the allocation between the Purchased Lease Receivables and the other lease receivables still held by VWL or third parties shall be made by VWL after consulting the Lessee. The Lessee will then instruct VWL how to allocate this combined payment. In case this combined payment covers the total amount of all his respective monthly instalments, VWL will allocate the payment to each contract of the Lessee in accordance with the respective payment schedules for such lease contracts.

Any proceeds allocated in accordance with clause 17.2 of the Trust Agreement on collected Purchased Expectancy Rights (which shall include, for the avoidance of doubt, also the relevant share of the Issuer

allocated in accordance with clauses 17.2(a) and 17.2(b) of the Trust Agreement, as applicable) shall be credited by VWL to the Distribution Account.

Variation of Expectancy Rights Discount Rate

The Expectancy Rights Discount Rate represents the Issuer's costs of financing the Programme. The Expectancy Rights Discount Rate is calculated on the basis of (i) the weighted average (calculated on the basis of the outstanding principal amount of the Instruments and the outstanding principal amount of the Subordinated Loan as at the end of the relevant Monthly Period) of the Senior Instrument Swap Fixed Rate, the Junior Instrument Swap Fixed Rate, the Senior Instrument Fixed Rate, the Junior Instrument Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under the Swap Agreements) that would be required to swap the floating rate interest payments under the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. per annum, plus (iii) 0.03 per cent. for administrative costs and fees plus (iv) an additional buffer to cover for potential interest rate increases and the components of the Expectancy Rights Discount Rate are not static for the lifetime of the Programme and will vary in connection with the extension of each Instrument Revolving Period Expiration Date.

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

(a) the Purchased Expectancy Rights included in the Portfolio; and

(b) the Additional Expectancy Rights to be purchased during the Revolving Period.

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

(a) the weighted average (calculated on the basis of the outstanding principal amount of the Instruments and the outstanding principal amount of the Subordinated Loan as at the end of the relevant Monthly Period) of the Senior Instrument Swap Fixed Rate, the Junior Instrument Swap Fixed Rate, the Senior Instrument Fixed Rate, the Junior Instrument Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under the Swap Agreements) that would be required to swap the floating rate interest payments under the Subordinated Loan; plus

(b) the Servicer Fee at a rate of 1 per cent. per annum; plus

(c) 0.03 per cent. for administrative costs and fees; plus

(d) an additional buffer to cover for potential interest rate increases,

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

The Seller acknowledges under the Expectancy Rights Purchase Agreement that in exercising the Discount Rate Variation Option, the Aggregate Discounted Expectancy Rights Balance will change following the application of the New Expectancy Rights Discount Rate and this will impact the Senior Instrument Targeted Balance and the Junior Instrument Targeted Balance and could give rise to an Early Amortisation Event pursuant to limb (v) of the definition of Early Amortisation Event.

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

(a) calculate the Aggregate Discounted Expectancy Rights Balance immediately prior to the exercise of the Discount Rate Variation Option (the "**Current Aggregate Discounted Expectancy Rights Balance**"); and

(b) calculate the Aggregate Discounted Expectancy Rights Balance immediately following the exercise of the Discount Rate Variation Option (the "**New Aggregate Discounted Expectancy Rights Balance**").

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

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

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

(b) The Discount Rate Variation Option may be exercised by notice to the Issuer no later than on the 10th Business Day falling in the month of the then instrument revolving period expiration date applicable to the Instruments which have not commenced amortisation (the "**Discount Rate Variation Option Notice**") which shall specify,

(i) the New Expectancy Rights Discount Rate and each component giving rise to the New Expectancy Rights Discount Rate;

(ii) the Current Aggregate Discounted Expectancy Rights Balance;

(iii) the New Aggregate Discounted Expectancy Rights Balance; and

(iv) the Borrowing Base Cure Amount, if any.

(c) The Discount Rate Variation Option shall only be effective:

(i) on the relevant renewal date; and

(ii) (x) if the Issuer has received confirmation from the Rating Agencies that the rating of the relevant Instruments, to the extent rated, will continue to have, for the Senior Instruments, a rating of AAA (sf) by DBRS and AAA (sf) by S&P Global and for the Junior Instruments, at least AA(low) (sf) by DBRS and at least AA- (sf) by S&P Global, or, (y) the Issuer has received a new rating confirmation which states the same rating for the relevant Instruments, to the extent rated, as is applicable prior to the exercise of the Discount Rate Variation Option.

Buffer Release Reserve

Pursuant to the Expectancy Rights Purchase Agreement, VWL agrees to fund at all times within thirty (30) calendar days following the occurrence of a Reserve Trigger Event which is continuing, the Buffer Release Reserve in an amount such that the balance on the Buffer Release Reserve Ledger is equal to the Required Buffer Release Reserve Amount, which amount will be paid by the Seller to the Cash Collateral Account and on the same day be credited by or on behalf of the Issuer to the Buffer Release Reserve Ledger.

If on any Payment Date prior to the service of an Enforcement Notice, the balance deposited on the Buffer Release Reserve Ledger exceeds the actual Required Buffer Release Reserve Amount, such excess shall be repaid directly to the Seller (whereby such excess shall not form part of the Available Distribution Amount).

Following the service of an Enforcement Notice, distributions will be made by the Expectancy Rights Trustee from the Available Distribution Amount and from any amounts standing to the credit of the Cash Collateral Account, and according to the applicable Order of Priority.

Amendments to the Expectancy Rights Purchase Agreement

VWL will be entitled to unilaterally amend any term or provision of the Expectancy Rights Purchase Agreement with the consent of the Issuer but without the consent of any Noteholder, any Lender, each Swap Counterparty, the Subordinated Lender or any other Person; *provided that* such amendment shall only become valid,

(A) in case of amendments which do not materially and adversely affect the interests of the Noteholders and/or any other Programme Creditor, if it is notified to the Expectancy Rights Trustee and the Rating Agencies in writing and it has been demonstrated to the reasonable satisfaction of the Expectancy Rights Trustee that such amendment is not materially prejudicial to the interests of the Noteholders and/or any other Programme Creditor;

(B) in case that the Issuer is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation; and

(C) in case of amendments which materially and adversely affect the interests of the Noteholders and/or any other Programme Creditor, if it is notified to the Expectancy Rights Trustee and the Rating Agencies in writing and the Issuer has received the written consent to such amendment from the Expectancy Rights Trustee and the Programme Creditors that are materially and adversely affected.

Any amendment subject to paragraph (B) above shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders in writing, including by email.

All amendments to the Expectancy Rights Purchase Agreement shall be notified to the Rating Agencies.

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

BUSINESS AND ORGANISATION OF VOLKSWAGEN LEASING GMBH[1]

Auto Lease Business in Germany

In the first half of 2025, the global gross domestic product (GDP) grew with a similar rate compared to the previous quarters. Regional growth in advanced economies was lower and in the emerging markets higher compared to the same period one year ago.

In the first two quarters of 2025, real GDP in Germany stagnated on average compared to the same period in the previous year. The seasonally adjusted unemployment rate increased to 6.3 per cent in June (June 2024: 5.9 per cent), while consumer prices decreased to 2.0 per cent (June 2024: 2.2 per cent).

From January to June 2025, 1.4 million new passenger cars (January to June 2024: 1.5 million; -4.7 per cent) were registered in Germany. Total passenger car production reached 2.2 million passenger cars in the period from January to June 2025 which was 4.1 per cent higher compared to the same period last year (January to June 2024: 2.1 million). Exports by German manufacturers increased by 3.3 per cent to 1.7 million vehicles (January to June 2024: 1.6 million). With new passenger car registrations declining by -1.7 per cent the Volkswagen Group's share in the German passenger car market increased to 42.4 per cent (January to June 2024: 41.1 per cent).

Incorporation, Registered Office and Purpose

Volkswagen Leasing GmbH ("**VWL**"), with its office at Gifhorner Straße 57, 38112 Braunschweig, Germany, is Seller of the Lease Receivables and Servicer under the Servicing Agreement.

VWL was established in 1966. Its registered share capital of EUR 76,004,000.00 is held by Volkswagen Bank GmbH, which in turn is a wholly-owned subsidiary of Volkswagen AG, Wolfsburg.

VWL is responsible for the leasing business of the Volkswagen Group in Germany.

VWL is a financial services institution (*Finanzdienstleistungsinstitut*) according to section 1 (1a) German Banking Act. As such, the originator is supervised by BaFin as competent supervisory authority. As a precaution VWL performs the „Assessment of the borrower's creditworthiness" with respect to lease contracts with consumers in accordance with paragraphs 1 to 4, point (a) of paragraph 5 and paragraph 6 of Article 18 of Directive 2014/17/EU as reflected in section 505 a and section 505 b German Civil Code (BGB).

VWL has five branches in Braunschweig (AUDI Leasing, Seat Leasing, Skoda Leasing, Ducati Leasing and AutoEuropa Leasing) and three branches in Italy (Milan, Verona and Bolzano).

The objectives of VWL are, *inter alia*, to lease motor vehicles, especially vehicles from the following brands: Volkswagen, Audi, SEAT, Skoda, Ducati and Volkswagen Nutzfahrzeuge and other movable assets as a modern and cost effective alternative to the purchase of vehicles and for the financing of investments, the latter in particular for the business partners of the Volkswagen Group.

VWL offers:

(i) leasing of new Volkswagen, Audi, SEAT, Skoda, Ducati and Volkswagen Nutzfahrzeuge vehicles;

(ii) service-leasing to commercial and non-commercial customers;

(iii) leasing of used vehicles of all makes.

The business purposes of VWL vis-à-vis customers and dealers are largely determined by its membership in the Volkswagen Group. VWL co-operates closely with the approximately 3,708 dealerships of the Volkswagen Group. A dealer can thus offer the customer complete, competent, personal service, at one stop and from a single source, including the financing.

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[1] VW: Any update available?

The co-operation between the manufacturer or importer and the dealer-partner respectively is established by a dealer agreement. Under this agreement the dealer-partner is given the responsibility for marketing the products and services of the Volkswagen Group and to service the trade-marked products of the Volkswagen Group.

The dealer-partners procure leasing business for VWL against commissions. VWL buys the vehicles from the dealer, finances and administers the vehicles and assumes the credit risk.

Each dealer-partner is trained in leasing business. The dealer-partner is the local contact person and available to the Lessee during the whole life of the leasing contract.

Origination and Securitisation Expertise

As already set out under the section "Incorporation, Registered Office and Purpose" one of the main purposes of VWL for the last five decades has been the origination and underwriting of lease receivables of a similar nature to those securitised under this Programme. The members of its management body and the senior staff of VWL have adequate knowledge and skills in originating and underwriting lease receivables, similar to the loan receivables included in the Portfolio, gained through years of practice and continuing education. The members of the management body and VWL senior staff have been appropriately involved within the governance structure of the functions of originating and underwriting of the Portfolio. Additionally, VWL has been securitising lease receivables actively since 1996 through private as well as public securitisation transactions, similar to this Programme. The members of its management body and the senior staff responsible for the securitisation transactions of VWL have also professional experience in the securitisation of lease receivables of many years, gained through years of practice and continuing education. Other subsidiaries of Volkswagen AG have also been securitising lease receivables and loan receivables all across Europe, Australia, Brazil, Canada, Japan, China and USA.

BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH

Under the Servicing Agreement, the Final Payment Receivables are to be administered together with all lease receivables and other final payment receivables of VWL and the Leased Vehicles are to be realised according to VWL's customary practices in effect from time to time. The Lessees will not be notified of the fact that the receivables from their Lease Contracts have been assigned to the Issuer, except under special circumstances.

The normal business procedures of VWL currently include the following:

Negotiation of the Lease Contract and Appraisal of the Creditworthiness of the Prospective Lessee

The customer writes and signs an application for the use of a specific vehicle against a specified monthly payment. By signing the application the customer signifies its acceptance of the leasing conditions.

Before it accepts an application, VWL checks the creditworthiness of the customer. For this purpose all the information from e.g. credit agencies, financial statements and other sources (for instance from dealers) are brought together for scoring and rating purposes and are documented in a credit report about the prospective Lessee. In case VWL already has an existing relationship with the customer, his/her payment behaviour will also be part of the credit assessment. Applications of all 'non risk relevant customers' (customers with an aggregate credit engagement of less or equal €1,400,000) are scored by a numeric system of 16 risk classes, going from 01 as the best up to 15 and a separate class "D" for defaulted customers. VWL's application process is made predominately electronically and based on machine-decisions. However, for customers who are classified as 'corporate customers', i.e. customers who have entered into a master framework agreement with Volkswagen AG, the leasing application will be evaluated individually by at least two credit officers ('four eyes principle'), if scoring is 12 or worse. Customers with an aggregate credit engagement of more than €1,400,000 are classified as 'risk relevant business' and any related credit decision is based not only on the four eyes principle but additionally on a segregation of functions between front and back office. The appropriate internal limit is then set, based on the value of the vehicle and the number of contracts to be signed by the respective Lessee. If, in the case of existing contractual relationships, additional vehicles are to be leased, a check is made whether additional vehicles can be leased to the customer under the existing limits and on the basis of the information at hand, or a new decision has to be taken by using up-to-date information.

Sometimes up-to-date information must be gathered so that a new credit appraisal may be made. The creditworthiness of corporate customers that are classified as 'risk relevant business' is checked at least on a 12-months interval. The customers are asked to provide their financial statements in due time to meet the mentioned interval. Additionally, immediate access to the data base of credit agencies makes it possible to obtain information quickly. For leasing applications in the retail business, which are not automatically approved by credit scoring but instead need to be modified (e.g. prepayment, contractual security, additional documents need to be brought in etc.), there still might be decisions by qualified credit officers. Depending on the internal limit, one or more employees of the credit department jointly decide to accept or reject leasing applications. Each employee is personally assigned a maximum amount up to which she/he can decide regarding the regulations and guidelines given by VWL. A decision outside the specifications will be made by special trained employees of the VWL. The employees are qualified persons (generally with several years' training in banks or in industry or with degrees in business administration or similar business experience, etc.) and with several years' experience in the leasing business. Applications by private individuals may be automatically approved or rejected in the first instance if the information on the application demonstrates that the applicant meets or does not meet VWL's criteria for an automatic approval or rejection. Applications which are rejected at first instance have to be decided by employees of VWL.

Determination of Residual Values

Management of Residual Values by Volkswagen Leasing GmbH

A residual value risk exists when the estimated market value of a leased asset at the time of disposal upon expiration of a contract is less than the residual value calculated at the time the contract was closed. However, it is also possible to realise more than the calculated residual value at the time the leased asset is disposed of.

Direct and indirect residual value risks are differentiated relative to the bearer of the residual value risks. A direct residual value risk is present when the residual value risk is borne by Volkswagen Leasing GmbH. An indirect residual value risk is present if the residual value risk has been transferred to a third party based on the guaranteed residual value (e.g. customers, dealerships). The initial risk is that the counterparty guaranteeing the residual value might default. If the guarantor of the residual value defaults, the leased asset and hence the residual value risk are transferred to Volkswagen Leasing GmbH.

Framework

The residual value risk management feedback control system requires regular residual value forecasts and continuous risk assessments. Proactive marketing activities are derived from the measurement results in order to optimise earnings from the assumption of residual value risks. The marketing results so obtained are considered in the review of the residual value guidelines.

Risk identification and assessment

Residual value risks are quantified regularly throughout the year by means of evaluations and analyses on a contract-by-contract basis. The contracted residual values are compared to attainable market values that are generated from both the data of external service providers and VWLs own marketing data. The difference between the calculated residual value and the forecast for the used car constitutes the risk/opportunity ratio upon expiry of a contract. A variety of procedures are used to forecast residual values in this connection. Internal and external data regarding the development of residual values are considered in the residual value forecasts.

Risk management and monitoring

VWL's international residual risk management regularly reviews the adequacy of the risk provisions as well as the residual value risk potential as part of risk management. The resulting residual value risk potential is used to take a variety of measures as part of proactive risk management in order to limit the residual value risk. Residual value recommendations regarding new business must take both prevailing market conditions and future drivers into account. In order to reduce the risks upon expiry of a contract, the sales channels must be reviewed continuously such that the best possible result may be achieved at the time the vehicles are sold.

VWL's international residual risk management monitors residual value risks within VWL. The numbers reported in connection with residual value risks (portfolio assessment, marketing results, maturity tables, market data etc.) are subject to plausibility checks.

Risk communication

VWL's international residual risk management reports on the situation regarding residual value risks as part of the risk management report. Indirect residual value risks are measured analogous to direct residual value risks and the findings are communicated to the Boards of Management (*Vorstand*) of Volkswagen Financial Services AG and VWL in a separate report. Events having significant effects on risk exposures are communicated to Volkswagen Financial Services AG's Board of Management (*Vorstand*) using an ad hoc reporting system.

Debts Management

The first payment is due once the vehicle is handed over to the Lessee; all subsequent payments are typically due at the first of the corresponding month. The number of payments corresponds to the leasing period in months.

The leasing application includes a clause authorising VWL to debit the payments as they become due, directly on the bank account of the Lessee. Approximately 96 per cent of the Lessees made use of the direct debit system offered by VWL. This ensures that VWL receives instalments due promptly. Customers who do not authorise direct debiting give standing payment orders to their banks or write individual bank remittances. The monthly instalments are generally billed four working days before the end of the month. VWL transmits the required information to its banks, which in turn communicate with the Lessees banks. VWL receives the instalments paid by direct debit between the 5th and 8th working day of the current month.

The debt management process is supported by scorecards.

The advantages of the use of the scorecard process include, *inter alia*:

- Valuation of expected revenues;
- Multi dimensional processing;
- Risk based processing by fixed instructions;
- Increase of revenues; and
- Cost reduction by avoiding court activities.

Receivables from the premature termination of contracts are generally billed weekly. In case the direct debiting orders of VWL are not honoured or are rescinded, the banks immediately debit the respective accounts of VWL accordingly. The overdue payments for any given month are therefore typically known by the 10th to 12th day of the month and reminder notices can be sent out immediately. Around 1 per cent of the direct debit payments are not honoured.

If the Lessee does not pay then, a second reminder letter is generally sent after another two weeks. A final reminder before a possible termination includes the threat of judicial dunning proceedings and the threat of termination of the contract. In addition, the debts management department of VWL may write an individual letter to the customer or get in touch with the customer or with the dealer by telephone.

The debt managers of VWL are authorised to grant justifiable payment extensions. The number of such agreements has been negligible. The debt managers of VWL are also authorised to grant different kind of payment holidays up to a period of six months, depending on the creditworthiness of the customer. Payment holidays for a longer period than six months need to be individually approved. When a commercial Lessee has failed to pay two instalments and the reminder process has been completed without having received the respective payments from the customer, the contract will be terminated. In the case of a payment default of a private individual Lessee and after having sent out the respective reminders, the Lease Contract will be terminated by VWL as long as the legal requirements and preconditions are fulfilled (see below "Termination of Lease Contracts"). An application for a court order will normally only be made in order to enforce the debts after the settling of the Lease Contract (see below "Enforcement").

Any restructuring measures (e.g. contract term extension or contract term reduction, recalculation of lease instalments etc.), however, will only be granted to the Lessee by the contract management department, if and to the extent, that all charged lease instalments have been paid and the Lessee´s account is not overdue.

Termination of Lease Contracts

A leasing contract in distance selling (*Fernabsatz*) can be revoked by the lessee in writing (letter or e-mail) within 14 days after conclusion of the contract without giving reasons. To comply with the cancellation period, it is necessary to send the document within this period.

Each party to a Lease Contract can terminate the contract without giving prior notice, if it has a material reason to do so, in particular, but not limited to:

(i) when the other party is unable to pay or engaged in debt composition proceedings; when its cheques are not covered or its bills of exchange not honoured;

(ii) if the other party has made untrue statements in connection with the Lease Contract or has failed to state relevant facts and the lessor cannot, therefore, be reasonably expected to continue to honour the contract;

(iii) if the other party does not stop committing serious breaches of the contract in spite of written requests to this effect or if it fails to provide immediate remedy of any effects of such breaches of contract; or

(iv) if the vehicle has been destroyed or the cost of repairing the damage exceeds 60 per cent of the replacement cost of the vehicle to the end of a contract month.

(v) Depending on the applicable leasing conditions for the respective contract

a. VWL can terminate Lease Contracts without prior notice when two leasing instalments are overdue;

b. VWL can terminate Lease Contracts without prior notice, especially in the following cases:

1. when two leasing instalments are overdue by commercial Lessees; or

2. when two instalments or more representing in the aggregate at least 10 per cent of the total value of the Lease Contract (5 per cent when the term of the Lease Contract exceeds three years) are overdue by private individual Lessees and the lessor has set a final two-week deadline for payment which the Lessee does not honour.

All Lease Contracts have a fixed, agreed upon life (Closed End Lease Contracts). Upon request of the Lessee, the parties can agree to prematurely terminate the Contracts in writing (a) not earlier than six months from the date of the beginning of the contract or (b) if the vehicle has been destroyed or if the cost of repairing the damage sustained in an accident exceeds 60 per cent of the replacement cost of the vehicle. In such cases, the Lessee can then present the vehicle, state the number of kilometers driven and ask the lessor under what financial conditions it would be willing to terminate the Lease Contract.

In case of termination of contract for cause, the Lessee is requested to return the vehicle to the dealer who intermediated the lease. If the Lessee does not voluntarily return the vehicle and all respective appropriate means of VWL or the dealer is without success, external service providers are mandated to secure the vehicles. The leading companies in this area operate with a high level of reliability and trust with a view to protection of VWL's interests. About 99 per cent of the mandates are completed successfully securing the vehicle. In the event that repossession is unsuccessful a criminal complaint will be filed. As a result, the vehicles are taken up by the police and customs for the international search.

If VWL terminates a contract for cause, it can require the Lessee to reimburse it for the damages which it has sustained through the premature termination of the contract. VWL is entitled for full reimbursement of its losses.

For those contracts, which have been terminated by VWL, where the respective underlying vehicle has been sold, the way of calculating the remainder of debt for Closed End Lease Contract is based on a fixed residual value which is guaranteed by the dealers for approximately 95 per cent of all Closed End Lease Contracts (for the other 5 per cent, VWL bears the risk). In case of under mileage, the dealers will be charged. If mileage is exceeded, the dealer will receive an adjustment payment. Under these agreements, the partner-dealer buys the vehicle from VWL at a previously agreed upon price. Under this type of contract the risk of realisation is borne entirely by the dealer-partner.

In relation to "Closed End Lease Contracts" the final invoice with the remainder of a debt for the customer has to be calculated based on a binding rule of the BGH (Highest German Federal Supreme Court, WM 2005, 996) from 2004. Here the remainder of a debt is calculated on the difference between the current market value of the car at the time of the car sale and a forecasted car value for the agreed expiration of the contract. The calculation takes into account the monthly instalments which would have to be paid by the Lessees in case of a contractually agreed end of the contract and additional costs, e.g. running costs or collection costs.

The determination of both (i) the actual market value of the car at the time of the sale and (ii) the forecast of the value of the car at the time of the agreed expiration of the contract is being made by an external authorised adjuster.

If a vehicle was totally destroyed or lost or if the estimate cost of repairing the damage is equal to or exceeds 60 per cent of the replacement cost of the vehicle, and the contracting parties do not come to an understanding on a termination agreement and, as a result, one of the contracting parties terminates the contract, VWL may claim the full amortisation. The Lessee shall receive 75 per cent of a surplus, if any, remaining after the final settling of the contract. If a full coverage insurance was taken out through Volkswagen-Versicherungsdienst GmbH (VVD), a full amortisation claim is limited to the amount of the deductible plus the cost of the delivery drive which is taken into account in the calculation of the lease instalment, provided that the vehicle was stolen or if the estimated cost of repairing the damage is equal to the replacement cost. However, the full amortisation claim will not be limited if the insurer refused to provide insurance coverage to the Lessee. The foregoing provisions shall apply mutatis mutandis to a compensation

payment stipulated under a termination agreement. If the Lease Contract provides for any further services apart from the motor vehicle insurance against loss and damage, the above limitation shall also apply to a pro-rata calculation and claims for reimbursement of cost with respect to such other services.

The aforementioned provision does not apply if the lessee has opted for the lessor's KaskoSchutz service. This service provides liability exemption and serves as a substitute for full coverage insurance. Given the lessor's right to full amortisation, the lessee is absolved from liability up to the amount of the lessor's remainder debt from the leasing contract, minus any remaining residual value of the vehicle in the event of total loss, destruction, or loss of the vehicle (gap coverage). In this scenario, the lessor's claim is limited to the amount of any deductible plus any transfer costs included in the leasing payments that have not yet been paid off.

In the event of a termination all debits and credits except for final settling of accounts by Volkswagen Leasing GmbH upon a termination shall be subject to VAT which is in force at such time.

Enforcement

Repossessed leased vehicles are sold to dealers, or through the Vehicle Trading International (VTI) GmbH. The selling process is supported by a used vehicles information system (on a SAP basis platform) which was developed for the specific purpose of selling used motor vehicles. Each sale of a Leased Vehicle will always be made to the highest bidder.

As a rule, an application for a court order is made in order to enforce the debts after the settling of the Lease Contract. The payment order process is instituted by the Uelzen Lower Court as part of automated summary proceedings. The collection and the seizure of Leased Vehicles is handled through the collection information system, an application which was specifically developed for such purpose. This procedure offers the advantage that the entire process of debts management, collection and used vehicles sales is represented in a homogenous systems environment resulting in shorter handling times and increased productivity.

In court proceedings and out of such proceedings, VWL agrees to accept a settlement (Vergleich) if and to the extent, it appears to be economically viable or if a complete collection appears to be unlikely due to the financial condition of the Lessee. However, available collateral, such as directly enforceable guarantees, bank guarantees or deposits, will first be utilised.

Write-Off

VWL will write-off any debts owed to it by a Lessee if one of the following criteria is met and to the extent, that available collateral such as directly enforceable guarantees, bank guarantees or deposits has been utilised:

- Unsuccessful enforcement measures (*erfolglose Zwangsvollstreckung*);
- Unsuccessful attachment order and transfer of garnished claim (*erfolgloser Pfändungs- und Überweisungsbeschluss*);
- Insolvency of the Lessee;
- Unsuccessful repossession;
- Lessee is in jail;
- Lessee's address unknown;
- Lessee has left the European Union as a result of which no further payments can be expected;
- Lessee with (legal) care (*Betreuungsmaßnahmen*);
- Scoring red: No court orders (expected court order costs will exceed the expected collections);
- Proven inability to pay (*Zahlungsunfähigkeit*);
- Lessee's death without heir apparent;

- Settlement through or out of court orders (*Gerichtlicher/Außergerichtlicher Vergleich*);
- Lost court proceedings; and
- A claim becomes unenforceable.

Realisation of Leased Vehicles upon Expiration of Lease Contracts

Pursuant to the terms of the Repurchase Agreement and prior to the occurrence of a Servicer Insolvency Event VWL will purchase without warranty from the Issuer the Leased Vehicles' Initial Residual Value or Additional Residual Value, as the case may be, as of the date of the termination of the respective Lease Contract. Following the occurrence of a Servicer Insolvency Event the Issuer may sell the Leased Vehicles at its sole discretion to any third party upon acquisition of full legal title to the Leased Vehicles deriving from the Purchased Expectancy Rights.

Internal Audit

Volkswagen Leasing GmbH uses a system for measuring, monitoring and controlling its risk positions, which is documented and refined on an ongoing basis by means of guidelines. The suitability of individual system elements is reviewed regularly in a risk-oriented manner by the Internal Audit Department and by external auditors as part of their audit of the annual financial statements. On behalf of the Board of Management of Volkswagen Leasing GmbH Internal Audit independently and in a risk-oriented manner reviews the operational and business procedures of Volkswagen Leasing GmbH and its domestic and foreign branches for which contractual auditing rights are in place.

The operational executions of the audits are covered by the internal audit function of a Group company (Corporate Internal Audit). Audits at the foreign branch of Volkswagen Leasing GmbH are further outsourced to a Group company’s audit function in Italy. This activity is based on an annual audit plan, which is drawn up on the basis of the legal requirements in a risk-oriented manner. Internal Audit informs the Board of Management of Volkswagen Leasing GmbH of the result of the audits carried out by submitting audit reports as well as a quarterly and annual summary report. The timely implementation of the measures and recommendations agreed in the audit reports is monitored by Internal Audit and, if necessary follow up audits are conducted.

Auditors

EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3 - 5, 65760 Eschborn ("**EY**") has been the statutory auditor of the annual financial statements of VWL for the financial year ending on 31 December 2025. EY is a member of the Chamber of Public Accountants.

Volkswagen Leasing Group[2]

Selected figures (IFRS) for the years 2016 – 2025

	06.2025	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*	*2017*	*2016*
New Contracts (thou.)	427	795	750	637	646	702	769	618	615	590
Contracts Outstanding (thou.)	2,157	2,085	1,978	1,897	1,814	1,721	1,674	1,487	1,386	1,281
Capital Investment (EUR m.)	14,843	27,240	25,649	20,497	19,250	20,533	20,890	16,204	16,240	15,114
Total Receivables (EUR m.)	21,947	22,124	20,967	18,582	18,029	18,510	18,690	17,298	16,771	15,436
-from leasing instalments (EUR m.)	5,865	6,072	5,868	4,656	4,425	4,911	5,120	4,761	5,040	4,956
-from residual values (EUR m.)	16,081	16,051	15,098	13,926	13,604	13,599	13,570	12,536	11,731	10,480
Residual values operate Lease (EUR m.)	34,569	31,760	27,708	25,764	23,298	19,377	15,517	12,371	10,805	9,248

Source: Consolidated annual financial statements of Volkswagen Leasing GmbH

[2] VW: To be updated.

ADMINISTRATION OF THE PURCHASED EXPECTANCY RIGHTS AND FINAL PAYMENT RECEIVABLES UNDER THE SERVICING AGREEMENT

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

- to collect the Final Payment Receivables;
- to administer the contracts underlying the Final Payment Receivables;
- take actions and remedies against delinquent and defaulted Lessees, exercise debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies against a Lessee,
- VWL shall for the first time advance the Monthly Collateral in respect of the month in which the Monthly Collateral Start Date falls to the Distribution Account; and for any subsequent month in which the Monthly Remittance Condition continues to not be satisfied, VWL shall advance the Monthly Collateral to the Distribution Account on the relevant Monthly Collateral Payment Date falling in such month; and
- to repossess and realise the Leased Vehicles on behalf of the Issuer upon termination of a Lease Contract (in case the repurchase thereof by VWL under the Repurchase Agreement has not been completed).

Administration of collections, Costs of Administration and Replacing of the Servicer

The Servicer will thus be receiving payments in respect of the Purchased Final Payment Receivables due each month, of overdue Final Payment Receivables, sometimes of advance payments on Purchased Final Payment Receivables, Settlement Amounts, Compensation Payments and proceeds from the realisation of Leased Vehicles.

Subject to the terms of the Servicing Agreement, if:

(a) the Monthly Remittance Condition is not satisfied, VWL shall for the first time advance the Monthly Collateral in respect of the month in which the Monthly Collateral Start Date falls to the Distribution Account; and

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

If the Expectancy Rights Trustee does not transfer title to a relevant Leased Vehicle to VWL in accordance with clause 4 (*Transfer of title to Leased Vehicles*) of the Repurchase Agreement but otherwise realises the relevant Leased Vehicle for which the Monthly Collateral has been paid by VWL, the Issuer will on the then following Payment Date release such amounts received for such Monthly Period to VWL outside the Order of Priority, unless at such time VWL is in default with delivering the collections for such Payment Date.

Irrespective of its obligation to advance the Monthly Collateral VWL will still remain being obliged to transfer collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral to the Distribution Account. However, at any time when either (a) the Monthly Remittance Condition is satisfied or (b) the Monthly Remittance Condition is not satisfied but VWL as Servicer has complied with its obligation to remit the Monthly Collateral to the Distribution Account, VWL is entitled to hold, use and invest at its own risk the amount collected under the Purchased Lease Receivables and other amounts collected by it during a Monthly Period without segregating such funds from its other funds, and VWL will be required to make a single transfer of collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts collected by it to the Distribution Account on the following Payment Date. Otherwise, collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral and other amounts collected by it will be required to be remitted by it to the Distribution Account on the first Business Day after receipt of such amounts.

Following a breach of the Monthly Remittance Condition, the Monthly Servicer Report will show for each Monthly Period whether the Monthly Collateral which has been transferred by VWL for the relevant Monthly Period exceeds the collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral for such Monthly Period or whether the collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral for the relevant Monthly Period exceed the Monthly Collateral for such Monthly Period.

On any Payment Date VWL's obligation to pay such collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral received by VWL for the relevant Monthly Period into the Distribution Account will be netted with its claim for repayment of the Monthly Collateral for such Monthly Period and such Monthly Collateral will form part of the Available Distribution Amount. If for such Monthly Period the Monthly Servicer Report shows (a) that the Monthly Collateral which has been transferred by VWL for the relevant Monthly Period on the respective Monthly Collateral Payment Date exceeds the collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral received by VWL for such Monthly Period, such excess shall be released to VWL outside the Order of Priority on the relevant Payment Date or (b) that the collections of the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral received by VWL for such Monthly Period exceed the Monthly Collateral which has been transferred by VWL for the relevant Monthly Period on the respective Monthly Collateral Payment Date, an amount equal to such excess shall be paid into the Distribution Account by VWL on the relevant Payment Date.

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

Unless this power is repealed, the Servicer is entitled and shall utilise the Cash Collateral Account of the Issuer, if necessary, up to the sum of the credit shown on the respective Cash Collateral Account,

(a) in accordance with the instructions from the Issuer to the extent, in the amounts and for the purposes described in clause 23 (*Relation to third parties, overpayment*) of the Trust Agreement; or

(b) for costs incurred as a result of the replacement of a Servicer, to the extent that they cannot be covered by income from the investment of the funds in the Distribution Account and the Cash Collateral Account.

The Servicer will be entitled to receive the Servicer Fee on each Payment Date for the preceding Monthly Period. The Servicer Fee for any Payment Date will be an amount equal to the product of (1) one-twelfth, (2) 1.0 per cent. *per annum* and (3) the sum of the Aggregate Discounted Expectancy Rights Balance as of the beginning of the preceding Monthly Period (or as of the Closing Date, in the case of the first Monthly Period). As additional compensation, the Servicer will be entitled to retain all late fees, fees for cheques with insufficient funds or other administrative fees. 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 except for auction, painting, repair or refurbishment expenses and similar expenses with respect to the Leased Vehicles, i.e. such costs will be deducted from the enforcement or sale proceeds.

The Servicer may be replaced in case of a Servicer Replacement Event as outlined below. In that case the costs of replacing it are also to be paid from income from the investment of the funds in the Distribution Account and the Cash Collateral Account. If these proceeds do not cover the said costs, the difference is to be made up from the Cash Collateral Account.

Reporting Duties of the Servicer and Duties under the Swap Agreements and Reporting Duties under the Securitisation Regulation

Under the Servicing Agreement the Servicer has undertaken to report the following facts to the Issuer, the Expectancy Rights Trustee, the Principal Paying Agent, the Calculation Agent, the Account Bank, the Cash Administrator, the Rating Agencies, the Noteholders, the Lenders and the Subordinated Lender on the Servicer Report Performance Date, or in the event this is not a Business Day, then on the next succeeding Business Day,

(a) the Available Distribution Amount and the aggregate amount to be distributed in relation to each Instrument and the Subordinated Loan, including repayment of the nominal amount and interest payment, on the immediately following Payment Date;

(b) the amounts of interest paid and unpaid on the Instruments and the Subordinated Loan;

(c) collections of the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral for the Monthly Period;

(d) the nominal amount still outstanding on each Instrument and the Subordinated Loan as of each respective Payment Date and the nominal amount of any Further Instruments to be issued on such Payment Date and of any Borrowing Base Cure Amount on such date;

(e) outstanding principal balance before and after origination of Additional Expectancy Rights and any Borrowing Base Cure Amount on such date;

(f) the General Cash Collateral Amount remaining available on the immediately following Payment Date and the amount of any Monthly Collateral received from VWL with respect to such Payment Date;

(g) the sums corresponding to the administration fees and servicing fees;

(h) the 12-Months Average Dynamic Net Loss Ratio and whether the Credit Enhancement Increase Condition is in effect and fulfilled;

(i) the Senior Instrument Actual Overcollateralisation Percentage and the Junior Instrument Actual Overcollateralisation Percentage;

(j) the Dynamic Net Loss Ratio;

(k) delinquency information for delinquency periods of up to one month, one to two months, two to three months, three to four months, four to five months, five to six months, six to seven months, seven to eight months, eight to nine months, nine to ten months and more than ten months with respect to the number of delinquent Lease Contracts, the amount of Delinquent Purchased Lease Receivables and the total outstanding Discounted Receivables Balance of Delinquent Lease Contracts;

(l) in the event of the final Payment Date, the fact that such date is the final Payment Date;

(m) stratification tables;

(n) contract status;

(o) early settlements;

(p) write-offs on the Lease Contracts;

(q) the Revolving Period;

(r) the Late Delinquency Ratio;

(s) Residual Values;

(t) the Buffer Release Rate, any amount standing to the credit of the Buffer Release Reserve Ledger, any Positive Buffer Release Amount and any Negative Buffer Release Amount;

(u) information on the occurrence of an Early Amortisation Event:

(v) amortisation profile of the outstanding pool;

(w) any Senior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount or Junior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount;

(x) Maximum Commitment Amount for each Instrument;

(y) the Order of Priority; and

(z) the Risk Retention.

The Servicer shall, furthermore, provide the Rating Agencies with the reports and information which the latter reasonably need to maintain their rating of the Rated Notes.

Additionally, VWL as designated reporting entity under Article 7 of the Securitisation Regulation undertakes to the Issuer under the Servicing Agreement that it will make the information available to the Noteholders, to the Lenders, to competent authorities, as referred to in Article 29 of the Securitisation Regulation and to potential Noteholders and potential Lenders, as applicable all such information as the Issuer is required to make available pursuant to and in compliance with the Securitisation Regulation Disclosure Requirements. The Servicer will make such information available via the Securitisation Repository.

In the event that the Servicer is not able to comply with its reporting obligations as set out above in respect of a Purchased Expectancy Right, due to reasons which are constituted in the internal procedures of the Servicer (e.g. IT procedures or similar), the Servicer shall be entitled to take, *mutatis mutandis*, remedial actions as set out under "**DESCRIPTION OF THE PORTFOLIO - Warranties and Guarantees in relation to the Sale of the Purchased Expectancy Rights**".

Under the Servicing Agreement, the Servicer has undertaken to the Issuer that no less than once *per annum* commencing on the date of the Swap Agreements, it shall perform with the respective Swap Counterparty and on behalf of the Issuer, a reconciliation of all outstanding transactions under the Swap Agreements for the purposes of ensuring agreement as to the key terms of such transactions (including, without limitation, the effective date, position of the swap counterparties, currency of the transaction, the underlying instrument, the business day convention, notional amounts, payment dates, termination dates, fixed amounts and/ or floating amounts) and the then notional value of each such outstanding transaction under the Swap Agreements.

Distribution duties of the Servicer

On the 25th day of each month or, if this day is not a Business Day, then the next following Business Day (unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day), is a Payment Date. No later than the Payment Date of each month, the Servicer will have made available to the Issuer in the Distribution Account in the manner stated below under "Distribution Procedure" the amount due and received from Lessees and other sources during the prior month.

Distribution procedure

The Servicer has undertaken to transfer by the Payment Date of each calendar month to the respective Distribution Account collections of the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral received and the proceeds from the realisation of the Leased Vehicles, as well as the payments received from the Swap Counterparties under the Swap Agreements.

Amendments to the Servicing Agreement

VWL will be entitled to unilaterally amend any term or provision of the Servicing Agreement with the consent of the Issuer but without the consent of any Noteholder, any Lender each Swap Counterparty, the Subordinated Lender or any other Person; *provided that* such amendment shall only become valid,

(A) in case of amendments which do not materially and adversely affect the interests of the Noteholders, the Lenders and/or any other Programme Creditor, if it is notified to the Expectancy Rights Trustee and the Rating Agencies in writing and it has been demonstrated to the reasonable satisfaction of the Expectancy Rights Trustee that such amendment is not materially prejudicial to the interests of the Noteholders, the Lenders and/or any other Programme Creditor;

(B) in case that the Issuer is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation; and

(C) in case of amendments which materially and adversely affect the interests of the Noteholders, the Lenders and/or any other Programme Creditor, if it is notified to the Expectancy Rights Trustee and the Rating Agencies in writing and the Issuer has received the written consent to such amendment from the Expectancy Rights Trustee and the Programme Creditors that are materially and adversely affected.

Any amendment subject to paragraph (B) above shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders and Lenders in writing, including by email.

All amendments to the Servicing Agreement shall be notified to the Rating Agencies.

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

Dismissal and Replacement of the Servicer

After a Servicer Replacement Event, the Issuer is entitled to dismiss the Servicer by written notification and to appoint a new Servicer. The dismissal of the existing Servicer and the appointment of a new Servicer shall only become effective after the new Servicer has (i) taken over all the rights and obligations of the Servicer hereunder and (ii) agreed to indemnify and hold harmless the dismissed Servicer from all procedures, claims, obligations and liabilities as well as all related costs, fees, damages claims and expenditures (inclusive fees and expenditures associated with legal advice, chartered accountants and other experts or persons commissioned or initiated from the dismissed Servicer) which it may incur arising out of, in connection with or based upon any negligent breach of the contractual duties or any other omission or action of the new Servicer. The dismissed Servicer shall use best efforts that the appointment of the new Servicer shall become effective no later than three (3) months after the occurrence of a Servicer Replacement Event. In case of such a dismissal, the dismissed Servicer is obliged to transfer all then existing vested rights and assets held to the new Servicer appointed by the Issuer; the dismissed Servicer is furthermore obligated to place all information, files and documents, which are necessary for the proper performance of the Servicer's obligations, at the new Servicer's disposal. The Servicer is precluded from asserting retention rights and from setting off and may not ask for a refund of its costs and expenses incurred with the replacement of the current Servicer by a new Servicer.

The Issuer is entitled to transfer its right to unilaterally change the contractual relationship (*Gestaltungsrecht*), as outlined in clause 10.1 (*Dismissal and replacement of Servicer*) of the Servicing Agreement, to the Expectancy Rights Trustee. The Servicer shall be notified in writing (with a copy to the Rating Agencies) of such transfer.

Realisation of Purchased Expectancy Right under the Repurchase Agreement

Under the Repurchase Agreement entered into between the Issuer, the Expectancy Rights Trustee and VWL as Seller and Realisation Agent, the Issuer sells to VWL the Leased Vehicles at a repurchase price (A) in case the related Lease Contract terminated pursuant to a Lease Contract Termination Event set out in item (a) thereof, equal to the sum of (a) the Initial Residual Value or the Additional Residual Value, as applicable, as set out in the data field "ABLECOLRG" of the Initial Electronic File or the relevant Additional Electronic File, each discounted at the Expectancy Rights Discount Rate less (b) an amount equal to the amount of the related Final Payment Receivable, or (B) in case the related Lease Contract terminated pursuant to a Lease Contract Termination Event set out in item (b) or (c) thereof, the sum of (1) the sum of (a) the Additional Residual Value as set out in the data field "ABLECOLRG" of the relevant Additional Electronic File, discounted at the Expectancy Rights Discount Rate less (b) an amount equal to the amount of the related Final Payment Receivable and (2) the excess (if any) of the amount calculated in accordance with clause 17.2(a) of the Trust Agreement over such Additional Residual Value, as applicable. In addition to the payment of the repurchase price, VWL shall pass on the proceeds from the collection of the related Final Payment Receivable to the Issuer. If and to the extent, VWL decides, in its own discretion, not to pass on a Final Payment Receivable to the Issuer, the Repurchase Price for such Leased Vehicle shall be calculated in accordance with limb (a) above only, without any reduction.

Following the occurrence of a Servicer Insolvency Event, the Issuer may in its free discretion sell the Leased Vehicle to any third party.

Audit of Activities of the Servicer

At the request of the Issuer, the activities of the Servicer under the Servicing Agreement shall be audited by chartered accountants who shall be appointed by the Issuer. The costs of such audit shall be borne by the Servicer. For the avoidance of doubt, the maximum number of audits shall be one (1) per annum.

EXPECTANCY RIGHTS TRUSTEE

The Issuer has entered into a Trust Agreement with, *inter alia*, Intertrust Trustees Limited as Expectancy Rights Trustee and VWL. The Expectancy Rights Trustee's address is at 5 Churchill Place, 10th Floor, London E14 5HU, United Kingdom. The Expectancy Rights Trustee who shall hold Purchased Expectancy Rights on trust which shall be acquired by the Expectancy Rights Trustee in connection with the issuance of Notes is not affiliated with the Issuer or VWL and maintains no other non-arm's length business relationship with the Issuer or VWL. Under this agreement the Issuer has authorised the Expectancy Rights Trustee to act as fiduciary agent for the Programme Creditors.

Under the Trustee Claim pursuant to the Trust Agreement, the Issuer has entitled the Expectancy Rights Trustee to demand from the Issuer, (i) that any present or future obligation of the Issuer to the Noteholders shall be fulfilled; (ii) that any present or future obligation of the Issuer in relation to a Programme Creditor of the Programme Documents, respectively, shall be fulfilled; and (iii) (if the Issuer is in default with any Secured Obligation(s) and insolvency proceedings have not been instituted against the estate of the Expectancy Rights Trustee) that any payment owed under the respective Secured Obligation will be made to the Expectancy Rights Trustee for on-payment to the Programme Creditors and discharge the obligation of the Issuer accordingly.

To provide collateral for the respective Trustee Claim, the Issuer assigns or transfers, as applicable to the Expectancy Rights Trustee all Purchased Expectancy Rights, Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral which the Seller transfers to the Issuer pursuant to the provisions of the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement, and all rights arising from the Purchased Expectancy Rights, and all its claims and other rights arising from the Programme Documents (including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future contracts the Issuer has entered or may enter into in connection with the Purchased Expectancy Rights, and all its claims and other rights from all present and future contracts the Issuer may enter into in connection with the Notes, the Subordinated Loan, the Swap Agreements, or Purchased Expectancy Rights, the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral, and all transferable claims (i) in respect of the Accounts of the Issuer opened pursuant to the Account Agreement and (ii) in respect of all bank accounts which will be opened under the Trust Agreement in the name of the Issuer in the future.

The Expectancy Rights Trustee has been appointed under the Trust Agreement to exclusively hold the Purchased Expectancy Rights, the Final Payment Receivables and corresponding Expectancy Rights Related Collateral. The Expectancy Rights Trustee under the Trust Agreement may realise and have realised, administer and do such other acts as are necessary in connection with the holding, administration and realisation of the Purchased Expectancy Rights, the Final Payment Receivables and corresponding Expectancy Rights Related Collateral assigned to the Expectancy Rights Trustee in accordance with clause 5 (*Assignment for security purposes; transfer of title for security purposes*) of the Trust Agreement for security purposes.

The Issuer will assign its rights, title and interest in the Swap Agreement by way of security in favour of the Expectancy Rights Trustee, pursuant to the Security Assignment Deed, which the Expectancy Rights Trustee will hold on trust for the benefit of itself and as trustee for the Programme Creditors.

Unless otherwise set forth in the Trust Agreement, the Expectancy Rights Trustee is not obligated to supervise the discharge of the payment and other obligations of the Issuer arising from the Funding and the Programme Documents or to carry out duties which are the responsibility of the management of the Issuer.

VWL will be entitled to amend the Trust Agreement as provided for in clause 38 (*Amendments*) of the Trust Agreement.

For the complete text of the Trust Agreement, see "**TRUST AGREEMENT**".

RATINGS

The Rated Class A Notes are expected to be rated AAA (sf) by DBRS and AAA (sf) by S&P Global.

The Rated Class B Notes are expected to be rated at least AA(low) (sf) by DBRS and at least AA- (sf) by S&P Global.

The rating of "AAA (sf)" is the highest rating DBRS assigns and "AAA (sf)" is the highest rating S&P Global assigns. The suffix "sf" denotes an issue that is a structured finance transaction.

The rating of the Rated Notes addresses the ultimate payment of principal and timely payment of interest according to the Conditions. The rating takes into consideration the characteristics of the Expectancy Rights and the related Lease Receivables and the structural, legal, tax and Issuer-related aspects associated with the Rated Notes.

The ratings assigned to the Rated Notes should be evaluated independently from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the Rating Agencies at any time. In the event that the ratings initially assigned to any Series of the Rated Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to such Series of Rated Notes.

The Issuer has not requested a rating of the Rated Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency will rate the Rated Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Rated Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

References to ratings of DBRS and S&P Global in this Base Prospectus shall refer to www.dbrs.com and www.standardandpoors.com, respectively.

THE ISSUER

1. General

The Issuer, a company with limited liability (*société anonyme*), was incorporated as a special purpose vehicle for the purpose of issuing asset backed securities under the laws of Luxembourg on 28 January 2014, for an unlimited period and has its registered office at 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg (telephone, (+352) 2602 491). The Issuer is registered with the Luxembourg Commercial Register under registration number B184029.

The Issuer has elected in its Articles of Incorporation to be governed by the Luxembourg Securitisation Law.

The Legal Entity Identifier (LEI) of the Issuer is: 5299002NC4CH843RN751.

The Issuer currently does not intend to issue securities on a continuous basis to the public and if at a later point it did, it would first apply for a licence pursuant to, and in accordance with the provisions of the Luxembourg Securitisation Law.

Further information on the Programme, including this Base Prospectus, can be obtained on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com), whereby it should be noted that the information on the website does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

2. Corporate purpose of the Issuer

The Issuer has as its business purpose to enter into any type of securitisation transactions within the meaning of the Luxembourg Securitisation Law which applies to the Issuer and in particular it may acquire or assume, directly or indirectly or through another entity, risks relating to any kind of loans, lease receivables, vehicles, related assets, collateral, debt and equity securities or any other kind of financial instruments. The Issuer may issue securities of any nature and in any currency and, to the largest extent permitted by the Luxembourg Securitisation Law, pledge, mortgage or charge or otherwise create security interests in and over its assets, property and rights to secure its obligations. The Issuer may enter into any agreement and perform any action necessary or useful for the purposes of carrying out transactions permitted by the Luxembourg Securitisation Law, including, without limitation, disposing of its assets in accordance with the relevant agreements. The Issuer may only carry out the above activities if and to the extent that they are compatible with the Luxembourg Securitisation Law.

3. Compartment

The board of directors of the Issuer may, in accordance with the terms of the Luxembourg Securitisation Law, and in particular its article 5, create one or more Compartments within the Issuer. Each Compartment shall correspond to a distinct part of the assets and liabilities in respect of the corresponding funding. The resolution of the board of directors creating one or more Compartments within the Issuer, as well as any subsequent amendments thereto, shall be binding from the date of such resolutions against any third party.

As between investors, each Compartment of the Issuer shall be treated as a separate entity. Rights of creditors and investors of the Issuer that (i) relate to a Compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a Compartment are strictly limited to the assets of that Compartment which shall be exclusively available to satisfy such creditors and investors. Creditors and investors of the Issuer whose rights are not related to a specific Compartment of the Issuer shall have no rights to the assets of such Compartment.

Unless otherwise provided for in the resolution of the board of directors of the Issuer creating such Compartment, no resolution of the board of directors of the Issuer may amend the resolution creating such Compartment or to directly affect the rights of the creditors and investors whose rights relate to such Compartment without the prior approval of the creditors and investors whose rights relate to such Compartment. Any decision of the board of directors taken in breach of this provision shall be void.

Without prejudice to what is stated in the precedent paragraph, each Compartment of the Issuer may be separately liquidated without such liquidation resulting in the liquidation of another Compartment of the Issuer or of the Issuer itself.

Fees, costs, expenses and other liabilities incurred on behalf of the Issuer but which do not relate specifically to any Compartment shall be general liabilities of the Issuer and shall not be payable out of the assets of any Compartment. The board of directors of the Issuer shall ensure that creditors of such liabilities waive recourse to the assets of any Compartment. If such creditors do not waive recourse and such general liabilities cannot be otherwise funded, they shall be apportioned pro rata among the Compartments of the Issuer upon a decision of the board of directors.

With board resolution dated 3 November 2015, the Issuer created Compartment 2.

4. Business activity

The Issuer will carry on business or activities that are incidental to its incorporation, which include the entering into certain transactions on and after the Issue Date with respect to the securitisation transaction contemplated herein and the issuance of the Notes.

In respect of the Programme, the principal activities of the Issuer have been (i) the issuance and raising of the Instruments, (ii) the granting of the Security, (iii) the entering into the Subordinated Loan Agreement, (iv) the entering into the Swap Agreements and all other Programme Documents to which it is a party, (v) the opening of the Distribution Account, the Accumulation Account and the Cash Collateral Account and (vi) the exercise of related rights and powers and other activities reasonably incidental thereto.

5. Corporate administration and management

The following directors of the Issuer have been appointed in the shareholders' meeting following the incorporation of the Issuer,

DIRECTOR	**BUSINESS ADDRESS**	**PRINCIPAL ACTIVITIES OUTSIDE THE ISSUER**
Zamyra Heleen Cammans	22 Boulevard Royal 2449 Luxembourg Grand Duchy of Luxembourg	Professional in the domiciliation business
Helene Grine-Siciliano	22 boulevard Royal 2449 Luxembourg Grand Duchy of Luxembourg	Professional in the domiciliation business
Lorenzo Santone	22 Boulevard Royal 2449 Luxembourg Grand Duchy of Luxembourg	Professional in the domiciliation business

Each of the directors confirms that there is no conflict of interest between his or her duties as a director of the Issuer and his or her principal and/or other activities outside the Issuer.

Each of the directors further confirms that they do not perform any principal activities outside the Issuer which are significant with respect to the Issuer.

6. Capital, shares and shareholders

The authorised and issued capital of the Issuer is set at EUR 31,000 divided into 3,100 ordinary shares of a single class fully paid up, registered shares with a par value of EUR 10 each.

The sole shareholder of the Issuer is Stichting CarLux which directly controls and owns the Issuer. Stichting CarLux is a foundation duly incorporated and validly existing under the laws of The Netherlands with its registered office at Museumlaan 2, 3581HK Utrecht, The Netherlands. Stichting

CarLux is registered with the trade register of the Chamber of Commerce in Amsterdam under number 34283304.

7. Capitalisation

The share capital of the Issuer as at the date of this Base Prospectus is as follows,

Share Capital

Subscribed, issued and fully paid up, EUR 31,000

8. Indebtedness

The Issuer has no material indebtedness, contingent liabilities and/or guarantees as at the date of the Base Prospectus, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated in the Base Prospectus.

9. Holding Structure

Stichting CarLux, prenamed	3,100 shares
Total	3,100 shares

10. Subsidiaries

The Issuer has no subsidiaries or Affiliates.

11. Name of the Issuer's Financial Auditors

Ernst & Young Luxembourg S.A.
35E, Avenue John F. Kennedy
L-1855 Luxembourg

Ernst & Young Luxembourg S.A. is a member of the *Institut des Réviseurs d' Entreprises agréés*.

12. Main Process for Director's Meetings and Decisions

The Issuer is managed by a board of directors comprising at least three (3) members, whether shareholders or not, who are appointed for a period not exceeding six years by the general meeting of shareholders which may at any time remove them.

The number of directors, their term and their remuneration are fixed by the general meeting of the shareholders.

The board of directors may elect from among its members a chairman.

The board of directors convenes upon call by the chairman, as often as the interest of the Issuer so requires. It must be convened each time two directors so request.

Directors may participate in a meeting of the board of directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other, and such participation in a meeting will constitute presence in person at the meeting, *provided that* all actions approved by the directors at any such meeting will be reproduced in writing in the form of resolutions.

Resolutions signed by all members of the board of directors will be as valid and effective as if passed at a meeting duly convened and held. Such signatures may appear on a single document or multiple copies of an identical resolution and may be evidenced by letter, fax, email or similar communication.

The board of directors is vested with the powers to perform all acts of administration and disposition in compliance with the corporate objects of the Issuer.

13. Financial Statements

Audited financial statements will be published by the Issuer on an annual basis.

The business year of the Issuer extends from 1 January to 31 December of each year. The first business year began on 28 January 2014 (date of incorporation) and ended on 31 December 2014 so that the first annual general meeting of the shareholder was held on 30 June 2015.

Ernst & Young Luxembourg S.A., as auditor of VCL Master S.A., audited the annual accounts of VCL Master S.A. from 1 January 2024 to 31 December 2024 and from 1 January 2025 to 31 December 2025. The Issuers financial year is the calendar year.

The financial statements of the Issuer for the fiscal years ended on 31 December 2024 and 31 December 2025 are incorporated by reference into this Base Prospectus. See "DOCUMENTS INCORPORATED BY REFERENCE".

14. Auditors and Auditors' Reports

The auditors of VCL Master Residual Value S.A. are Ernst & Young Luxembourg S.A., 35E avenue John F. Kennedy, L-1855 Luxembourg.

In the opinion of Ernst & Young Luxembourg S.A., the Issuer's annual accounts gave, in conformity with Luxembourg legal and regulatory requirements, a true and fair report of the financial position of VCL Master S.A. as at 31 December 2024 and 31 December 2025 and of the result of its operations from 1 January 2024 to 31 December 2024 and from 1 January 2025 to 31 December 2025.

15. Inspection of Documents

The following documents (or copies thereof) will remain publicly available for at least ten years

(a) the Articles of Incorporation of the Issuer;

(b) minutes of the meeting of the board of directors of the Issuer approving the issue of the Notes, the issue of the Base Prospectus and the Programme as a whole;

(c) the Base Prospectus, the Master Definitions Schedule and all the Programme Documents referred in this Base Prospectus; and

(d) the historical financial information of the Issuer for the years ending in December 2024 and December 2025 of the Issuer.

and may be inspected at the Issuer’s registered office at 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg.

The Notes will be obligations of the Issuer only and will not be guaranteed by, or be the responsibility of Volkswagen Leasing GmbH, Volkswagen AG or any other person or entity. It should be noted, in particular, that the Notes will not be obligations of, and will not be guaranteed by the Seller, the Servicer (if different), the Interest Determination Agent, the Expectancy Rights Trustee, the Lead Manager, the Arranger or any of their respective Affiliates, the Subordinated Lender, the Account Bank, the Principal Paying Agent, the Calculation Agent, the Registrar, the Swap Counterparties, the Data Protection Trustee or the Corporate Services Provider or any other party described under this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been published or which are published simultaneously with this Base Prospectus and filed with the *Commission de Surveillance du Secteur Financier* shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

(a) the Issuer's audited annual financial statements for the financial year ended 31 December 2024; and

(b) the Issuer's audited annual financial statements for the financial year ended 31 December 2025.

All of these documents are published and available on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com).

The Issuer's audited annual financial statements for the financial year ended 31 December 2024, prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts (Page number refer to the PDF page numbers and not the actual document):

Page(s)

Directors' report 3-5

Audit report 6-10

Balance sheet as at 31 December 2024 11-15

Profit and loss account for the year from 1 January to 31 December 2024 16-17

Notes to the accounts 18-27

https://circumferencefs-luxembourg.com/wp-content/uploads/2025/07/202412-annual-accounts-2024-VCL-MRV-fs.pdf

The Issuer's audited annual financial statements for the financial year ended 31 December 2025, prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts (Page number refer to the PDF page numbers and not the actual document):

Page(s)

Directors' report 3-5

Audit report 6-10

Balance sheet as at 31 December 2025 11-15

Profit and loss account for the period from 1 January to 31 December 2025 16-17

Notes to the accounts 18-27

https://circumferencefs-luxembourg.com/wp-content/uploads/2026/06/202512-annual-accounts-2025-VCL-MRV-fs.pdf

The parts of the documents incorporated by reference that are not incorporated are either not relevant for an investor or covered in another part of this Base Prospectus.

CORPORATE ADMINISTRATION AND ACCOUNTS

Corporate Administration

Pursuant to the Corporate Services Agreement, the Issuer has appointed Circumference FS (Luxembourg) S.A. 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg as Corporate Services Provider to provide management, secretarial and administrative services to the Issuer including the provision of directors of the Issuer. The Corporate Services Provider is a public limited liability company (société anonyme) incorporated in Luxembourg. It is not in any manner associated with the Issuer or with the Volkswagen Group. The Corporate Services Provider will *inter alia* provide the following services to the Issuer:

- provide three directors and secretarial, clerical, administrative services;
- convene meetings of shareholders;
- maintain accounting records; and
- procure that the annual accounts of the Issuer are prepared, audited and filed.

The Corporate Services Provider will, furthermore, fulfil or cause to be fulfilled all the obligations of the Issuer under the Programme Documents to which the Issuer is a party.

As consideration for the performance of its services and functions under the Corporate Services Agreement, the Issuer will pay the Corporate Services Provider a fee as separately agreed. Recourse of the Corporate Services Provider against the Issuer is limited accordingly. See "**TERMS AND CONDITIONS OF THE NOTES**".

The Corporate Services Agreement may be terminated at any time by either party to the Agreement, without any justification, subject to three (3) months prior written notice from the date of the dispatch of a registered letter sent in the case of the Issuer by a director of the Issuer on behalf of the Issuer, or in the case of the Corporate Services Provider by a director of the Corporate Services Provider on behalf of the Corporate Services Provider to, as the case may require, the address of the Corporate Services Provider, or to the address of the Issuer. The termination shall only become effective once a replacement Corporate Services Provider has been appointed with the Expectancy Rights Trustee's consent.

Circumference FS (Luxembourg) S.A., a société anonyme incorporated in Luxembourg and having its registered address at 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg, will provide the corporate services pursuant the Corporate Services Agreement.

The information in the preceding 5 paragraphs has been provided by Circumference FS (Luxembourg) S.A. for use in this Base Prospectus and Circumference FS (Luxembourg) S.A. is solely responsible for the accuracy of the preceding 5 paragraphs. Except for the foregoing 5 paragraphs, Circumference FS (Luxembourg) S.A. in its capacity as Corporate Services Provider, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus.

To the best knowledge and belief of the Issuer, the above information has been accurately reproduced. The Issuer is able to ascertain from the above information published by the Corporate Services Provider that no facts have been omitted which would render the reproduced information inaccurate or misleading.

THE OTHER PARTIES

A description of the Programme Parties, other than the Issuer (a description of whom is set out above) and the Seller and the Servicer (a description of whom is set out above), is set out below.

Party	*Name*	*Responsibilities*	*Place of incorporation/ Company numbers*
Arranger	Crédit Agricole Corporate and Investment Bank	See a description of the responsibilities of the Arranger in the description of Subscription and Sale.	12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France
Lead Manager	Crédit Agricole Corporate and Investment Bank	See a description of the responsibilities of the Lead Manager in the description of Subscription and Sale.	12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France
Corporate Services Provider	Circumference FS (Luxembourg) S.A	See a description of the Corporate Services Provider in the description of the Corporate Services Agreement.	22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg / B 58628
Account Bank	The Bank of New York Mellon, Frankfurt Branch	See a description of the responsibilities of the Account Bank in the description of the Account Agreement.	MesseTurm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany
Registrar	The Bank of New York Mellon SA/NV, Luxembourg Branch	See a description of the responsibilities of the Registrar in the description of the Agency Agreement.	Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg
Principal Paying Agent	The Bank of New York Mellon, London Branch	See a description of the responsibilities of the Principal Paying Agent in the description of the Agency Agreement.	160 Queen Victoria Street, London, EC4V 4LA, United Kingdom
Calculation Agent	The Bank of New York Mellon, London Branch	See a description of the responsibilities of the Calculation Agent in the description of the Agency Agreement.	160 Queen Victoria Street, London, EC4V 4LA, United Kingdom
Interest Determination Agent	The Bank of New York Mellon, London Branch	See a description of the responsibilities of the Interest Determination Agent in the description of the Agency	160 Queen Victoria Street, London, EC4V 4LA, United Kingdom

Party	*Name*	*Responsibilities*	*Place of incorporation/ Company numbers*
		Agreement.	
Cash Administrator	The Bank of New York Mellon, Frankfurt Branch	See a description of the responsibilities of the Cash Administrator in the description of the Account Agreement.	MesseTurm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany
Subordinated Lender	Volkswagen Leasing GmbH	See a description of the responsibilities of the Subordinated Lender in the description of the Subordinated Loan Agreement.	Gifhorner Straße 57, 38112 Braunschweig, Germany
Swap Counterparties	[●]	See a description of the responsibilities of the Swap Counterparty in the description of the Swap Agreement.	[●]
Expectancy Rights Trustee	Intertrust Trustees Limited	See a description of the responsibilities of the Expectancy Rights Trustee in the description of the Expectancy Rights Purchase Agreement.	5 Churchill Place, 10th Floor, London E14 5HU, United Kingdom
Security Trustee	CSC Trustees GmbH	See a description of the responsibilities of the Security Trustee in the description of the Trust Agreement.	Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany
Data Protection Trustee	Amsterdamsch Trustee's Kantoor B.V.	See a description of the Data Trustee in the description of the Data Protection Trust Agreement.	Basisweg 10, 1043 AP Amsterdam, the Netherlands

The description of a Programme Party does not purport to be an overview of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Programme Documents.

The delivery of this Base Prospectus does not imply that there has been no change in the affairs of a Programme Party since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

Option I A: TERMS AND CONDITIONS OF THE FIXED RATE CLASS A NOTES

The terms and conditions of the Class A Notes (the "**Notes Conditions**") are set out below. Annex A to the Conditions sets out the "TRUST AGREEMENT", Annex B to the Conditions sets out the "MASTER DEFINITIONS SCHEDULE". In case of any overlap or inconsistency in the definition of a term or expression in the Conditions and elsewhere in this Base Prospectus, the definition contained in the Notes Conditions will prevail. For Annex A referred to under the Notes Conditions see "TRUST AGREEMENT".

1. Form and Nominal Instrument Amount of the Notes

(a) The issue by VCL Master Residual Value S.A., acting with respect to its Compartment 2 (the "**Issuer**") in an aggregate nominal amount of up to EUR 12,000,000,000 is divided into up to

120,000 Class A Notes issued in registered global note form (the "**Class A Notes**"), each having a nominal amount of EUR 100,000 (the "**Nominal Instrument Amount**").

(b) Each Series of Class A Notes is issued in registered form and represented by a global note (each a "**Global Note**") without coupons attached. Each Global Note representing a Series of Class A Notes shall be deposited with a common depositary for Clearstream Luxembourg and Euroclear and thereafter, each Global Note will be held in book-entry form only. Each Global Note representing a Series of Class A Notes will bear the personal signatures of two duly authorised directors of VCL Master Residual Value S.A. and will be authenticated by one or more employees or attorneys of The Bank of New York Mellon SA/NV, Luxembourg Branch (the "**Registrar**").

(c) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the name and address of the Registered Holder (as defined below) and the particulars of such Series of Class A Notes held by them and all transfers and payments (of interest and principal) of such Series of Class A Notes. The rights of the Registered Holder (as defined below) evidenced by a Global Note and title to a Global Notes itself pass by assignment and registration in the Register. Each Global Note representing a Series of Class A Notes will be issued in the name of a nominee of the common depositary (the "**Registered Holder**"). The Registered Holder will be registered as Noteholder in the Register.

(d) Notwithstanding Condition 1(c), each person (other than Euroclear or Clearstream Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream Luxembourg, as the holder of a particular nominal amount of such Class A Notes (in which regard any certificate or other document issued by Euroclear or Clearstream Luxembourg, as to the nominal amount of such Series of Class A Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any paying agent as the holder of such nominal amount of a Series of Class A Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly).

(e) Notwithstanding Condition 1(c), interests in each Series of Class A Notes are transferable only according to applicable rules and regulations of Clearstream Luxembourg and Euroclear, as the case may be. None of the Notes will be exchangeable for definitive notes.

(f) In addition to the Class A Notes the Issuer has made borrowings under the Senior Schuldschein Loans (the "**Senior Schuldschein Loans**") which rank pari passu with the Class A Notes with respect to payment of interest and principal as described in the Order of Priority. Furthermore, the Issuer has issued Class B notes (the "**Class B Notes**" and together with the Class A Notes, the "**Notes**") and Junior Schuldschein Loans (the "**Junior Schuldschein Loans**" and together with the Senior Schuldschein Loans, the "**Schuldschein Loans**"), both of which rank junior to the Class A Notes with respect to payment of interest and principal as described in the Order of Priority. The Issuer will issue further Class B Notes and make further borrowings under the Junior Schuldschein Loans in the lesser of the Junior Instrument Increase Amount and the amount of the Junior Instruments notified by the Issuer on the Closing Date and any Further Issue Date. On the

Closing Date the Issuer has borrowed the Subordinated Loan from the Subordinated Lender and on each Further Issue Date the Subordinated Loan Increase Amount, which rank junior to the Instruments with respect to payment of interest and principal as described in the Order of Priority.

(g) The Notes are subject to the provisions of the Trust Agreement between, inter alia, the Issuer, the Expectancy Rights Trustee and VWL. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Conditions.

2. **Series**

(a) **Series of Class A Notes**

On a given Issue Date falling within the Revolving Period, all Class A Notes issued on that date will constitute one or several Series of Class A Notes, which shall be identified by means of,

(i) a four digit number representing the year on which the Series was issued, in the following format, Series "20xx", followed by,

(ii) the number of such Series in respect of the relevant year, in the following format "y".

(iii) in the following format, Series 20xx-y.

(b) **General principles relating to the Series of Class A Notes,**

The Class A Notes of different Series shall not be fungible among themselves.

All Class A Notes issued within the same Series shall be fungible among themselves in accordance with and subject to the following provisions,

(i) the Class A Series 20xx-y Notes of the same Series shall all bear the same interest rate in accordance with the provisions of Condition 8;

(ii) the interest rate payable under the Class A Series 20xx-y Notes of a given Series shall be paid on the same Payment Dates; and

(iii) the Class A Series 20xx-y Notes in respect of a given Series shall have the same Scheduled Repayment Date and the same Legal Maturity Date as set out in Condition 9(e).

3. **Status and ranking**

(a) The Class A Notes of any Series constitute direct, secured, unconditional and unsubordinated obligations of the Issuer. The Class A Notes rank *pari passu* among themselves and with the Senior Schuldschein Loans. The Class A Notes rank senior to the Junior Instruments and the Subordinated Loan.

(b) The claims of the holders of the Class A Notes under the Class A Notes and the lenders of the Senior Schuldschein Loans are ranked against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

4. **The Issuer**

The Issuer whose Articles of Incorporation are subject to the Luxembourg Securitisation Law is a company incorporated with limited liability under the laws of Luxembourg and which has been founded solely for the purpose of issuing the Notes and borrowings under the Schuldschein Loans and raising the Subordinated Loan and concluding and executing various agreements in connection with the issue of the Notes and the raising of the Subordinated Loan.

5. **Assets of the Issuer for the purpose of payments on the Notes and on the Subordinated Loan, provision of Security, limited payment obligation**

(a) The Issuer will use the proceeds of the Issue of the Instruments and of the Subordinated Loan to acquire from VWL during the Revolving Period (i) Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and (ii) claims against the insurer pursuant to loss insurance policies covering the respective Leased Vehicles, damage claims arising from a breach of contract or in tort against a respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage to or loss of the Leased Vehicles and the right to require VWL to repurchase the Purchased Expectancy Rights in case of a breach of warranties. The realisation of the Leased Vehicle shall be carried out on the basis of the Servicing Agreement by VWL (in this capacity, the "**Servicer**"). In addition, subject to revocation by the Expectancy Rights Trustee, VWL is entitled and obliged according to the provisions of the Trust Agreement to realise the Leased Vehicles on behalf of the Expectancy Rights Trustee as necessary. Furthermore, the Issuer has entered into additional agreements in connection with the acquisition of the Purchased Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and the raising of the Schuldschein Loans, the issue of the Notes and the raising of the Subordinated Loan, in particular, the Subordinated Loan Agreement with an Affiliate of Volkswagen AG, the Data Protection Trust Agreement with the Data Protection Trustee and the Expectancy Rights Trustee, a Corporate Services Agreement with the Corporate Services Provider, the Swap Agreement(s) with the Swap Counterparties, the Agency Agreement with, *inter alia*, VWL and the Agents, the Account Agreement with, *inter alia*, the Account Bank, and the Custody Agreement with The Bank of New York Mellon, London Branch. The agreements and documents referred to in this paragraph (a) are collectively referred to as the "**Programme Documents**" and the creditors of the Issuer under these Programme Documents are referred to as "**Programme Creditors**".

(b) All payment obligations of the Issuer under the Instruments and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount in accordance with the applicable Order of Priority as generated, *inter alia*, by payments to the Issuer by the Lessees and by the Swap Counterparties under the Swap Agreement(s), as available on the respective Payment Dates according to the Order of Priority of distribution. None of the Instruments shall give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it pursuant to clause 20 (*Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement in the Distribution Account. Further, the Issuer will on or around the Issue Date establish and thereafter maintain the Cash Collateral Account pursuant to clause 22 (*Cash Collateral Account, Accumulation Account*) of the Trust Agreement to provide limited coverage for payments of interest and principal on the Instruments and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Programme Documents with the due care of a prudent businessman such that obligations under the Notes may, subject always to the provisions of these Notes Conditions of the Class A Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Account are insufficient to satisfy in full the claims of all holders of Instruments any claims of holders of Instruments remaining unpaid shall be extinguished at the Legal Maturity Date applicable to the respective Instrument and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Instruments nor the Expectancy Rights Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid according to the Order of Priority.

(c) The enforcement of the payment obligations under the Instruments, the Subordinated Loan Agreement and the Swap Agreement(s) pursuant to paragraph (b) shall only be effected by the Expectancy Rights Trustee for the benefit of all Noteholders, all Lenders, the Swap Counterparties and the Subordinated Lender. The Expectancy Rights Trustee is required to foreclose on the Purchased Expectancy Rights and Expectancy Rights Related Collateral in case of a Foreclosure Event, on the conditions and in accordance with the terms set forth in

clauses 16 (*Foreclosure on the Security, Foreclosure Event*) through 18 (*Payments upon occurrence of Foreclosure Event*) of the Trust Agreement.

(d) The other parties to the Programme Documents shall not be liable for the obligations of the Issuer.

(e) No shareholder, officer, director, employee or manager of the Issuer or of Volkswagen AG or its Affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Programme Documents. Any recourse against such a person is excluded accordingly.

(f) The recourse of the Programme Creditors is limited to the assets allocated to Compartment 2 of the Issuer.

6. **Further Covenants of the Issuer**

(a) As long as any of the Instruments and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Expectancy Rights Trustee, to carry out any activities described in clause 37 (*Actions of the Issuer requiring consent*) of the Trust Agreement.

(b) The counterparties of the Programme Documents are not liable for covenants of the Issuer.

7. **Payment Date, Payment Related Information**

The Issuer shall inform the holders of the Class A Notes, not later than on the "**Servicer Report Performance Date**" which is the 3rd Business Day prior to each Payment Date by means of the publication provided for under Condition 12, with reference to the Payment Date (as described below) of such month, as follows,

(a) the repayment of the nominal amount payable on each Series of the Class A Notes (if any) and the amount of interest calculated and payable on each Series of Class A Notes on the succeeding 25th day of such calendar month or, if such day is not a Business Day, on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each respectively a "**Payment Date**");

(b) the nominal amount remaining outstanding on each Series of Class A Notes on each respective Payment Date and the amount of interest remaining unpaid, if any, on the Class A Notes of each Series as from such Payment Date;

(c) the Instrument Factor for each Series of Class A Notes;

(d) the remaining General Cash Collateral Amount; and

(e) in the event of the final Payment Date with respect to a Series of Class A Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Class A Notes, in its offices at 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg and during normal business hours, the documents from which the figures reported to the holders of the Notes are calculated.

8. **Payments of Interest**

(a) Subject to the limitations set forth in Condition 5(b) each outstanding principal amount in respect of the Class A Notes shall bear interest from (and including) the Issue Date until (but excluding) the day on which the principal amount has been reduced to zero.

(b) Interest shall be paid in arrear on each Payment Date. The amount of interest payable in respect of each relevant Series of Class A Notes on any Payment Date shall be calculated by the Interest Determination Agent by applying the Senior Instrument Fixed Rate specified in the Relevant Final Terms prior to the principal amount outstanding of the Notes

immediately prior the relevant Payment Date and multiplying the result by 30 divided by 360 and rounding the result to the nearest full cent, all as determined by The Bank of New York Mellon, London Branch (the "**Interest Determination Agent**", which shall include a substitute or alternative interest determination agent).

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

9. **Payment obligations, extension of maturities and Agents**

(a) On each Payment Date the Issuer shall, subject to Condition 5(b), pay to each holder of a Class A Note interest at the Senior Instrument Fixed Rate on the Nominal Instrument Amount of the Class A Notes of such Series of Class A Notes outstanding immediately prior to the respective Payment Date and during the amortizing period redeem the principal amount of the Class A Notes by applying the amount remaining thereafter in accordance with the Order of Priority. The record date shall be the Business Day, by the close of business, preceding the Payment Date.

(b) Sums which are to be paid to holders of the Class A Notes shall be rounded down to the next lowest cent amount for each of the Class A Notes. The amount of such rounding down to the next cent amount shall be used in the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to any amount resulting from rounding differences of less than EUR 500 remaining on the Legal Maturity Date (as defined below).

(c) Payments of principal and interest, if any, on the Class A Notes shall be made by the Principal Paying Agent on the Issuer's behalf for further payment to Clearstream, Luxembourg and Euroclear or to their order for credit to the relevant account holders of Euroclear and Clearstream, Luxembourg. All payments in respect of any Class A Note made by, or on behalf of, the Issuer to, or to the order of Euroclear or Clearstream, Luxembourg shall discharge the liability of the Issuer under such Class A Note to the extent of sums so paid.

(d) The first Payment Date for the Class A Notes shall be as specified in the applicable Final Terms. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date specified in the applicable Final Terms (the "**Scheduled Repayment Date**").

(e) Notwithstanding Condition 8(c), all payments of interest on and principal of the Class A Notes will be due and payable at the latest in full on the legal maturity date of the Class A Notes, which shall be the Payment Date specified in the applicable Final Terms (the "**Legal Maturity Date**").

(f) *Provided that* the Noteholders have received a notice to that effect by the Issuer in accordance with Condition 12 and substantially in the form set out in Schedule 1 to these Conditions no later than twenty (20) calendar days prior to the final day of the then current Revolving Period (the "**Instrument Revolving Period Expiration Date**"), the holders of the Class A Notes, acting collectively, shall have the right, by written notice to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer substantially in the form of Schedule 2 of these Conditions to be received not later than ten (10) calendar days immediately preceding the then amended Instrument Revolving Period Expiration Date, to request,

(i) the extension of the Instrument Revolving Period Expiration Date for a period specified in the relevant notice,

(ii) an amendment to the Senior Instrument Fixed Rate, and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Instrument Revolving Period Expiration Date.

(g) Any amendments so requested shall become effective only if (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Class A Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Class A Notes before the Instrument Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Class A Notes as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third (3rd) Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders of the Class A Notes in the form prescribed by Condition 12 that it has received such reaffirmation and that it agrees to the requested amendments and (D) that the Issuer had arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

(h) The Issuer shall procure that the amendments that have become effective in accordance with these provisions will be notified to the Principal Paying Agent in the same form as prescribed by Condition 12. The Principal Paying Agent will then further communicate the notice to the common depositary for Euroclear and Clearstream, Luxembourg immediately after the notice from the holders of the relevant Series of Class A Notes has been given.

(i) Payments of interest and principal shall be made from the Issuer's accounts with The Bank of New York Mellon, Frankfurt Branch (the "**Account Bank**") by the Principal Paying Agent, which shall include a substitute or alternative paying agent without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity.

(j) In their capacity as such, the Principal Paying Agent, the Calculation Agent, the Registrar and the Interest Determination Agent, respectively, shall act solely as the agent of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class A Notes. The Issuer may appoint a new principal paying agent, calculation agent, registrar and/or an interest determination agent, or if there are grounds to do so, appoint an alternative principal paying agent, calculation agent, registrar and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent, Calculation Agent, Registrar and/or the Interest Determination Agent as provided for in the Agency Agreement. Appointments and revocations thereof shall be announced pursuant to Condition 12. The Issuer will ensure that during the term of the Class A Notes and as long as the Class A Notes are listed on the official list of the Luxembourg Stock Exchange a paying agent, an interest determination agent and a calculation agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code.

10. **Taxes**

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected ("**taxes**") on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by applicable law. The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Noteholder's request, provide proof thereof. It is not obliged to pay any additional amounts as a result of the deduction or withholding.

11. **Replacement of Issuer**

(a) The Issuer is at any time entitled to appoint another company (the "**New Issuer**") in place of the Issuer as debtor for all obligations arising from and in connection with the Class A Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant

to the Instruments, the Subordinated Loan Agreement, the Expectancy Rights Purchase Agreement, any Additional Expectancy Rights Purchase Agreements, the Trust Agreement, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust Agreement, the Swap Agreements, the Account Agreement and the Agency Agreement by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Expectancy Rights Trustee for the purpose of securing the obligations of the New Issuer, (ii) the holders of the Notes and the Subordinated Lender of the Subordinated Loan confirm that no further expenses or legal disadvantages of any kind arise for any of them from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Principal Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Expectancy Rights Trustee considers necessary for the effectiveness of the replacement and (v) the replacement will not adversely affect the validity and enforceability of the Security. The Issuer will notify the Rating Agencies on the replacement of the Issuer. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer *vis-à-vis* the holders of the Class A Notes under or in connection with the Class A Notes and the Subordinated Loan under or in connection with the Subordinated Loan.

(b) Such replacement of the Issuer must be published in accordance with Condition 12.

(c) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Class A Notes shall be deemed to be a reference to the New Issuer.

12. **Notices**

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

13. **Miscellaneous**

(a) The form and content of the Class A Notes and all of the rights and obligations of the holders of the Class A Notes, the Issuer, the Registrar, the Principal Paying Agent and the Servicer under these Class A Notes shall be subject in all respects to the laws of Germany. The Conditions of any Series of the Class A Notes may only be modified through contractual agreement to be concluded between the Issuer and all holders of Class A Notes with a prior notification to the Rating Agencies as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)) or by a Noteholder's resolution adopted with unanimous consent of the Class A Note Noteholders pursuant to sections 5 to 22 of the aforementioned act.

(b) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force.

(c) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) Notwithstanding paragraph (a) above and subject to giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email, the Issuer

will be entitled to amend any term or provision of the Conditions (except for the ranking of the Class A Notes, any security securing the Class A Notes, the Legal Maturity Date, the Scheduled Repayment Date, the Instrument Revolving Period Expiration Date, any Payment Date, the Senior Instrument Fixed Rate or the amount of payments of any principal) with the consent of the Expectancy Rights Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation.

Schedule 1 to the Class A Notes

Form of Notice to be delivered by the Issuer to the holders of the Class A Notes in accordance with Condition 9(f)

Notice to the holders of the Class A Series 20xx-y Notes, issued by VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2 (the "Class A Notes"), to be given twenty (20) calendar days prior to the expiration of the Expiration Date

Terms not defined herein have the meanings given to them in the Note Conditions of the Class A Notes.

Notice is hereby given to the holders of the Class A Notes that they shall have the right exercisable by written notice to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer to be received not later than on the tenth (10^{th}) calendar day immediately preceding the then current Instrument Revolving Period Expiration Date, to request

(i) the extension of the Instrument Revolving Period Expiration Date for a period to be specified in the relevant notice;

(ii) an amendment to the Senior Instrument Fixed Rate; and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Instrument Revolving Period Expiration Date.

Luxembourg, [*date*]

VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2

Schedule 2 to the Class A Notes

Form of Notice to be delivered by the holders of the Series 20xx-y Class A Notes to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer in accordance with Condition 9(f)

From:
[Name, address, phone number and fax number of relevant holder]

To:
[Issuer]
[Principal Paying Agent]
[Expectancy Rights Trustee]

Series 20xx-y Notes, issued by VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2 (the "Notes")

Dear Sirs,

Terms not defined herein have the meanings given to them in the terms and conditions of the Class A Notes.

Reference is made to Condition 9(f) of the terms and conditions of the above mentioned Class A Notes and the notice published on [*date*].

We hereby request

(i) the extension of the Instrument Revolving Period Expiration Date for a period of [●] months so that the extended Instrument Revolving Period Expiration Date shall be [*to be inserted*],

(ii) [*to be inserted*] as amended Senior Instrument Fixed Rate with effect from (and including) the Payment Date falling in [*to be inserted*]; and

(iii) the extension of the Legal Maturity Date for a period equal to the period specified under (i) above so that the extended Legal Maturity Date shall be [*to be inserted*].

We hereby represent and warrant that on the date of this notice

(i) we hold [●] per cent. of the Class A Notes outstanding on the date of this notice; and

(ii) we will not sell or transfer or otherwise dispose of any of the Class A Notes prior to the 25th Business Day after the date of this notice.

We hereby acknowledge that the amendments requested above shall become effective only if (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Class A Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Class A Notes before the Instrument Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Class A Notes as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third (3rd) Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders of the Class A Notes in the form prescribed by Condition 12 that it has received such reaffirmation and that it agrees to the requested amendments and (D) that the Issuer had arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

Kind regards,

[*name and signatures of holder*]

Option I B: TERMS AND CONDITIONS OF THE FLOATING RATE CLASS A NOTES

The terms and conditions of the Class A Notes (the "**Notes Conditions**") are set out below. Annex A to the Conditions sets out the "TRUST AGREEMENT", Annex B to the Conditions sets out the "MASTER DEFINITIONS SCHEDULE". In case of any overlap or inconsistency in the definition of a term or expression in the Conditions and elsewhere in this Base Prospectus, the definition contained in the Notes Conditions will prevail. For Annex A referred to under the Notes Conditions see "TRUST AGREEMENT".

1. Form and Nominal Instrument Amount of the Notes

(a) The issue by VCL Master Residual Value S.A., acting with respect to its Compartment 2 (the "**Issuer**") in an aggregate nominal amount of up to EUR 12,000,000,000 is divided into up to

120,000 Class A Notes issued in registered global note form (the "**Class A Notes**"), each having a nominal amount of EUR 100,000 (the "**Nominal Instrument Amount**").

(b) Each Series of Class A Notes is issued in registered form and represented by a global note (each a "**Global Note**") without coupons attached. Each Global Note representing a Series of Class A Notes shall be deposited with a common depositary for Clearstream Luxembourg and Euroclear and thereafter, each Global Note will be held in book-entry form only. Each Global Note representing a Series of Class A Notes will bear the personal signatures of two duly authorised directors of VCL Master Residual Value S.A. and will be authenticated by one or more employees or attorneys of The Bank of New York Mellon SA/NV, Luxembourg Branch (the "**Registrar**").

(c) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the name and address of the Registered Holder (as defined below) and the particulars of such Series of Class A Notes held by them and all transfers and payments (of interest and principal) of such Series of Class A Notes. The rights of the Registered Holder (as defined below) evidenced by a Global Note and title to a Global Notes itself pass by assignment and registration in the Register. Each Global Note representing a Series of Class A Notes will be issued in the name of a nominee of the common depositary (the "**Registered Holder**"). The Registered Holder will be registered as Noteholder in the Register.

(d) Notwithstanding Condition 1(c), each person (other than Euroclear or Clearstream Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream Luxembourg, as the holder of a particular nominal amount of such Class A Notes (in which regard any certificate or other document issued by Euroclear or Clearstream Luxembourg, as to the nominal amount of such Series of Class A Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any paying agent as the holder of such nominal amount of a Series of Class A Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly).

(e) Notwithstanding Condition 1(c), interests in each Series of Class A Notes are transferable only according to applicable rules and regulations of Clearstream Luxembourg and Euroclear, as the case may be. None of the Notes will be exchangeable for definitive notes.

(f) In addition to the Class A Notes the Issuer has made borrowings under the Senior Schuldschein Loans (the "**Senior Schuldschein Loans**") which rank pari passu with the Class A Notes with respect to payment of interest and principal as described in the Order of Priority. Furthermore, the Issuer has issued Class B notes (the "**Class B Notes**" and together with the Class A Notes, the "**Notes**") and Junior Schuldschein Loans (the "**Junior Schuldschein Loans**" and together with the Senior Schuldschein Loans, the "**Schuldschein Loans**"), both of which rank junior to the Class A Notes with respect to payment of interest and principal as described in the Order of Priority. The Issuer will issue further Class B Notes and make further borrowings under the Junior Schuldschein Loans in the lesser of the Junior Instrument Increase Amount and the amount of the Junior Instruments notified by the Issuer on the Closing Date and any Further Issue Date. On the Closing Date the Issuer has borrowed the Subordinated Loan from the Subordinated Lender

and on each Further Issue Date the Subordinated Loan Increase Amount, which rank junior to the Instruments with respect to payment of interest and principal as described in the Order of Priority.

(g) The Notes are subject to the provisions of the Trust Agreement between, inter alia, the Issuer, the Expectancy Rights Trustee and VWL. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Conditions.

2. **Series**

(a) **Series of Class A Notes**

On a given Issue Date falling within the Revolving Period, all Class A Notes issued on that date will constitute one or several Series of Class A Notes, which shall be identified by means of,

(i) a four digit number representing the year on which the Series was issued, in the following format, Series "20xx", followed by,

(ii) the number of such Series in respect of the relevant year, in the following format "y".

(iii) in the following format, Series 20xx-y.

(b) **General principles relating to the Series of Class A Notes,**

The Class A Notes of different Series shall not be fungible among themselves.

All Class A Notes issued within the same Series shall be fungible among themselves in accordance with and subject to the following provisions,

(i) the Class A Series 20xx-y Notes of the same Series shall all bear the same interest rate in accordance with the provisions of Condition 8;

(ii) the interest rate payable under the Class A Series 20xx-y Notes of a given Series shall be paid on the same Payment Dates; and

(iii) the Class A Series 20xx-y Notes in respect of a given Series shall have the same Scheduled Repayment Date and the same Legal Maturity Date as set out in Condition 9(e).

3. **Status and ranking**

(a) The Class A Notes of any Series constitute direct, secured, unconditional and unsubordinated obligations of the Issuer. The Class A Notes rank *pari passu* among themselves and with the Senior Schuldschein Loans. The Class A Notes rank senior to the Junior Instruments and the Subordinated Loan.

(b) The claims of the holders of the Class A Notes under the Class A Notes and the lenders of the Senior Schuldschein Loans are ranked against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

4. **The Issuer**

The Issuer whose Articles of Incorporation are subject to the Luxembourg Securitisation Law is a company incorporated with limited liability under the laws of Luxembourg and which has been founded solely for the purpose of issuing the Notes and borrowings under the Schuldschein Loans and raising the Subordinated Loan and concluding and executing various agreements in connection with the issue of the Notes and the raising of the Subordinated Loan.

5. **Assets of the Issuer for the purpose of payments on the Notes and on the Subordinated Loan, provision of Security, limited payment obligation**

(a) The Issuer will use the proceeds of the Issue of the Instruments and of the Subordinated Loan to acquire from VWL during the Revolving Period (i) Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and (ii) claims against the insurer pursuant to loss insurance policies covering the respective Leased Vehicles, damage claims arising from a breach of contract or in tort against a respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage to or loss of the Leased Vehicles and the right to require VWL to repurchase the Purchased Expectancy Rights in case of a breach of warranties. The realisation of the Leased Vehicle shall be carried out on the basis of the Servicing Agreement by VWL (in this capacity, the "**Servicer**"). In addition, subject to revocation by the Expectancy Rights Trustee, VWL is entitled and obliged according to the provisions of the Trust Agreement to realise the Leased Vehicles on behalf of the Expectancy Rights Trustee as necessary. Furthermore, the Issuer has entered into additional agreements in connection with the acquisition of the Purchased Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and the raising of the Schuldschein Loans, the issue of the Notes and the raising of the Subordinated Loan, in particular, the Subordinated Loan Agreement with an Affiliate of Volkswagen AG, the Data Protection Trust Agreement with the Data Protection Trustee and the Expectancy Rights Trustee, a Corporate Services Agreement with the Corporate Services Provider, the Swap Agreement(s) with the Swap Counterparties, the Agency Agreement with, *inter alia*, VWL and the Agents, the Account Agreement with, *inter alia*, the Account Bank, and the Custody Agreement with The Bank of New York Mellon, London Branch. The agreements and documents referred to in this paragraph (a) are collectively referred to as the "**Programme Documents**" and the creditors of the Issuer under these Programme Documents are referred to as "**Programme Creditors**".

(b) All payment obligations of the Issuer under the Instruments and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount in accordance with the applicable Order of Priority as generated, *inter alia*, by payments to the Issuer by the Lessees and by the Swap Counterparties under the Swap Agreement(s), as available on the respective Payment Dates according to the Order of Priority of distribution. None of the Instruments shall give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it pursuant to clause 20 (*Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement in the Distribution Account. Further, the Issuer will on or around the Issue Date establish and thereafter maintain the Cash Collateral Account pursuant to clause 22 (*Cash Collateral Account, Accumulation Account*) of the Trust Agreement to provide limited coverage for payments of interest and principal on the Instruments and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Programme Documents with the due care of a prudent businessman such that obligations under the Notes may, subject always to the provisions of these Notes Conditions of the Class A Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Account are insufficient to satisfy in full the claims of all holders of Instruments any claims of holders of Instruments remaining unpaid shall be extinguished at the Legal Maturity Date applicable to the respective Instrument and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Instruments nor the Expectancy Rights Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid according to the Order of Priority.

(c) The enforcement of the payment obligations under the Instruments, the Subordinated Loan Agreement and the Swap Agreement(s) pursuant to paragraph (b) shall only be effected by the Expectancy Rights Trustee for the benefit of all Noteholders, all Lenders, the Swap Counterparties and the Subordinated Lender. The Expectancy Rights Trustee is required to foreclose on the Purchased Expectancy Rights and Expectancy Rights Related Collateral in case of a Foreclosure Event, on the conditions and in accordance with the terms set forth in

clauses 16 (*Foreclosure on the Security, Foreclosure Event*) through 18 (*Payments upon occurrence of Foreclosure Event*) of the Trust Agreement.

(d) The other parties to the Programme Documents shall not be liable for the obligations of the Issuer.

(e) No shareholder, officer, director, employee or manager of the Issuer or of Volkswagen AG or its Affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Programme Documents. Any recourse against such a person is excluded accordingly.

(f) The recourse of the Programme Creditors is limited to the assets allocated to Compartment 2 of the Issuer.

6. **Further Covenants of the Issuer**

(a) As long as any of the Instruments and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Expectancy Rights Trustee, to carry out any activities described in clause 37 (*Actions of the Issuer requiring consent*) of the Trust Agreement.

(b) The counterparties of the Programme Documents are not liable for covenants of the Issuer.

7. **Payment Date, Payment Related Information**

The Issuer shall inform the holders of the Class A Notes, not later than on the "**Servicer Report Performance Date**" which is the 3rd Business Day prior to each Payment Date by means of the publication provided for under Condition 12, with reference to the Payment Date (as described below) of such month, as follows,

(a) the repayment of the nominal amount payable on each Series of the Class A Notes (if any) and the amount of interest calculated and payable on each Series of Class A Notes on the succeeding 25th day of such calendar month or, if such day is not a Business Day, on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each respectively a "**Payment Date**");

(b) the nominal amount remaining outstanding on each Series of Class A Notes on each respective Payment Date and the amount of interest remaining unpaid, if any, on the Class A Notes of each Series as from such Payment Date;

(c) the Instrument Factor for each Series of Class A Notes;

(d) the remaining General Cash Collateral Amount; and

(e) in the event of the final Payment Date with respect to a Series of Class A Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Class A Notes, in its offices at 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg and during normal business hours, the documents from which the figures reported to the holders of the Notes are calculated.

8. **Payments of Interest**

(a) Subject to the limitations set forth in Condition 5(b) each outstanding principal amount in respect of the Class A Notes shall bear interest from (and including) the Issue Date until (but excluding) the day on which the principal amount has been reduced to zero.

(b) Interest shall be paid in arrear on each Payment Date. The amount of interest payable in respect of each relevant Series of Class A Notes on any Payment Date shall be calculated by the Interest Determination Agent by applying the Senior Instrument Floating Rate for the relevant Interest Accrual Period to the principal amount outstanding of the Notes

immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 360 and rounding the result to the nearest full cent, all as determined by The Bank of New York Mellon, London Branch (the "**Interest Determination Agent**", which shall include a substitute or alternative interest determination agent).

(c) The interest rate to be used for calculating the amount of interest payable pursuant to paragraph (a) above shall be the EURIBOR rate for one month Euro deposits plus the relevant margin as set out in the Relevant Final Terms (the "**Senior Instrument Margin**") *per annum*, subject to a floor of zero, (the "**Senior Instrument Floating Rate**"). Such determination shall also apply to the first Interest Accrual Period.

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

9. **Payment obligations, extension of maturities and Agents**

(a) On each Payment Date the Issuer shall, subject to Condition 5(b), pay to each holder of a Class A Note interest at the Senior Instrument Floating Rate on the Nominal Instrument Amount of the Class A Notes of such Series of Class A Notes outstanding immediately prior to the respective Payment Date and during the amortizing period redeem the principal amount of the Class A Notes by applying the amount remaining thereafter in accordance with the Order of Priority. The record date shall be the Business Day, by the close of business, preceding the Payment Date.

(b) Sums which are to be paid to holders of the Class A Notes shall be rounded down to the next lowest cent amount for each of the Class A Notes. The amount of such rounding down to the next cent amount shall be used in the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to any amount resulting from rounding differences of less than EUR 500 remaining on the Legal Maturity Date (as defined below).

(c) Payments of principal and interest, if any, on the Class A Notes shall be made by the Principal Paying Agent on the Issuer's behalf for further payment to Clearstream, Luxembourg and Euroclear or to their order for credit to the relevant account holders of Euroclear and Clearstream, Luxembourg. All payments in respect of any Class A Note made by, or on behalf of, the Issuer to, or to the order of Euroclear or Clearstream, Luxembourg shall discharge the liability of the Issuer under such Class A Note to the extent of sums so paid.

(d) The first Payment Date for the Class A Notes shall be as specified in the applicable Final Terms. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date specified in the applicable Final Terms (the "**Scheduled Repayment Date**").

(e) Notwithstanding Condition 8(c), all payments of interest on and principal of the Class A Notes will be due and payable at the latest in full on the legal maturity date of the Class A Notes, which shall be the Payment Date specified in the applicable Final Terms (the "**Legal Maturity Date**").

(f) *Provided that* the Noteholders have received a notice to that effect by the Issuer in accordance with Condition 12 and substantially in the form set out in Schedule 1 to these Conditions no later than twenty (20) calendar days prior to the final day of the then current Revolving Period (the "**Instrument Revolving Period Expiration Date**"), the holders of the Class A Notes, acting collectively, shall have the right, by written notice to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer substantially in the form of Schedule 2 of these Conditions to be received not later than ten (10) calendar days immediately preceding the then amended Instrument Revolving Period Expiration Date, to request,

(i) the extension of the Instrument Revolving Period Expiration Date for a period specified in the relevant notice,

(ii) an amendment to the Senior Instrument Floating Rate, and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Instrument Revolving Period Expiration Date.

(g) Any amendments so requested shall become effective only if (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Class A Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Class A Notes before the Instrument Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Class A Notes as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third (3rd) Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders of the Class A Notes in the form prescribed by Condition 12 that it has received such reaffirmation and that it agrees to the requested amendments and (D) that the Issuer had arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

(h) The Issuer shall procure that the amendments that have become effective in accordance with these provisions will be notified to the Principal Paying Agent in the same form as prescribed by Condition 12. The Principal Paying Agent will then further communicate the notice to the common depositary for Euroclear and Clearstream, Luxembourg immediately after the notice from the holders of the relevant Series of Class A Notes has been given.

(i) Payments of interest and principal shall be made from the Issuer's accounts with The Bank of New York Mellon, Frankfurt Branch (the "**Account Bank**") by the Principal Paying Agent, which shall include a substitute or alternative paying agent without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity.

(j) In their capacity as such, the Principal Paying Agent, the Calculation Agent, the Registrar and the Interest Determination Agent, respectively, shall act solely as the agent of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class A Notes. The Issuer may appoint a new principal paying agent, calculation agent, registrar and/or an interest determination agent, or if there are grounds to do so, appoint an alternative principal paying agent, calculation agent, registrar and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent, Calculation Agent, Registrar and/or the Interest Determination Agent as provided for in the Agency Agreement. Appointments and revocations thereof shall be announced pursuant to Condition 12. The Issuer will ensure that during the term of the Class A Notes and as long as the Class A Notes are listed on the official list of the Luxembourg Stock Exchange a paying agent, an interest determination agent and a calculation agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code.

10. **Taxes**

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected ("**taxes**") on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by applicable law. The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Noteholder's request, provide proof thereof. It is not obliged to pay any additional amounts as a result of the deduction or withholding.

11. **Replacement of Issuer**

(a) The Issuer is at any time entitled to appoint another company (the "**New Issuer**") in place of the Issuer as debtor for all obligations arising from and in connection with the Class A Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Instruments, the Subordinated Loan Agreement, the Expectancy Rights Purchase Agreement, any Additional Expectancy Rights Purchase Agreements, the Trust Agreement, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust Agreement, the Swap Agreements, the Account Agreement and the Agency Agreement by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Expectancy Rights Trustee for the purpose of securing the obligations of the New Issuer, (ii) the holders of the Notes and the Subordinated Lender of the Subordinated Loan confirm that no further expenses or legal disadvantages of any kind arise for any of them from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Principal Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Expectancy Rights Trustee considers necessary for the effectiveness of the replacement and (v) the replacement will not adversely affect the validity and enforceability of the Security. The Issuer will notify the Rating Agencies on the replacement of the Issuer. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer *vis-à-vis* the holders of the Class A Notes under or in connection with the Class A Notes and the Subordinated Loan under or in connection with the Subordinated Loan.

(b) Such replacement of the Issuer must be published in accordance with Condition 12.

(c) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Class A Notes shall be deemed to be a reference to the New Issuer.

12. **Notices**

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

13. **Miscellaneous**

(a) The form and content of the Class A Notes and all of the rights and obligations of the holders of the Class A Notes, the Issuer, the Registrar, the Principal Paying Agent and the Servicer under these Class A Notes shall be subject in all respects to the laws of Germany. The Conditions of any Series of the Class A Notes may only be modified through contractual agreement to be concluded between the Issuer and all holders of Class A Notes with a prior notification to the Rating Agencies as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)) or by a Noteholder's resolution adopted with unanimous consent of the Class A Note Noteholders pursuant to sections 5 to 22 of the aforementioned act.

(b) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force.

(c) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) Notwithstanding paragraph (a) above and subject to giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email, the Issuer will be entitled to amend any term or provision of the Conditions (except for the ranking of the Class A Notes, any security securing the Class A Notes, the Legal Maturity Date, the Scheduled Repayment Date, the Instrument Revolving Period Expiration Date, any Payment Date, the Senior Instrument Floating Rate or the amount of payments of any principal) with the consent of the Expectancy Rights Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation.

Schedule 1 to the Class A Notes

Form of Notice to be delivered by the Issuer to the holders of the Class A Notes in accordance with Condition 9(f)

Notice to the holders of the Class A Series 20xx-y Notes, issued by VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2 (the "Class A Notes"), to be given twenty (20) calendar days prior to the expiration of the Expiration Date

Terms not defined herein have the meanings given to them in the Note Conditions of the Class A Notes.

Notice is hereby given to the holders of the Class A Notes that they shall have the right exercisable by written notice to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer to be received not later than on the tenth (10^{th}) calendar day immediately preceding the then current Instrument Revolving Period Expiration Date, to request

(i) the extension of the Instrument Revolving Period Expiration Date for a period to be specified in the relevant notice;

(ii) an amendment to the Senior Instrument Floating Rate; and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Instrument Revolving Period Expiration Date.

Luxembourg, [*date*]

VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2

Schedule 2 to the Class A Notes

Form of Notice to be delivered by the holders of the Series 20xx-y Class A Notes to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer in accordance with Condition 9(f)

From:
[Name, address, phone number and fax number of relevant holder]

To:
[Issuer]
[Principal Paying Agent]
[Expectancy Rights Trustee]

Series 20xx-y Notes, issued by VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2 (the "Notes")

Dear Sirs,

Terms not defined in herein have the meanings given to them in the terms and conditions of the Class A Notes.

Reference is made to Condition 9(f) of the terms and conditions of the above mentioned Class A Notes and the notice published on [*date*].

We hereby request

(i) the extension of the Instrument Revolving Period Expiration Date for a period of [●] months so that the extended Instrument Revolving Period Expiration Date shall be [*to be inserted*],

(ii) [*to be inserted*] as amended Senior Instrument Floating Rate with effect from (and including) the Payment Date falling in [*to be inserted*]; and

(iii) the extension of the Legal Maturity Date for a period equal to the period specified under (i) above so that the extended Legal Maturity Date shall be [*to be inserted*].

We hereby represent and warrant that on the date of this notice

(i) we hold [●] per cent. of the Class A Notes outstanding on the date of this notice; and

(ii) we will not sell or transfer or otherwise dispose of any of the Class A Notes prior to the 25th Business Day after the date of this notice.

We hereby acknowledge that the amendments requested above shall become effective only if (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Class A Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Class A Notes before the Instrument Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Class A Notes as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third (3rd) Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders of the Class A Notes in the form prescribed by Condition 12 that it has received such reaffirmation and that it agrees to the requested amendments and (D) that the Issuer had arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

Kind regards,

[*name and signatures of holder*]

Option II A: TERMS AND CONDITIONS OF THE FIXED RATE CLASS B NOTES

The terms and conditions of the Class B Notes (the "**Notes Conditions**") are set out below. Annex A to the Conditions sets out the "**Trust Agreement**", Annex B to the Conditions sets out the "**Master Definitions Schedule**" and the "**Master Definitions Schedule Addendum**". In case of any overlap or inconsistency in the definition of a term or expression in the Notes Conditions and elsewhere in this Base Prospectus, the definition contained in the Conditions will prevail. For Annex A referred to under the Notes Conditions see "**Trust Agreement**".

1. Form and Nominal Instrument Amount of the Notes

(a) The issue by VCL Master Residual Value S.A., acting with respect to its Compartment 2 (the "**Issuer**") in an aggregate nominal amount of up to EUR 12,000,000,000 is divided into up to

120,000 Class B Notes issued in registered global note form (the "**Class B Notes**"), each having a nominal amount of EUR 100,000 (the "**Nominal Instrument Amount**").

(b) (Each Series of Class B Notes is issued in registered form and represented by a global note (each a "**Global Note**") without coupons attached. Each Global Note representing a Series of Class B Notes shall be deposited with a common depositary for Clearstream Luxembourg and Euroclear and thereafter, the Global Note will be held in book-entry form only. Each Global Note representing a Series of Class B Notes will bear the personal signatures of two duly authorised directors of VCL Master Residual Value S.A. and will be authenticated by one or more employees or attorneys of The Bank of New York Mellon SA/NV, Luxembourg Branch (the "**Registrar**").

(c) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the name and address of the Registered Holder (as defined below) and the particulars of such Series of Class B Notes held by them and all transfers and payments (of interest and principal) of such Series of Class B Notes. The rights of the Registered Holder (as defined below) evidenced by a Global Note and title to each Series of Class B Notes itself pass by assignment and registration in the Register. Each Global Note representing a Series of Class B Notes will be issued in the name of a nominee of the common depositary for Clearstream Luxembourg and Euroclear (the "**Registered Holder**"). The Registered Holder will be registered as Noteholder in the Register.

(d) Notwithstanding paragraph (c) of this Condition 1, each person (other than Euroclear or Clearstream Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream Luxembourg, as the holder of a particular nominal amount of such Series of Class B Notes (in which regard any certificate or other document issued by Euroclear or Clearstream Luxembourg, as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any paying agent as the holder of such nominal amount of a Series of Class B Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly).

(e) Notwithstanding paragraph (c) of this Condition 1, interests in each Series of Class B Notes are transferable only according to applicable rules and regulations of Clearstream Luxembourg and Euroclear, as the case may be. None of the Notes will be exchangeable for definitive notes.

(f) In addition to the Class B Notes, the Issuer has issued class A notes (the "**Class A Notes**" and together with the Class B Notes, the "**Notes**") and has made borrowings under the Senior Schuldschein Loans (the "**Senior Schuldschein Loans**"), which rank senior to the Class B Notes with respect to payment of interest and principal as described in the Order of Priority. Furthermore, the Issuer has made borrowings under the Junior Schuldschein Loans (the "**Junior Schuldschein Loans**" and together with the Senior Schuldschein Loans, the "**Schuldschein Loans**"), which rank pari passu to the Class B Notes with respect to payment of interest and principal as described in the Order of Priority. The Issuer will issue further Class A Notes and make further borrowings under the Senior Schuldschein Loans in the

lesser of the Senior Instrument Increase Amount and the amount of the Senior Instruments notified by the Issuer on the Closing Date and any Further Issue Date. On the Closing Date the Issuer has borrowed the Subordinated Loan from the Subordinated Lender and on each Further Issue Date the Subordinated Loan Increase Amount, which rank junior to the Instruments with respect to payment of interest and principal as described in the Order of Priority.

(g) The Notes are subject to the provisions of the Trust Agreement between, *inter alia*, the Issuer, the Expectancy Rights Trustee and VWL. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Conditions.

2. **Series**

(a) **Series of Class B Notes:**

On a given Issue Date falling within the Revolving Period, all Class B Notes issued on that date will constitute one or several Series of Class B Notes, which shall be identified by means of:

(i) a four digit number representing the year on which the Series was issued, in the following format: Series "20xx", followed by:

(ii) the number of such Series in respect of the relevant year, in the following format "y".

(iii) in the following format: Series 20xx-y.

(b) **General principles relating to the Series of Class B Notes:**

The Class B Notes of different Series shall not be fungible among themselves.

All Class B Notes issued within the same Series shall be fungible among themselves in accordance with and subject to the following provisions:

(i) the Class B Series 20xx-y Notes of the same Series shall all bear the same interest rate in accordance with the provisions of Condition 8;

(ii) the interest rate payable under the Class B Series 20xx-y Notes of a given Series shall be paid on the same Payment Dates; and

(iii) the Series 20xx-y Notes in respect of a given Series shall have the same Scheduled Repayment Date and the same Legal Maturity Date as set out in Condition 9(e).

3. **Status and Ranking**

(a) The Class B Notes of any Series constitute direct, secured and unconditional obligations of the Issuer. The Class B Notes rank pari passu among themselves and with the Junior Schuldschein Loans. The Class B Notes rank junior to the Senior Instruments and senior to the Subordinated Loan.

(b) The claims of the holders of the Class B Notes under the Class B Notes and the lenders of the Junior Schuldschein Loans are ranked against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

4. **The Issuer**

The Issuer whose Articles of Incorporation are subject to the Luxembourg Securitisation Law is a company incorporated with limited liability under the laws of Luxembourg and which has been founded solely for the purpose of issuing the Notes and borrowings under the Schuldschein Loans and raising the Subordinated Loan and concluding and executing various agreements in connection with the issue of the Notes and the raising of the Subordinated Loan.

5. **Assets of the Issuer for the Purpose of Payments on the Notes and on the Subordinated Loan, Provision of Security, Limited Payment Obligation**

(a) The Issuer will use the proceeds of the Issue of the Instruments and of the Subordinated Loan to acquire from VWL during the Revolving Period (i) Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and (ii) claims against the insurer pursuant to loss insurance policies covering the respective Leased Vehicles, damage claims arising from a breach of contract or in tort against a respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage to or loss of the Leased Vehicles and the right to require VWL to repurchase the Purchased Expectancy Rights in case of a breach of warranties. The realisation of the Leased Vehicle shall be carried out on the basis of the Servicing Agreement by VWL (in this capacity, the "**Servicer**"). In addition, subject to revocation by the Expectancy Rights Trustee, VWL is entitled and obliged according to the provisions of the Trust Agreement to realise the Leased Vehicles on behalf of the Expectancy Rights Trustee as necessary. Furthermore, the Issuer has entered into additional agreements in connection with the acquisition of the Purchased Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and the raising of the Schuldschein Loans, and the issue of the Notes and the raising of the Subordinated Loan, in particular, the Subordinated Loan Agreement with an Affiliate of Volkswagen AG, the Data Protection Trust Agreement with the Data Protection Trustee and the Expectancy Rights Trustee, a Corporate Services Agreement with the Corporate Services Provider, the Swap Agreement(s) with the Swap Counterparties, the Agency Agreement with, *inter alia*, VWL and the Agents, the Account Agreement with, *inter alia*, the Account Bank, and the Custody Agreement with The Bank of New York Mellon, London Branch. The agreements and documents referred to in this paragraph (a) are collectively referred to as the "**Programme Documents**" and the creditors of the Issuer under these Programme Documents are referred to as "**Programme Creditors**".

(b) All payment obligations of the Issuer under the Instruments and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount in accordance with the applicable Order of Priority as generated, *inter alia*, by payments to the Issuer by the Lessees and by the Swap Counterparties under the Swap Agreement(s), as available on the respective Payment Dates according to the Order of Priority of distribution. None of the Instruments shall give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it of the Trust Agreement – pursuant to clause 20 (*Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement in the Distribution Account. Further, the Issuer will on or around the Issue Date establish and thereafter maintain the Cash Collateral Account pursuant to clause 22 (*Cash Collateral Account, Accumulation Account*) of the Trust Agreement to provide limited coverage for payments of interest and principal on the Instruments and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Programme Documents with the due care of a prudent businessman such that obligations under the Instruments may, subject always to the provisions of these Notes Conditions of the Class B Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Account are insufficient to satisfy in full the claims of all holders of Instruments any claims of holders of Instruments remaining unpaid shall be extinguished at the Legal Maturity Date applicable to the respective Instrument and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Instruments nor the Expectancy Rights Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid according to the Order of Priority.

(c) The enforcement of the payment obligations under the Instruments, the Subordinated Loan Agreement and the Swap Agreement(s) pursuant to paragraph (b) shall only be effected by the Expectancy Rights Trustee for the benefit of all Noteholders, all Lenders, the Swap Counterparties and the Subordinated Lender. The Expectancy Rights Trustee is required to foreclose on the Purchased Expectancy Rights and Expectancy Rights Related Collateral in case of a Foreclosure Event, on the conditions and in accordance with the terms set forth in

clauses 16 (*Foreclosure on the Security, Foreclosure Event*) through 18 (*Payments upon occurrence of Foreclosure Event*) of the Trust Agreement.

(d) The other parties to the Programme Documents shall not be liable for the obligations of the Issuer.

(e) No shareholder, officer, director, employee or manager of the Issuer or of Volkswagen AG or its Affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Programme Documents. Any recourse against such a person is excluded accordingly.

(f) The recourse of the Programme Creditors is limited to the assets allocated to Compartment 2 of the Issuer.

6. **Further Covenants of the Issuer**

(a) As long as any of the Instruments and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Expectancy Rights Trustee, to carry out any activities described in clause 37 (Actions requiring consent) of the Trust Agreement.

(b) The counterparties of the Programme Documents are not liable for covenants of the Issuer.

7. **Payment Date, Payment Related Information**

The Issuer shall inform the holders of the Class B Notes, not later than the "**Servicer Report Performance Date**" which is the 3rd Business Day prior to each Payment Date by means of the publication provided for under Condition 12, with reference to the Payment Date (as described below) of such month, as follows:

(a) the repayment of the nominal amount payable on each Series of the Class B Notes (if any) and the amount of interest calculated and payable on each Series of Class B Notes on the succeeding 25th day of such calendar month or, if such date is not a Business Day, on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each respectively a "**Payment Date**");

(b) the nominal amount remaining outstanding on each Series of Class B Notes on each respective Payment Date and the amount of interest remaining unpaid, if any, on the Notes of each Series as from such Payment Date;

(c) the Instrument Factor for each Series of Class B Notes;

(d) the remaining General Cash Collateral Amount; and

(e) in the event of the final Payment Date with respect to a Series of Class B Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Class B Notes, in its offices at 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg and during normal business hours, the documents from which the figures reported to the holders of the Notes are calculated.

8. **Payments of Interest**

(a) Subject to the limitations set forth in Condition 5(b) each outstanding principal amount in respect of the Class B Notes shall bear interest from (and including) the Issue Date until (but excluding) the day on which the principal amount has been reduced to zero.

(b) Interest shall be paid in arrear on each Payment Date. The amount of interest payable in respect of each relevant Series of Class B Notes on any Payment Date shall be calculated by the Interest Determination Agent by applying the Junior Instrument Fixed Rate specified in the Relevant Final Terms to the principal amount outstanding of the Notes immediately prior the relevant Payment Date und multiplying the result by 30 divided by 360 and rounding

the result to the nearest full cent, all as determined by The Bank of New York Mellon, London Branch (the "**Interest Determination Agent**", which shall include a substitute or alternative interest determination agent).

(c) Accrued Interest not paid on the Class B Notes on the Payment Date related to the Interest Accrual Period in which it accrued will not be an "**Interest Shortfall**" with respect to the Class B Notes and will be carried over to the next Payment Date.

9. **Payment obligations, extension of maturities and Agents**

(a) On each Payment Date the Issuer shall, subject to 5(b), pay to each holder of a Class B Note interest at the Junior Instrument Fixed Rate on the Nominal Instrument Amount of the Class B Notes of such Series of Class B Notes outstanding immediately prior to the respective Payment Date, and during the amortizing period redeem the principal amount of the Notes by applying the amount remaining thereafter in accordance with the Order of Priority. The record date shall be the Business Day, by the close of business, preceding the Payment Date.

(b) Sums which are to be paid to the holders of the Class B Notes shall be rounded down to the next lowest cent amount for each of the Class B Notes. The amount of such rounding down to the next cent amount shall be used in the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to any amount resulting from rounding differences of less than EUR 500 remaining on the Legal Maturity Date (as defined below).

(c) Payments of principal and interest, if any, on the Class B Notes shall be made by the Principal Paying Agent on the Issuer's behalf for further payment to Clearstream, Luxembourg and Euroclear or to their order for credit to the relevant account holders of Euroclear and Clearstream, Luxembourg. All payments in respect of any Class B Note made by, or on behalf of, the Issuer to, or to the order of Euroclear or Clearstream, Luxembourg shall discharge the liability of the Issuer under such Class B Note to the extent of sums so paid.

(d) The first Payment Date for the Class B Notes shall be as specified in the applicable Final Terms. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date specified in the applicable Final Terms (the "**Scheduled Repayment Date**").

(e) Notwithstanding Condition 8(c), all payments of interest on and principal of the Class B Notes will be due and payable at the latest in full on the legal maturity date of the Notes, which shall be the Payment Date specified in the applicable Final Terms (the "**Legal Maturity Date**").

(f) Provided that the holders of the Class B Notes have received a notice from the Issuer in accordance with Condition 12 and substantially in the form set out in Schedule 1 to these Conditions no later than twenty (20) calendar days prior to the final day of the then current Revolving Period (the "**Instrument Revolving Period Expiration Date**"), all of the holders of the Class B Notes, acting collectively, shall have the right, by written notice to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer substantially in the form of Schedule 2 to these Conditions to be received not later than ten (10) calendar days immediately preceding the then amended Instrument Revolving Period Expiration Date to request:

(i) the extension of the Instrument Revolving Period Expiration Date for a period specified in the relevant notice,

(ii) an amendment to the Junior Instrument Fixed Rate, and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Instrument Revolving Period Expiration Date.

(g) Any amendments so requested shall become effective only if (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Rated Class B Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Rated Class B Notes before the Instrument Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Rated Class B Notes as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third (3rd) Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders in the form prescribed by Condition 12 that it has received such confirmation and that it agrees to the requested amendments and (D) that the Issuer had arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

(h) The Issuer shall procure that the amendments that have become effective in accordance with these provisions will be notified to the Principal Paying Agent in the same form as prescribed by Condition 12. The Principal Paying Agent will then further communicate the notice to the common depositary for Euroclear and Clearstream, Luxembourg immediately after the notice from the holders of the relevant Series of Class B Notes has been given.

(i) Payments of interest and principal shall be made from the Issuer's accounts with The Bank of New York Mellon, Frankfurt Branch (the "**Account Bank**") by the Issuer to the Principal Paying Agent (which shall include a substitute or alternative paying agent), for on-payment to Clearstream, Luxembourg and/or Euroclear or to their order for credit to the accounts of the relevant account holders of Clearstream, Luxembourg or, as applicable Euroclear without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity.

(j) In their capacity as such, the Principal Paying Agent, the Calculation Agent, the Registrar and the Interest Determination Agent, respectively, shall act solely as agents of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class B Notes. The Issuer may appoint a new principal paying agent, calculation agent, registrar and/or an interest determination agent, or if there are grounds to do so, appoint an alternative principal paying agent, calculation agent, registrar and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent, Calculation Agent, Registrar and/or the Interest Determination Agent as provided for in the Agency Agreement. Appointments and revocations thereof shall be announced pursuant to Condition 12. The Issuer will ensure that during the term of the Class B Notes and as long as the Class B Notes are listed on the official list of the Luxembourg Stock Exchange a paying agent, an interest determination agent and a calculation agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code.

10. **Taxes**

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected ("**taxes**") on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by applicable law. The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Noteholder's request, provide proof thereof. It is not obliged to pay any additional amounts as a result of the deduction or withholding.

11. **Replacement of Issuer**

(a) The Issuer is at any time entitled to appoint another company (the "**New Issuer**") in place of the Issuer as debtor for all obligations arising from and in connection with the Class B Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant

to the Instruments, the Subordinated Loan Agreement, the Expectancy Rights Purchase Agreement, any Additional Expectancy Rights Purchase Agreements, the Trust Agreement, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust Agreement, the Swap Agreements, the Account Agreement and the Agency Agreement by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Expectancy Rights Trustee for the purpose of securing the obligations of the New Issuer, (ii) the holders of the Notes and the Subordinated Lender of the Subordinated Loan confirm that no further expenses or legal disadvantages of any kind arise for any of them from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Principal Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Expectancy Rights Trustee considers necessary for the effectiveness of the replacement and (v) the replacement will not adversely affect the validity and enforceability of the Security. The Issuer will notify the Rating Agencies on the replacement of the Issuer. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer vis-à-vis the holders of the Class B Notes under or in connection with the Class B Notes and the Subordinated Lender under or in connection with the Subordinated Loan.

(b) Such replacement of the Issuer must be published in accordance with Condition 12.

(c) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Class B Notes shall be deemed to be a reference to the New Issuer.

12. **Notices**

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

13. **Miscellaneous**

(a) The form and content of the Class B Notes and all of the rights and obligations of the holders of the Class B Notes, the Issuer, the Principal Paying Agent, the Registrar and the Servicer under these Class B Notes shall be subject in all respects to the laws of Germany. The Conditions of any Series of the Class B Notes may only be modified through contractual agreement to be concluded between the Issuer and all holders of Class B Notes with a prior notification to the Rating Agencies as provided for in section 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)) or by a Noteholder's resolution adopted with unanimous consent of the holders of the Class B Notes pursuant to sections 5 to 22 of the aforementioned act.

(b) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force.

(c) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) Notwithstanding paragraph (a) above and subject to giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email, the Issuer

will be entitled to amend any term or provision of the Conditions (except for the ranking of the Class B Notes, any security securing the Class B Notes, the Legal Maturity Date, the Scheduled Repayment Date, the Instrument Revolving Period Expiration Date, any Payment Date, the Junior Instrument Fixed Rate or the amount of payments of any principal) with the consent of the Expectancy Rights Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation.

Schedule 1 to the Class B Notes

Form of Notice to be delivered by the Issuer to the holders of the Class B Notes in accordance with Condition 9(f)

Notice to the holders of the Class B Notes, issued by VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2 (the "Class B Notes"), to be given twenty (20) calendar days prior to the expiration of the Expiration Date

Terms not defined herein shall have the meaning given to them in the terms and conditions of the Class B Notes.

Notice is hereby given to the holders of the Class B Notes that they shall have the right exercisable by written notice to the Principal Paying Agent, the Registrar, the Expectancy Rights Trustee and the Issuer to be received not later than on the tenth (10^{th}) calendar day immediately preceding the current Instrument Revolving Period Expiration Date, to request

(i) the extension of the Instrument Revolving Period Expiration Date for a period to be specified in the relevant notice;

(ii) an amendment to the Junior Instrument Fixed Rate; and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Instrument Revolving Period Expiration Date.

Luxembourg, [*date*]

VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2

Schedule 2 to the Class B Notes

Form of Notice to be delivered by the holders of the Class B Notes to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer in accordance with Condition 9

From:
[Name, address, phone number and fax number of relevant holder]

To:
[Issuer]
[Principal Paying Agent]
[Expectancy Rights Trustee]

Class B Notes, issued by VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2 (the "Notes")

Dear Sirs,

Terms not defined herein shall have the meaning given to them in the terms and conditions of the Class B Notes.

Reference is made to Condition 9(f) of the terms and conditions of the above mentioned Class B Notes and the notice published on [*date*].

We hereby request

(i) the extension of the Instrument Revolving Period Expiration Date for a period of [●] months so that the extended Instrument Revolving Period Expiration Date shall be [*to be inserted*],

(ii) [*to be inserted*] as amended Junior Instrument Fixed Rate with effect from (and including) the Payment Date falling in [*to be inserted*], and

(iii) the extension of the Legal Maturity Date for a period equal to the period specified under (i) above so that the extended Legal Maturity Date shall be [*to be inserted*].

We hereby represent and warrant that as of the date of this notice

(i) we hold [●] per cent. of the Class B Notes outstanding on the date of this notice; and

(ii) we will not sell or transfer or otherwise dispose of any of the Class B Notes prior to the 25th Business Day after the date of this notice.

We hereby acknowledge that the amendments requested above shall become effective only if (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Rated Class B Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Rated Class B Notes before the Instrument Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Rated Class B Notes as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third (3rd) Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders in the form prescribed by Condition 12 that it has received such confirmation and that it agrees to the requested amendments and (D) that the Issuer had arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

Kind regards,

[*name and signatures of holder*]

Option II B: TERMS AND CONDITIONS OF THE FLOATING RATE CLASS B NOTES

The terms and conditions of the Class B Notes (the "**Notes Conditions**") are set out below. Annex A to the Conditions sets out the "**Trust Agreement**", Annex B to the Conditions sets out the "**Master Definitions Schedule**" and the "**Master Definitions Schedule Addendum**". In case of any overlap or inconsistency in the definition of a term or expression in the Notes Conditions and elsewhere in this Base Prospectus, the definition contained in the Conditions will prevail. For Annex A referred to under the Notes Conditions see "**Trust Agreement**".

Form and Nominal Instrument Amount of the Notes

(a) The issue by VCL Master Residual Value S.A., acting with respect to its Compartment 2 (the "**Issuer**") in an aggregate nominal amount of up to EUR 12,000,000,000 is divided into up to

120,000 Class B Notes issued in registered global note form (the "**Class B Notes**"), each having a nominal amount of EUR 100,000 (the "**Nominal Instrument Amount**").

(b) (Each Series of Class B Notes is issued in registered form and represented by a global note (each a "**Global Note**") without coupons attached. Each Global Note representing a Series of Class B Notes shall be deposited with a common depositary for Clearstream Luxembourg and Euroclear and thereafter, the Global Note will be held in book-entry form only. Each Global Note representing a Series of Class B Notes will bear the personal signatures of two duly authorised directors of VCL Master Residual Value S.A. and will be authenticated by one or more employees or attorneys of The Bank of New York Mellon SA/NV, Luxembourg Branch (the "**Registrar**").

(c) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the name and address of the Registered Holder (as defined below) and the particulars of such Series of Class B Notes held by them and all transfers and payments (of interest and principal) of such Series of Class B Notes. The rights of the Registered Holder (as defined below) evidenced by a Global Note and title to each Series of Class B Notes itself pass by assignment and registration in the Register. Each Global Note representing a Series of Class B Notes will be issued in the name of a nominee of the common depositary for Clearstream Luxembourg and Euroclear (the "**Registered Holder**"). The Registered Holder will be registered as Noteholder in the Register.

(d) Notwithstanding paragraph (c) of this Condition 1, each person (other than Euroclear or Clearstream Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream Luxembourg, as the holder of a particular nominal amount of such Series of Class B Notes (in which regard any certificate or other document issued by Euroclear or Clearstream Luxembourg, as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any paying agent as the holder of such nominal amount of a Series of Class B Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly).

(e) Notwithstanding paragraph (c) of this Condition 1, interests in each Series of Class B Notes are transferable only according to applicable rules and regulations of Clearstream Luxembourg and Euroclear, as the case may be. None of the Notes will be exchangeable for definitive notes.

(f) In addition to the Class B Notes, the Issuer has issued Class A notes (the "**Class A Notes**" and together with the Class B Notes, the "**Notes**") and has made borrowings under the Senior Schuldschein Loans (the "**Senior Schuldschein Loans**"), which rank senior to the Class B Notes with respect to payment of interest and principal as described in the Order of Priority. Furthermore, the Issuer has made borrowings under the Junior Schuldschein Loans (the "**Junior Schuldschein Loans**" and together with the Senior Schuldschein Loans, the "**Schuldschein Loans**"), which rank pari passu to the Class B Notes with respect to payment of interest and principal as described in the Order of Priority. The Issuer will issue further Class A Notes and make further borrowings under the Senior Schuldschein Loans in the

lesser of the Senior Instrument Increase Amount and the amount of the Senior Instruments notified by the Issuer on the Closing Date and any Further Issue Date. On the Closing Date the Issuer has borrowed the Subordinated Loan from the Subordinated Lender and on each Further Issue Date the Subordinated Loan Increase Amount, which rank junior to the Instruments with respect to payment of interest and principal as described in the Order of Priority.

(g) The Notes are subject to the provisions of the Trust Agreement between, *inter alia*, the Issuer, the Expectancy Rights Trustee and VWL. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Conditions.

2. **Series**

(a) **Series of Class B Notes:**

On a given Issue Date falling within the Revolving Period, all Class B Notes issued on that date will constitute one or several Series of Class B Notes, which shall be identified by means of:

(i) a four digit number representing the year on which the Series was issued, in the following format: Series "20xx", followed by:

(ii) the number of such Series in respect of the relevant year, in the following format "y".

(iii) in the following format: Series 20xx-y.

(b) **General principles relating to the Series of Class B Notes:**

The Class B Notes of different Series shall not be fungible among themselves.

All Class B Notes issued within the same Series shall be fungible among themselves in accordance with and subject to the following provisions:

(i) the Class B Series 20xx-y Notes of the same Series shall all bear the same interest rate in accordance with the provisions of Condition 8;

(ii) the interest rate payable under the Class B Series 20xx-y Notes of a given Series shall be paid on the same Payment Dates; and

(iii) the Series 20xx-y Notes in respect of a given Series shall have the same Scheduled Repayment Date and the same Legal Maturity Date as set out in Condition 9(e).

3. **Status and Ranking**

(a) The Class B Notes of any Series constitute direct, secured and unconditional obligations of the Issuer. The Class B Notes rank pari passu among themselves and with the Junior Schuldschein Loans. The Class B Notes rank junior to the Senior Instruments and senior to the Subordinated Loan.

(b) The claims of the holders of the Class B Notes under the Class B Notes and the lenders of the Junior Schuldschein Loans are ranked against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

4. **The Issuer**

The Issuer whose Articles of Incorporation are subject to the Luxembourg Securitisation Law is a company incorporated with limited liability under the laws of Luxembourg and which has been founded solely for the purpose of issuing the Notes and borrowings under the Schuldschein Loans and raising the Subordinated Loan and concluding and executing various agreements in connection with the issue of the Notes and the raising of the Subordinated Loan.

5. **Assets of the Issuer for the Purpose of Payments on the Notes and on the Subordinated Loan, Provision of Security, Limited Payment Obligation**

(a) The Issuer will use the proceeds of the Issue of the Instruments and of the Subordinated Loan to acquire from VWL during the Revolving Period (i) Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and (ii) claims against the insurer pursuant to loss insurance policies covering the respective Leased Vehicles, damage claims arising from a breach of contract or in tort against a respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage to or loss of the Leased Vehicles and the right to require VWL to repurchase the Purchased Expectancy Rights in case of a breach of warranties. The realisation of the Leased Vehicle shall be carried out on the basis of the Servicing Agreement by VWL (in this capacity, the "**Servicer**"). In addition, subject to revocation by the Expectancy Rights Trustee, VWL is entitled and obliged according to the provisions of the Trust Agreement to realise the Leased Vehicles on behalf of the Expectancy Rights Trustee as necessary. Furthermore, the Issuer has entered into additional agreements in connection with the acquisition of the Purchased Expectancy Rights, Final Payment Receivables and Expectancy Rights Related Collateral and the raising of the Schuldschein Loans, and the issue of the Notes and the raising of the Subordinated Loan, in particular, the Subordinated Loan Agreement with an Affiliate of Volkswagen AG, the Data Protection Trust Agreement with the Data Protection Trustee and the Expectancy Rights Trustee, a Corporate Services Agreement with the Corporate Services Provider, the Swap Agreement(s) with the Swap Counterparties, the Agency Agreement with, *inter alia*, VWL and the Agents, the Account Agreement with, *inter alia*, the Account Bank, and the Custody Agreement with The Bank of New York Mellon, London Branch. The agreements and documents referred to in this paragraph (a) are collectively referred to as the "**Programme Documents**" and the creditors of the Issuer under these Programme Documents are referred to as "**Programme Creditors**".

(b) All payment obligations of the Issuer under the Instruments and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount in accordance with the applicable Order of Priority as generated, *inter alia*, by payments to the Issuer by the Lessees and by the Swap Counterparties under the Swap Agreement(s), as available on the respective Payment Dates according to the Order of Priority of distribution. None of the Instruments shall give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it of the Trust Agreement – pursuant to clause 20 (*Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement in the Distribution Account. Further, the Issuer will on or around the Issue Date establish and thereafter maintain the Cash Collateral Account pursuant to clause 22 (*Cash Collateral Account, Accumulation Account*) of the Trust Agreement to provide limited coverage for payments of interest and principal on the Instruments and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Programme Documents with the due care of a prudent businessman such that obligations under the Instruments may, subject always to the provisions of these Notes Conditions of the Class B Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Account are insufficient to satisfy in full the claims of all holders of Instruments any claims of holders of Instruments remaining unpaid shall be extinguished at the Legal Maturity Date applicable to the respective Instrument and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Instruments nor the Expectancy Rights Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid according to the Order of Priority.

(c) The enforcement of the payment obligations under the Instruments, the Subordinated Loan Agreement and the Swap Agreement(s) pursuant to paragraph (b) shall only be effected by the Expectancy Rights Trustee for the benefit of all Noteholders, all Lenders, the Swap Counterparties and the Subordinated Lender. The Expectancy Rights Trustee is required to foreclose on the Purchased Expectancy Rights and Expectancy Rights Related Collateral in case of a Foreclosure Event, on the conditions and in accordance with the terms set forth in

clauses 16 (*Foreclosure on the Security, Foreclosure Event*) through 18 (*Payments upon occurrence of Foreclosure Event*) of the Trust Agreement.

(d) The other parties to the Programme Documents shall not be liable for the obligations of the Issuer.

(e) No shareholder, officer, director, employee or manager of the Issuer or of Volkswagen AG or its Affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Programme Documents. Any recourse against such a person is excluded accordingly.

(f) The recourse of the Programme Creditors is limited to the assets allocated to Compartment 2 of the Issuer.

6. **Further Covenants of the Issuer**

(a) As long as any of the Instruments and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Expectancy Rights Trustee, to carry out any activities described in clause 37 (Actions requiring consent) of the Trust Agreement.

(b) The counterparties of the Programme Documents are not liable for covenants of the Issuer.

7. **Payment Date, Payment Related Information**

The Issuer shall inform the holders of the Class B Notes, not later than the "**Servicer Report Performance Date**" which is the 3rd Business Day prior to each Payment Date by means of the publication provided for under Condition 12, with reference to the Payment Date (as described below) of such month, as follows:

(a) the repayment of the nominal amount payable on each Series of the Class B Notes (if any) and the amount of interest calculated and payable on each Series of Class B Notes on the succeeding 25th day of such calendar month or, if such date is not a Business Day, on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each respectively a "**Payment Date**");

(b) the nominal amount remaining outstanding on each Series of Class B Notes on each respective Payment Date and the amount of interest remaining unpaid, if any, on the Notes of each Series as from such Payment Date;

(c) the Instrument Factor for each Series of Class B Notes;

(d) the remaining General Cash Collateral Amount; and

(e) in the event of the final Payment Date with respect to a Series of Class B Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Class B Notes, in its offices at 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg and during normal business hours, the documents from which the figures reported to the holders of the Notes are calculated.

8. **Payments of Interest**

(a) Subject to the limitations set forth in Condition 5(b) each outstanding principal amount in respect of the Class B Notes shall bear interest from (and including) the Issue Date until (but excluding) the day on which the principal amount has been reduced to zero.

(b) Interest shall be paid in arrear on each Payment Date. The amount of interest payable in respect of each Class B Note on any Payment Date shall be calculated by applying the Junior Instrument Floating Rate for the relevant Interest Accrual Period to the principal amount outstanding of the Notes immediately prior to the relevant Payment Date and

multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 360 and rounding the result to the nearest full cent, all as determined by The Bank of New York Mellon, London Branch (the "**Interest Determination Agent**", which shall include a substitute or alternative interest determination agent).

(c) The interest rate to be used for calculating the amount of interest payable pursuant to paragraph (a) shall be the EURIBOR rate for one month Euro deposits plus the relevant margin set out in the Relevant Final Terms (the "**Junior Instrument Margin**") *per annum*, subject to a floor of zero, (the "**Junior Instrument Floating Rate**"). Such determination shall also apply to the first Interest Accrual Period.

(d) Accrued Interest not paid on the Class B Notes on the Payment Date related to the Interest Accrual Period in which it accrued will not be an "**Interest Shortfall**" with respect to the Class B Notes and will be carried over to the next Payment Date.

9. **Payment obligations, extension of maturities and Agents**

(a) On each Payment Date the Issuer shall, subject to 5(b), pay to each holder of a Class B Note interest at the Junior Instrument Floating Rate on the Nominal Instrument Amount of the Class B Notes of such Series of Class B Notes outstanding immediately prior to the respective Payment Date, and during the amortizing period redeem the principal amount of the Notes by applying the amount remaining thereafter in accordance with the Order of Priority. The record date shall be the Business Day, by the close of business, preceding the Payment Date.

(b) Sums which are to be paid to the holders of the Class B Notes shall be rounded down to the next lowest cent amount for each of the Class B Notes. The amount of such rounding down to the next cent amount shall be used in the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to any amount resulting from rounding differences of less than EUR 500 remaining on the Legal Maturity Date (as defined below).

(c) Payments of principal and interest, if any, on the Class B Notes shall be made by the Principal Paying Agent on the Issuer's behalf for further payment to Clearstream, Luxembourg and Euroclear or to their order for credit to the relevant account holders of Euroclear and Clearstream, Luxembourg. All payments in respect of any Class B Note made by, or on behalf of, the Issuer to, or to the order of Euroclear or Clearstream, Luxembourg shall discharge the liability of the Issuer under such Class B Note to the extent of sums so paid.

(d) The first Payment Date for the Class B Notes shall be as specified in the applicable Final Terms. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date specified in the applicable Final Terms (the "**Scheduled Repayment Date**").

(e) Notwithstanding Condition 8(c), all payments of interest on and principal of the Class B Notes will be due and payable at the latest in full on the legal maturity date of the Notes, which shall be the Payment Date specified in the applicable Final Terms (the "**Legal Maturity Date**").

(f) Provided that the holders of the Class B Notes have received a notice from the Issuer in accordance with Condition 12 and substantially in the form set out in Schedule 1 to these Conditions no later than twenty (20) calendar days prior to the final day of the then current Revolving Period (the "**Instrument Revolving Period Expiration Date**"), all of the holders of the Class B Notes, acting collectively, shall have the right, by written notice to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer substantially in the form of Schedule 2 to these Conditions to be received not later than ten (10) calendar days immediately preceding the then amended Instrument Revolving Period Expiration Date to request:

(i) the extension of the Instrument Revolving Period Expiration Date for a period specified in the relevant notice,

(ii) an amendment to the Junior Instrument Floating Rate, and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Instrument Revolving Period Expiration Date.

(g) Any amendments so requested shall become effective only if (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Rated Class B Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Rated Class B Notes before the Instrument Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Rated Class B Notes as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third (3rd) Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders in the form prescribed by Condition 12 that it has received such confirmation and that it agrees to the requested amendments and (D) that the Issuer had arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

(h) The Issuer shall procure that the amendments that have become effective in accordance with these provisions will be notified to the Principal Paying Agent in the same form as prescribed by Condition 12. The Principal Paying Agent will then further communicate the notice to the common depositary for Euroclear and Clearstream, Luxembourg immediately after the notice from the holders of the relevant Series of Class B Notes has been given.

(i) Payments of interest and principal shall be made from the Issuer's accounts with The Bank of New York Mellon, Frankfurt Branch (the "**Account Bank**") by the Issuer to the Principal Paying Agent (which shall include a substitute or alternative paying agent), for on-payment to Clearstream, Luxembourg and/or Euroclear or to their order for credit to the accounts of the relevant account holders of Clearstream, Luxembourg or, as applicable Euroclear without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity.

(j) In their capacity as such, the Principal Paying Agent, the Calculation Agent, the Registrar and the Interest Determination Agent, respectively, shall act solely as agents of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class B Notes. The Issuer may appoint a new principal paying agent, calculation agent, registrar and/or an interest determination agent, or if there are grounds to do so, appoint an alternative principal paying agent, calculation agent, registrar and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent, Calculation Agent, Registrar and/or the Interest Determination Agent as provided for in the Agency Agreement. Appointments and revocations thereof shall be announced pursuant to Condition 12. The Issuer will ensure that during the term of the Class B Notes and as long as the Class B Notes are listed on the official list of the Luxembourg Stock Exchange a paying agent, an interest determination agent and a calculation agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code.

10. **Taxes**

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected ("**taxes**") on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by applicable law. The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Noteholder's

request, provide proof thereof. It is not obliged to pay any additional amounts as a result of the deduction or withholding.

11. **Replacement of Issuer**

(a) The Issuer is at any time entitled to appoint another company (the "**New Issuer**") in place of the Issuer as debtor for all obligations arising from and in connection with the Class B Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Instruments, the Subordinated Loan Agreement, the Expectancy Rights Purchase Agreement, any Additional Expectancy Rights Purchase Agreements, the Trust Agreement, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust Agreement, the Swap Agreements, the Account Agreement and the Agency Agreement by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Expectancy Rights Trustee for the purpose of securing the obligations of the New Issuer, (ii) the holders of the Notes and the Subordinated Lender of the Subordinated Loan confirm that no further expenses or legal disadvantages of any kind arise for any of them from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Principal Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Expectancy Rights Trustee considers necessary for the effectiveness of the replacement and (v) the replacement will not adversely affect the validity and enforceability of the Security. The Issuer will notify the Rating Agencies on the replacement of the Issuer. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer vis-à-vis the holders of the Class B Notes under or in connection with the Class B Notes and the Subordinated Lender under or in connection with the Subordinated Loan.

(b) Such replacement of the Issuer must be published in accordance with Condition 12.

(c) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Class B Notes shall be deemed to be a reference to the New Issuer.

12. **Notices**

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

13. **Miscellaneous**

(a) The form and content of the Class B Notes and all of the rights and obligations of the holders of the Class B Notes, the Issuer, the Principal Paying Agent, the Registrar and the Servicer under these Class B Notes shall be subject in all respects to the laws of Germany. The Conditions of any Series of the Class B Notes may only be modified through contractual agreement to be concluded between the Issuer and all holders of Class B Notes with a prior notification to the Rating Agencies as provided for in section 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)) or by a Noteholder's resolution adopted with

unanimous consent of the holders of the Class B Notes pursuant to sections 5 to 22 of the aforementioned act.

(b) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force.

(c) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) Notwithstanding paragraph (a) above and subject to giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email, the Issuer will be entitled to amend any term or provision of the Conditions (except for the ranking of the Class B Notes, any security securing the Class B Notes, the Legal Maturity Date, the Scheduled Repayment Date, the Instrument Revolving Period Expiration Date, any Payment Date, the Junior Instrument Floating Rate or the amount of payments of any principal) with the consent of the Expectancy Rights Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation.

Schedule 1 to the Class B Notes

Form of Notice to be delivered by the Issuer to the holders of the Class B Notes in accordance with Condition 9(f)

Notice to the holders of the Class B Notes, issued by VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2 (the "Class B Notes"), to be given twenty (20) calendar days prior to the expiration of the Expiration Date

Terms not defined herein shall have the meaning given to them in the terms and conditions of the Class B Notes.

Notice is hereby given to the holders of the Class B Notes that they shall have the right exercisable by written notice to the Principal Paying Agent, the Registrar, the Expectancy Rights Trustee and the Issuer to be received not later than on the tenth (10^{th}) calendar day immediately preceding the current Instrument Revolving Period Expiration Date, to request

(i) the extension of the Instrument Revolving Period Expiration Date for a period to be specified in the relevant notice;

(ii) an amendment to the Junior Instrument Floating Rate; and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Instrument Revolving Period Expiration Date.

Luxembourg, [*date*]

VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2

Schedule 2 to the Class B Notes

Form of Notice to be delivered by the holders of the Class B Notes to the Principal Paying Agent, the Expectancy Rights Trustee and the Issuer in accordance with Condition 9

From:
[Name, address, phone number and fax number of relevant holder]

To:
[Issuer]
[Principal Paying Agent]
[Expectancy Rights Trustee]

Class B Notes, issued by VCL Master Residual Value S.A. acting for and on behalf of its Compartment 2 (the "Notes")

Dear Sirs,

Terms not defined in herein shall have the meaning given to them in the terms and Notes Conditions.

Reference is made to Condition 9(f) of the terms and conditions of the above mentioned Class B Notes and the notice published on [*date*].

We hereby request

(i) the extension of the Instrument Revolving Period Expiration Date for a period of [●] months so that the extended Instrument Revolving Period Expiration Date shall be [*to be inserted*],

(ii) [*to be inserted*] as amended Junior Instrument Floating Rate with effect from (and including) the Payment Date falling in [*to be inserted*], and

(iii) the extension of the Legal Maturity Date for a period equal to the period specified under (i) above so that the extended Legal Maturity Date shall be [*to be inserted*].

We hereby represent and warrant that as of the date of this notice

(i) we hold [●] per cent. of the Class B Notes outstanding on the date of this notice; and

(ii) we will not sell or transfer or otherwise dispose of any of the Class B Notes prior to the 25th Business Day after the date of this notice.

We hereby acknowledge that the amendments requested above shall become effective only if (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Rated Class B Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Rated Class B Notes before the Instrument Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Rated Class B Notes as applicable prior to the amendments and (B) a Positive Buffer Release Amount exists and (C) by no later than the third (3rd) Business Day prior to the then current Instrument Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders in the form prescribed by Condition 12 that it has received such confirmation and that it agrees to the requested amendments and (D) that the Issuer had arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

Kind regards,

[*name and signatures of holder*]

Annex A
TRUST AGREEMENT

1. **Definitions, interpretation and Common Terms**

1.1 **Definitions**

(a) Unless otherwise defined herein or the context requires otherwise, capitalised terms used in this Agreement have the meanings ascribed to them in clause 1 of the Master Definitions Schedule (the "**Master Definitions Schedule**") set out in the Incorporated Terms Memorandum (the "**Incorporated Terms Memorandum**") which is dated on or about the date of this Agreement and signed, for purposes of identification, by each of the Programme Parties. The terms of the Master Definitions Schedule are hereby expressly incorporated into this Agreement by reference.

(b) In the event of any conflict between the Master Definitions Schedule and this Agreement, this Agreement prevails.

1.2 **Interpretation**

Terms in this Agreement, except where otherwise stated or where the context otherwise requires, shall be construed in the same way as set forth in clause 2 of the Master Definitions Schedule.

1.3 **Common Terms**

(a) **Incorporation of Common Terms**

Except as provided below, the Common Terms apply to this Agreement and are binding on the parties to this Agreement as if set out in full in this Agreement.

(b) **Common Terms**

If there is any conflict between the provisions of the Common Terms and the provisions of this Agreement, the provisions of this Agreement prevail, subject always to compliance with clause 10 *(Non-petition and limited recourse*), clause 17 (*Limited recourse and non-petition in favour of Gresham*) and clause 18 (*Limited recourse and non-petition in favour of Duomo)* of the Common Terms.

(c) **Governing law and jurisdiction**

This Agreement and all matters (including non-contractual duties and claims) arising from or connected with it are governed by German law in accordance with clause 13 (*Governing law*) of the Common Terms. Clause 14 (*Jurisdiction*) of the Common Terms applies to this Agreement as if set out in full in this Agreement.

PART A
Duties and Position of the Expectancy Rights Trustee

2. **Duties of the Expectancy Rights Trustee**

2.1 This Agreement establishes the rights and obligations of the Expectancy Rights Trustee to carry out the tasks assigned to it in this Agreement. Unless otherwise set forth in this Agreement, the Expectancy Rights Trustee is not obliged to supervise the discharge of the payment and other obligations of the Issuer arising from the Funding and the Programme Documents or to carry out duties which are the responsibility of the management of VCL Master Residual Value S.A.

2.2 The Issuer agrees and authorises that the Expectancy Rights Trustee acts for the Programme Creditors pursuant to the terms of this Agreement and the English law Security Assignment Deed. The Expectancy Rights Trustee agrees to act accordingly.

3. **Position of the Expectancy Rights Trustee in relation to the Programme Creditors**

3.1 The Expectancy Rights Trustee carries out the duties specified in this Agreement as a trustee (*Treuhänder*) for the benefit of the Programme Creditors. The Expectancy Rights Trustee shall exercise its respective duties hereunder with particular regard to the interests of the Programme Creditors, giving priority to the interests of each Programme Creditor in accordance with the Order of Priority, especially to the interests of the Lenders and the Noteholders.

3.2 The Expectancy Rights Trustee shall at any time be entitled to seek instructions from the Programme Creditors as to the manner in which it should endeavour to carry out any course of action which it is obliged to carry out or endeavour to carry out pursuant to this Agreement or the Programme Documents and shall, save as otherwise provided in this Agreement, use reasonable efforts to act on the instructions of the Programme Creditors pursuant to any such request.

3.3 This Agreement grants all Programme Creditors the right to demand that the Expectancy Rights Trustee performs its duties under clause 2 and all its other duties hereunder in accordance with this Agreement and therefore this Agreement constitutes, in favour of the Programme Creditors that are not (validly) parties to this Agreement (in particular the Lenders and the Noteholders) a contract for the benefit of a third party pursuant to section 328 of the German Civil Code. The rights of the Issuer pursuant to clause 4.3 shall not be affected.

4. **Position of the Expectancy Rights Trustee in relation to the Issuer**

4.1 With respect to the Security, the Expectancy Rights Trustee is legally a secured party (*Sicherungsnehmer*) in relation to the Issuer. Accordingly, to the extent that the Purchased Expectancy Rights, the Final Payment Receivables and the other Expectancy Rights Related Collateral will be transferred by the Issuer to the Expectancy Rights Trustee for collateral purposes in accordance with clause 5.1, in insolvency proceedings on the Expectancy Rights Trustee's estate, as the case may be, such rights would be segregated (*Aussonderungsrecht*) as assets of the Issuer held in trust (*treuhänderisch*).

4.2 The Issuer hereby grants to the Expectancy Rights Trustee a separate Trustee Claim, entitling the Expectancy Rights Trustee to demand from the Issuer,

(a) that any present or future obligation of the Issuer in relation to the Lenders and the Noteholders shall be fulfilled;

(b) that any present or future obligation of the Issuer in relation to a Programme Creditor of the Programme Documents, respectively, shall be fulfilled; and

(c) (if the Issuer is in default with any Secured Obligation(s)) that any payment owed under the respective Secured Obligation will be made to the Expectancy Rights Trustee for on-payment to the Programme Creditors and discharge the Issuer's obligation accordingly.

The right of the Issuer to make payments to the respective Programme Creditor shall remain unaffected. The Trustee Claim in whole or in part may be enforced separately from the relevant Programme Creditor's claim related thereto. In the case of a payment pursuant to clause 4.2(c), the Issuer will have a claim against the Expectancy Rights Trustee for on-payment to the respective Programme Creditors.

4.3 The obligations of the Expectancy Rights Trustee under this Agreement are owed exclusively to the Programme Creditors, except for the obligations and declarations of the Expectancy Rights Trustee to the Issuer pursuant to clause 4.1, clause 4.2 last sentence, clause 10 and clause 32.

PART B
Granting of Collateral

5. **Assignment for security purposes; transfer of title for security purposes**

5.1 The Issuer hereby assigns or transfers (as applicable) the following rights and claims to the Expectancy Rights Trustee for security purposes:

(a) all present and future Purchased Expectancy Rights, Purchased Final Payment Receivables and Expectancy Rights Related Collateral, which the Seller transfers to the Issuer pursuant to the provisions of the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement, and all rights arising from Purchased Expectancy Rights, Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral; and

(b) *in lieu* of a transfer of direct possession (*Übergabesurrogat*), the Issuer hereby assigns to the Expectancy Rights Trustee its claims (*Ansprüche*), whether present or future, contingent or absolute to request delivery/transfer of possession (*Herausgabe*) of the Leased Vehicles in relation to the Purchased Expectancy Rights against the relevant Lessees and third parties who may be in direct possession (*unmittelbarer Besitz*) of the relevant Leased Vehicles; and

(c) all its claims and other rights (other than rights *vis-à-vis* the Expectancy Rights Trustee) arising from the Programme Documents (including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)); and

(d) all its claims and other rights from all present and future contracts the Issuer has entered or may enter into in connection with the Instruments, the Subordinated Loan, the Swap Agreements, or Purchased Expectancy Rights, the Purchased Final Payment Receivables and corresponding Expectancy Rights Related Collateral; and

(e) all transferable claims (i) in respect of the Accounts of the Issuer opened pursuant to the Account Agreement and (ii) in respect of all bank accounts which will be opened under this Agreement in the name of the Issuer in the future.

The Expectancy Rights Trustee hereby accepts the assignment and transfer (as applicable) and, in particular, recognises the obligations of the Issuer to release the Purchased Final Payment Receivables and the corresponding Expectancy Rights Related Collateral pursuant to the provisions of the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement to the Seller and confirms to be bound by such obligations as if such obligations were directly owed by the Expectancy Rights Trustee to the Seller.

5.2 The right of the Expectancy Rights Trustee under section 402 of the German Civil Code to demand from the Seller information and/or documents is limited to the extent that such demand does not result in a violation of Data Protection Rules. Otherwise, the Seller shall deliver such information to the Issuer in encrypted form and shall deliver to the Data Protection Trustee the relevant Portfolio Decryption Key(s), who may in turn release such information and/or documents only in accordance with clause 4 (*Delivery of the Portfolio Decryption Key by the Data Protection Trustee*) of the Data Protection Trust Agreement.

5.3 The assignments for collateral purposes pursuant to clause 5.1(a) are subject to the condition precedent that the transfer of the rights specified in clause 5.1(a) from the Seller to the Issuer pursuant to clauses 3 (*Transfer of title to the Purchased Initial Expectancy Rights*) and 5 (*Transfer of title to the Purchased Additional Expectancy Rights*) of the Expectancy Rights Purchase Agreement or any Additional Expectancy Rights Purchase Agreement becomes effective.

5.4 If an express or implied current account relationship exists or is later established between the Issuer and a third party, the Issuer hereby assigns to the Expectancy Rights Trustee – without prejudice to the generality of the provisions in clause 5.1 – the right to receive a periodic account statement and the right to payment of present or future balances (including a final net balance determined upon the institution of any insolvency proceedings according to the Applicable Insolvency Law regarding the estate of the Issuer), as well as the right to terminate the current account relationship and to the determination and payment of the closing net balance upon termination.

6. **Pledge**

The Issuer hereby pledges to the Expectancy Rights Trustee all its present and future claims against the Expectancy Rights Trustee arising under the Programme Documents as well as its present and future claims under the Distribution Account, the Accumulation Account and the Cash Collateral

Account as well as its present and future claims under the Account Agreements, which have not yet been transferred for security purposes under clause 5.1. The Issuer hereby gives notice to the Expectancy Rights Trustee of such pledge and the Expectancy Rights Trustee hereby confirms the receipt of such notice. The Issuer gives notice to the Account Bank on the pledge and the Account Bank confirmed receipt of such notification in the Account Agreements.

7. **Security purpose**

The assignment pursuant to clause 5.1 and the pledge pursuant to clause 6 are made for the purpose of securing the rights of the Programme Creditors against the Issuer acting with respect to its arising under the Funding (with respect to the Instruments and the Subordinated Loan) and the Programme Documents.

8. **Authority to collect; assumption of obligations; further assignment**

8.1 The Issuer is authorised to collect, to have collected, to realise and to have realised in the ordinary course of its business or otherwise to use the rights and assets assigned for security purposes pursuant to clause 5 and the rights pledged pursuant to clause 6, including, for the avoidance of doubt, to sell and transfer title to the Leased Vehicles in relation to the Purchased Expectancy Rights to VWL in accordance with the provisions of the Repurchase Agreement.

8.2 The authority provided in clause 8.1 is deemed to be granted only to the extent that all obligations of the Issuer are fulfilled in accordance with the Order of Priority prior to a Foreclosure Event. The authority may be revoked by the Expectancy Rights Trustee at any time if this is necessary in the opinion of the Expectancy Rights Trustee to avoid endangering the Security or its value. The authority shall automatically terminate upon the occurrence of a Foreclosure Event pursuant to clause 16.

8.3 The Expectancy Rights Trustee is authorised to (and in the case of (a) below, shall) assign the Purchased Expectancy Rights, the Purchased Final Payment Receivables and the other Expectancy Rights Related Collateral assigned in accordance with clause 5.1 for security purposes,

(a) in the event the Expectancy Rights Trustee is replaced and all Purchased Rights are assigned to a new Expectancy Rights Trustee (the "**New Expectancy Rights Trustee**"); or

(b) upon occurrence of a Foreclosure Event pursuant to clause 16; or

(c) if the Foreclosure Event pursuant to clause 16 threatens to occur because taxes are levied by German and/or Luxembourg tax authorities on payments under the Purchased Expectancy Rights, or if such levy is to be introduced, and if the negative consequences thereof can be avoided in whole or in part through the transfer, or

(d) if – as long as VWL is the Servicer – VWL has given its consent to such assignment or if it unreasonably withholds its consent; such a withholding of consent shall as a rule be considered unreasonable if a transfer does not negatively and materially affect the interests of VWL, the Lessees or the Issuer and the Programme Creditors risk material disadvantages without such a transfer.

8.4 The Expectancy Rights Trustee has been appointed to exclusively hold the Purchased Expectancy Rights, the Purchased Final Payment Receivables and corresponding other Expectancy Rights Related Collateral.

8.5 In the case of an assignment pursuant to clause 8.3 above, the Expectancy Rights Trustee, as the case may be, shall agree with the respective transferee that the transferee shall assume all of the Expectancy Rights Trustee's rights and obligations under this Agreement.

9. **Representation of the Issuer**

9.1 The Issuer represents and warrants to the Expectancy Rights Trustee that,

(a) the Security has not already been assigned or pledged to a third party; and

(b) the Issuer has not established any third-party rights on or in connection with the Security.

9.2 The Issuer shall pay damages pursuant to sections 280(1) and 280(3) of the German Civil Code if the legal existence of the Security transferred for security purposes in accordance with this Agreement is invalid as a consequence of any action or omission by the Issuer contrary to clause 9.1.

10. **Representations of the Expectancy Rights Trustee**

The Expectancy Rights Trustee represents and warrants to the Issuer that:

10.1 it is legally competent and in a position to perform the duties assigned to it in this Agreement in accordance with the provisions of this Agreement, and that, at the time of signing this Agreement, a ground for termination pursuant to clause 30 is neither known nor is reasonably foreseen by the Expectancy Rights Trustee; and

10.2 it has and will continue to have its centre of main interest (as that term is used in Article 3(1) of the EU Insolvency Regulation) in the United Kingdom and has not and will not have an establishment (being a place of operations where a company carries out non-transitory economic activity with human means and goods) as referred to in the EU Insolvency Regulation outside of the United Kingdom.

11. **Release of Security**

11.1 As soon as the Issuer has fully performed and discharged all Secured Obligations and any other obligations secured by this Agreement, the Expectancy Rights Trustee shall promptly retransfer any remaining Security transferred to it under this Agreement which the Expectancy Rights Trustee still holds at such time, to or to the order of the Issuer. The Expectancy Rights Trustee undertakes to notify the shareholder of the Issuer of the full discharge and satisfaction of all obligations secured hereunder and of the retransfer of the Security. For the purpose of release, the Expectancy Rights Trustee may rely on evidence which shows that all moneys necessary for the discharge and satisfaction of the obligations secured by this Agreement have been transferred to the Principal Paying Agent for further distribution in accordance with the Agency Agreement. A written confirmation of the Principal Paying Agent will be sufficient evidence.

PART C
Duties of the Expectancy Rights Trustee prior to occurrence of the Foreclosure Event

12. **Acceptance, safekeeping and review of documents; notification of the Issuer**

The Expectancy Rights Trustee may demand from the Issuer the on-transfer of the documents delivered to the Issuer in connection with the reporting of the Seller pursuant to clause 2.2 (*Purchase agreement concerning the Initial Expectancy Rights*) and clause 4.2 (*Purchase agreement concerning the Additional Expectancy Rights*) of the Expectancy Rights Purchase Agreement and any Additional Expectancy Rights Purchase Agreement and clause 9 (*Reporting duties, Duties under the Swap Agreements and Reporting Duties under the Securitisation Regulation*) of the Servicing Agreement and the Expectancy Rights Trustee shall,

(a) keep such documents for one year after the termination of this Agreement and, at the discretion of the Issuer, thereafter either destroy such documents or deliver the same to the Issuer or to the Seller; or

(b) forward the documents to the New Expectancy Rights Trustee if the Expectancy Rights Trustee is replaced in accordance with clauses 30 through 32.

13. **Accounts**

13.1 Should one of the Accounts be terminated either by the Account Bank, or by the Issuer, the Issuer shall promptly inform the Expectancy Rights Trustee of such termination. The Issuer shall, together with the Expectancy Rights Trustee, open an account, on conditions as close as possible to those previously received, with the Successor Bank specified by the Expectancy Rights Trustee, which has at least the Account Bank Required Ratings. The Issuer shall conclude a new Account Agreement with the Successor Bank as counterparty and with the consent of the Expectancy Rights Trustee the

new Account Agreement shall include a provision, in which the Successor Bank undertakes to promptly notify the other contract parties of any downgrade in its rating.

13.2 For the avoidance of doubt, in case one of the Accounts is at any time held with a Successor Bank, and the Issuer or the Expectancy Rights Trustee receives a notice pursuant to clause 13.1 with regard to the Successor Bank, then the procedure laid out in clause 13.1 shall also apply for such Successor Bank.

14. **Breach of obligations by the Issuer**

14.1 If the Expectancy Rights Trustee in the course of its respective activities becomes aware that the existence or the value of the Security is at risk due to any failure of the Issuer to properly comply with its obligations under this Agreement, the Expectancy Rights Trustee shall, subject to the provisions in clause 14.2, deliver a notice to the Issuer in reasonable detail of such failure (with a copy to the Servicer) and, if the Issuer does not remedy such failure within ninety (90) days after the delivery of such notice, the Expectancy Rights Trustee shall at its discretion take or induce all actions which in the opinion of the Expectancy Rights Trustee are necessary to avoid such threat. To the extent that the Issuer does not comply with its obligations pursuant to clause 35 in respect of the Security and does not remedy such failure within the 90-day period after the notice set forth above, the Expectancy Rights Trustee is in particular authorised and shall exercise all rights arising under the Programme Documents on behalf of the Issuer.

14.2 The Expectancy Rights Trustee shall only intervene in accordance with clause 14.1 if and to the extent that it is assured that it will be indemnified to its satisfaction, at its discretion either by reimbursement of costs or in any other way it deems appropriate, against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors, or other experts as well as the expenses for retaining third parties to perform certain duties) and against all liability, any other obligations and legal proceedings. Clause 33 shall not be affected hereby.

15. **Power of attorney**

The Issuer hereby grants by way of security power of attorney to the Expectancy Rights Trustee, waiving the restrictions set forth in section 181 of the German Civil Code, and with the right to grant substitute power of attorney, to act in the name of the Issuer with respect to all rights of the Issuer arising under the Programme Documents (except for the rights *vis-à-vis* the Expectancy Rights Trustee). It shall expire as soon as a New Expectancy Rights Trustee has been appointed pursuant to clauses 30 through 32 and the Issuer has issued a power of attorney to such New Expectancy Rights Trustee having the same contents as the above power of attorney. The Expectancy Rights Trustee shall only act under this power of attorney in the context of its rights and obligations pursuant to this Agreement.

PART D
Duties of the Expectancy Rights Trustee after occurrence of a Foreclosure Event and enforcement and sale of Leased Vehicles and Expectancy Rights

16. **Foreclosure on the Security; Foreclosure Event**

16.1 Subject to clause 17, the Security shall be subject to enforcement and/or foreclosure upon the occurrence of a Foreclosure Event. Upon becoming aware of the occurrence of a Foreclosure Event, the Expectancy Rights Trustee shall without undue delay give notice to the Lenders, the Noteholders, and the Subordinated Lender and shall notify the Rating Agencies of the occurrence of a Foreclosure Event.

16.2 After the occurrence of a Foreclosure Event, the Expectancy Rights Trustee will at its reasonable discretion, in accordance with the rights and duties imposed on it by this Agreement and the interests of the Programme Creditors, foreclose or enforce or cause the foreclosure or the enforcement of the Security. Unless compelling grounds to the contrary exist, the foreclosure and enforcement shall be performed by collecting payments made into the Accounts from the Security or, *inter alia*, by assignment pursuant to clause 8.3(b). The provisions of the Corporate Services Agreement shall be unaffected by the foreclosure of the Security (subject to the provisions of clause 8.3.

16.3 Within fifteen (15) days after the occurrence of a Foreclosure Event, the Expectancy Rights Trustee shall give notice to the Lenders, the Noteholders, the Subordinated Lender and each Swap Counterparty, specifying the manner in which it intends to foreclose and enforce on the Security, in particular, whether it intends to sell the Security, and apply the proceeds from such foreclosure and/or enforcement to satisfy the obligations of the Issuer, subject to the Order of Priority in clause 21.2. If, within 60 days after the publication of such notice, the Expectancy Rights Trustee receives written notice from a Lender or Lenders or a Noteholder or Noteholders representing more than 66 $^{2}/_{3}$ per cent. of the outstanding principal amount of the Senior Instruments or, if no Senior Instruments are outstanding, more than 66 $^{2}/_{3}$ per cent. of the outstanding principal amount of the Junior Instruments, whereby any notice of a Lender or a Noteholder, being VW Bank GmbH and its affiliates will not be taken into account, objecting to the action proposed in the Expectancy Rights Trustee's notice, the Expectancy Rights Trustee shall not undertake or shall cease undertaking such action (other than the collection of payments on the Accounts from the Security). Furthermore, the Expectancy Rights Trustee is obliged to provide the Rating Agencies upon their request, with all relevant information pertaining to the Enforcement Event. For the avoidance of doubt, upon the occurrence of an Enforcement Event, the Expectancy Rights Trustee is not automatically required to liquidate the Purchased Expectancy Rights at market value.

17. Enforcement and Sale of Expectancy Rights and Leased Vehicles

17.1 The Expectancy Rights Trustee has been appointed to exclusively hold, *inter alia*, the Purchased Expectancy Rights. The Expectancy Rights Trustee herewith authorises the Issuer or the Relevant Security Trustee, as the case may be, to sell or enforce or to have sold or enforced, to administer and to do such other acts as are necessary in connection with the holding, administration and realisation of such Purchased Expectancy Rights assigned to the Expectancy Rights Trustee.

17.2 The Leased Vehicles relating to the Purchased Expectancy Rights which have been transferred for security purposes to the Expectancy Rights Trustee shall, following expiry or termination of the underlying Lease Contract, be sold by the Issuer or enforced by the Expectancy Rights Trustee, as follows:

(a) Prior to the occurrence of a Servicer Insolvency Event, the Issuer or the Expectancy Rights Trustee, as applicable, shall sell the Leased Vehicles either in accordance with the terms of the Repurchase Agreement or by other means and the Relevant Security Trustee consents to such sale. The Issuer's portion of the Vehicle Sale Amount or the Repurchase Price, as applicable, shall be an amount equal to the present value of the Purchased Expectancy Right under such Lease Contract.

(b) In case of excess payments over the respective sale proceeds, such excess payments shall, provided that all amounts due to the Relevant Lease Receivables Purchaser under the Relevant Receivables Purchase Agreement in the context of the Purchased Lease Receivables and all amounts due to the Issuer with respect to the Purchased Expectancy Rights have been paid, be paid to VWL.

(c) Following the occurrence of a Servicer Insolvency Event, the Relevant Security Trustee or any Person entitled to the corresponding lease receivables to the relevant Expectancy Rights and the Expectancy Rights Trustee shall be free to sell or have sold the Leased Vehicles to any third party. Proceeds resulting from such sale shall be allocated to the Issuer as follows:

(i) if the Lease Contract relating to such Leased Vehicle has prematurely ended prior to the contractual lapse of contract (*Ablauf der regulären, ursprünglich vereinbarten Leasingdauer*) for any reason other than termination (*Kündigung*) by VWL, insolvency or death of the Lessee, the Issuer's portion shall be an amount equal to the present value of the Purchased Expectancy Right under such Lease Contract; or

(ii) if the Lease Contract has prematurely ended prior to the contractual lapse of contract (*Ablauf der regulären, ursprünglich vereinbarten Leasingdauer*) because of a termination (*Kündigung*) by VWL or insolvency or death of the Lessee, the

Issuer's portion shall be an amount equal to such proceeds multiplied by a fraction expressed as a percentage

(1) the numerator of which is the present value of the Leased Vehicle's residual value determined as of the originally scheduled contractual end date of the Lease Contract as assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*) under such Lease Contract and the denominator of which is the sum of the present value of the Leased Vehicle's residual value determined on the originally scheduled contractual end date of the Lease Contract as assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*) and the present value of the remaining Purchased Lease Receivables under such Lease Contract; or

(2) to the extent the present value of the Leased Vehicle's residual value has not been assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*), the numerator of which is the present value of the contractually agreed Leased Vehicle's residual value as specified in the respective Lease Contract and the denominator of which is the sum of the present value of the contractually agreed Leased Vehicle's residual value as specified in the respective Lease Contract and the present value of the remaining Purchased Lease Receivables under such Lease Contract.

(d) In case of excess payments over the respective sale proceeds, such excess payments shall, *provided that* all amounts due to the Relevant Lease Receivables Purchaser under the Relevant Receivables Purchase Agreement in the context of the related Purchased Lease Receivables and all amounts due to the Issuer with respect to the Purchased Expectancy Rights have been paid, be paid to VWL.

(e) If a Lessee makes a combined payment on the lease receivable for all lease contracts that it has with VWL and does not instruct which payment needs to be allocated to which lease contract, then the allocation between the related Purchased Lease Receivables and the other lease receivables still held by VWL or third parties shall be made by VWL after consulting the Lessee. The Lessee will then instruct VWL how to allocate this combined payment. In case this combined payment covers the total amount of all his respective monthly instalments, VWL will allocate the payment to each contract of the Lessee in accordance with the respective payment schedules for such lease contracts.

17.3 Any proceeds allocated in accordance with clause 17.2 of this Agreement on collected Purchased Expectancy Rights (which shall include, for the avoidance of doubt, also the relevant share of the Issuer allocated in accordance with clauses 17.2(a) and 17.2(b), as applicable) shall be credited by VWL to the Distribution Account.

18. **Payments upon occurrence of the Foreclosure Event**

18.1 Upon the occurrence of a Foreclosure Event, the Security may be claimed exclusively by the Expectancy Rights Trustee. All payments from such Security hereafter shall only be made to the Expectancy Rights Trustee.

18.2 As from the Foreclosure Event, payments on the obligations of the Issuer may not be made as long as, in the opinion of the Expectancy Rights Trustee, such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer with higher rank in accordance with the Order of Priority.

18.3 In the case of payments on the Instruments or the Subordinated Loan, the Expectancy Rights Trustee shall provide the Lenders, the Noteholders and the Subordinated Lender with advance notice of the Payment Date pursuant to the Notes Conditions or the Subordinated Loan. In the case of such payment to the Lenders and/or the Noteholders (as the case may be), the Expectancy Rights Trustee is only responsible for making the relevant amount available to the Principal Paying Agent. In order to do so, the Expectancy Rights Trustee shall rely on the records of the Registrar in relation to any determination of the principal amount outstanding of each Instrument.

18.4 After all obligations under the Programme Documents have been finally discharged and paid in full the Expectancy Rights Trustee shall pay out any remaining amounts to the Issuer.

19. **Continuing Duties**

Clauses 12 through 14 shall continue to apply after the Foreclosure Event has occurred.

PART E
Accounts; Order of Priority

20. **Distribution Account; Accumulation Account; Swap Provisions**

20.1 The Distribution Account shall be used for the fulfilment of the payment obligations of the Issuer.

20.2 The Issuer shall ensure that all payments made to it shall be made by way of a bank transfer to or deposit or in any other way into the Distribution Account.

20.3 The Accumulation Account shall be used on each Payment Date to collect moneys paid under items *eleventh* and *twelfth* of the Order of Priority for the purpose of purchasing Additional Expectancy Rights at any time after such Payment Date. No principal will be paid on the Instruments during the Revolving Period, except (i) to the extent the relevant Instrument qualifies as an Amortising Instrument, or (ii) in the context of a disposal of assets by the Issuer as foreseen in clause 8.7 (*Early settlement/ Clean-up Call/ sale of Expectancy Rights to other securitisation vehicles*) of the Expectancy Rights Purchase Agreement.

20.4 The Issuer has entered into Swap Agreements to hedge the floating rate interest exposure on the respective Instrument. The Issuer may in the following situations and under the following conditions enter into new swap transactions:

(a) The Issuer may, from time to time, enter into replacement Swap Agreements with replacement Swap Counterparties in the event that a Swap Agreement is terminated prior to its scheduled expiration pursuant to an "event of default" or "termination event" under the respective Swap Agreement. The respective replacement Swap Agreement will have an initial notional amount equal to the applicable notional amount of the terminated Swap Agreement as at termination. The notional amount of the respective replacement Swap Agreement will decrease by the amount of any principal repayments on the Instruments or increase by the amount of any principal increase on the Instruments from time to time.

(b) The Issuer will use reasonable efforts to enter into new interest rate Swap Agreements upon the issuance of Further Instruments, *provided that*:

(i) Such new interest rate Swap Agreements are basically on the same terms and conditions as the existing Swap Agreements; and

(ii) It is ensured that the notional amount under the new Swap Agreement will at all times be equal to the lower of (x) the maximum notional amount under the new Swap Agreement and (y) the outstanding principal balance of the corresponding new issued or advanced Instruments.

20.5 The Servicer shall calculate and provide, by delivery of the Monthly Servicer Report written notification to each Swap Counterparty and to the Expectancy Rights Trustee of the notional amount of each Swap Agreement on each Payment Date on or before the reporting date in the month of the related Payment Date. The Interest Determination Agent shall provide the Servicer with the calculation of EURIBOR. The Servicer shall provide the calculation of EURIBOR to the Expectancy Rights Trustee under this Agreement and shall calculate the amount, for each Payment Date, of all Net Swap Payments, Net Swap Receipts and Swap Termination Payments payable in accordance with clause 21.2(a) item *sixth* below on each Payment Date and shall provide written notification of such amounts to the relevant Swap Counterparty and to the Expectancy Rights Trustee on the Servicer Report Performance Date. The parties hereto hereby acknowledge that with respect to the obligations under each Swap Agreement of the parties thereto, all calculations shall be performed by the calculation agent thereunder.

20.6 Any Swap Replacement Proceeds received by the Issuer or the Expectancy Rights Trustee on behalf of the Issuer from a replacement Swap Counterparty shall be remitted directly to the Swap Termination Payment Account and shall be applied in payment of any Swap Termination Payments to the Swap Counterparty under the initial Swap Agreement outside of the applicable Order of Priority. If Swap Replacement Proceeds are insufficient to pay in full the Swap Termination Payment due to the initial Swap Counterparty, any shortfall shall be paid in accordance with the applicable Order of Priority. If Swap Replacement Proceeds exceed the Swap Termination Payment due to the initial Swap Counterparty, any excess shall be treated as part of the Available Distribution Amount.

20.7 In the event that a Swap Counterparty is required to collateralise its obligations pursuant to the terms of the applicable Swap Agreement, the Issuer will open the Counterparty Downgrade Collateral Account with the Distribution Account Bank within ten (10) Business Days and such amounts will be held in the Counterparty Downgrade Collateral Account for such Swap Agreement and any securities deposited therein will be held by the Expectancy Rights Trustee on trust for the Swap Counterparty. The Counterparty Downgrade Collateral Account shall be separated from the Distribution Account and from the general cash flow of the Issuer. Collateral deposited in the Counterparty Downgrade Collateral Account shall not constitute Available Distribution Amounts. Amounts standing to the credit of the Counterparty Downgrade Collateral Account shall secure solely the payment obligations of the relevant Swap Counterparty to the Issuer under the applicable Swap Agreement. The amounts in the Counterparty Downgrade Collateral Account will be applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the respective Swap Agreement. Any Excess Swap Collateral owing to the respective Swap Counterparty pursuant to the relevant Swap Agreement shall not be available to Programme Creditors and shall be returned to such Swap Counterparty in accordance with the applicable Swap Agreement and outside of the Order of Priority. The Swap Counterparty shall bear any costs and expenses in connection with the Counterparty Downgrade Collateral Account. If the Issuer incurs any liabilities, costs or expenses in connection with the Counterparty Downgrade Collateral Account, the Swap Counterparty shall reimburse the Issuer immediately upon request from the Issuer.

21. **Order of Priority**

21.1 Prior to the full and unconditional discharge of all obligations of the Issuer to the Programme Creditors, any credit in the Distribution Account and the Cash Collateral Account shall be distributed exclusively in accordance with clauses 21.2 and clause 22.

21.2 In respect of the Instruments, distributions will be made on each Payment Date from the Available Distribution Amount according to the following Order of Priority:

(a) on each Payment Date prior to the occurrence of an Enforcement Event:

first, in or towards payment of amounts due and payable in respect of taxes (if any) by VCL Master Residual Value S.A. and allocated to VCL Master Residual Value S.A.'s Compartment 2;

second, in or towards payment, rateably and *pari passu*, of amounts (excluding any payments under the Trustee Claims) due and payable and allocated to VCL Master Residual Value S.A.'s Compartment 2 (i) to the Expectancy Rights Trustee under this Agreement and (ii) *pari passu* to any successor of the Expectancy Rights Trustee (if applicable) appointed pursuant to clause 30 or 31 of this Agreement or under any agreement replacing this Agreement;

third, in or towards payment of the Servicer Fee to the Servicer;

fourth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to VCL Master Residual Value S.A.'s Compartment 2 (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iii) to the Rating Agencies the fees for the monitoring, and (iv) to the English Process Agent under the process agency agreements;

fifth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to VCL Master Residual Value S.A.'s Compartment 2 (i) to the directors of VCL

Master Residual Value S.A. and (ii) in respect of other administration costs and expenses of the Issuer including without limitation, any costs relating to the listing of the Notes, or any amounts due and payable to the paying agents, any auditors' fees, any tax filing fees and any annual return which are to be allocated to Compartment 2;

sixth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Account Bank maintaining the Accounts for account management fees and amounts payable to the Cash Administrator for cash administration fees due under the Account Agreement, the Principal Paying Agent, the Registrar, the Interest Determination Agent and the Calculation Agent under the Agency Agreement, to the Custodian of any amounts due to it from the Issuer under the Custody Agreement and a Note Purchaser or Lender under the Programme Agreement;

seventh, *pari passu* and rateably as to each other on all floating rate Instruments of amounts due and payable by the Issuer to the Swap Counterparties in respect of any Net Swap Payments or any Swap Termination Payments under a Swap Agreement (if any and *provided that* a Swap Counterparty under the respective Swap Agreement is not a defaulting party (as defined in the respective Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the respective Swap Counterparty's downgrade);

eighth, *pari passu* and rateably to each other of amounts due and payable in respect of (a) interest accrued on the Senior Instruments during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all Senior Instruments;

ninth, pari passu and rateably to each other of amounts due and payable in respect of (a) interest accrued on the Junior Instruments during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all Junior Instruments;

tenth, in or towards payment to the Cash Collateral Account, until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;

eleventh, *pari passu* and rateably, in or towards payment of (a) the Instrument Amortisation Amount to each Senior Instrument and (b) an amount equal to Senior Instrument Accumulation Amount to the Accumulation Account maintained for Non-Amortising Instruments;

twelfth, *pari passu* and rateably, in or towards payment of (a) the Instrument Amortisation Amount to each of Junior Instrument and (b) an amount equal to the Junior Instrument Accumulation Amount to the Accumulation Account maintained for Non-Amortising Instruments;

thirteenth, *pari passu* and rateably as to each other in or towards payment to the Swap Counterparties of any payments due under the respective Swap Agreements other than those made under item *seventh* above, if any;

fourteenth, upon the occurrence of an Insolvency Event with respect to VWL, all remaining excess shall be transferred pro rata and pari passu to any VCL Master Distribution Account until all series of VCL Master Instruments relating to such VCL Master Distribution Account are redeemed in full;

fifteenth, *pari passu* and rateably as to each other in or towards payment to amounts due and payable in respect of (a) interest accrued during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) on the Subordinated Loan;

sixteenth, in or towards payment to the Subordinated Lender to reduce the outstanding principal amount of the Subordinated Loan; and

seventeenth, to pay all remaining excess to VWL by way of a final success fee.

(b) Distribution will be made from the Cash Collateral Account on any Payment Date prior to the occurrence of a Foreclosure Event, if and to the extent the General Cash Collateral Amount exceeds the Specified General Cash Collateral Account Balance and no Credit Enhancement Increase Condition is in effect, according to the following Order of Priority, *provided that* for any Payment Date on which a Term Takeout takes place, the Specified General Cash Collateral Account Balance shall be calculated using the aggregate outstanding principal amount of the Instruments following the redemption of the Instruments that occurs on such Payment Date as a result of such Term Takeout:

first, to the Subordinated Lender, amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);

second, to the Subordinated Lender an amount necessary to reduce the outstanding principal amount of the Subordinated Loan; and

third, all remaining excess to VWL by way of a final success fee.

(c) Following the occurrence of an Enforcement Event, distributions will be made by the Expectancy Rights Trustee from the Available Distribution Amount and from any amounts standing to the credit of the Cash Collateral Account, and according to the following Order of Priority,

first, amounts due and payable in respect of taxes (if any) by VCL Master Residual Value S.A. and allocated to VCL Master Residual Value S.A.'s Compartment 2;

second, amounts (excluding any payments under the Trustee Claim) due and payable and allocated to VCL Master Residual Value S.A.'s Compartment 2 (i) to the Expectancy Rights Trustee under this Agreement and (ii) *pari passu* to any successor of the Expectancy Rights Trustee (if applicable) appointed pursuant to clause 30 or 31 of this Agreement or under any agreement replacing this Agreement;

third, in or towards payment of the Servicer Fee to the Servicer;

fourth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to VCL Master Residual Value S.A.'s Compartment 2 (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iii) to the Rating Agencies the fees for the monitoring, and (iv) to the English Process Agent under the process agency agreements;

fifth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to VCL Master Residual Value S.A.'s Compartment 2 (i) to the directors of VCL Master Residual Value S.A. and (ii) in respect of other administration costs and expenses of the Issuer including without limitation, any costs relating to the listing of the Notes, or any amounts due and payable to the paying agents, any auditors' fees, any tax filing fees and any annual return which are to be allocated to Compartment 2;

sixth, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Account Bank maintaining the Accounts for account management fees and amounts payable to the Cash Administrator for cash administration fees due under the Account Agreement, the Principal Paying Agent, the Registrar, the Interest Determination Agent and the Calculation Agent under the Agency Agreement, to the Custodian of any amounts due to it from the Issuer under the Custody Agreement and a Note Purchaser or Lender under the Programme Agreement;

seventh, *pari passu* and rateably as to each other on all floating rate Instruments of amounts due and payable by the Issuer to the Swap Counterparties in respect of any Net Swap Payments or any Swap Termination Payments under a Swap Agreement (if any and *provided that* a Swap Counterparty under the respective Swap Agreement is not a defaulting party (as defined in the respective Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the respective Swap Counterparty's downgrade);

eighth, *pari passu* and rateably to each other towards payment of amounts due and payable in respect of (a) interest accrued on the Senior Instruments during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all Senior Instruments;

ninth, *pari passu* and rateably to the holders of Senior Instruments in respect of principal until the Senior Instruments are redeemed in full;

tenth, *pari passu* and rateably to each other towards payment of amounts due and payable in respect of (a) interest accrued on the Junior Instruments during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) pari passu and rateably as to each other on all Junior Instruments;

eleventh, *pari passu* and rateably to the holders of Junior Instruments in respect of principal until the Junior Instruments are redeemed in full;

twelfth, *pari passu* and rateably as to each other in or towards payment to the Swap Counterparties of any payments due under the respective Swap Agreements other than those made under item *seventh* above, if any;

thirteenth, upon the occurrence of an Insolvency Event with respect to VWL, all remaining excess shall be transferred to the VCL Master Distribution Account until all series of VCL Master Instruments are redeemed in full;

fourteenth, towards payment of amounts due and payable in respect of (a) interest accrued during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) on the Subordinated Loan;

fifteenth, to the Subordinated Lender until the Subordinated Loan has been redeemed in full; and

sixteenth, to pay all remaining excess to VWL by way of a final success fee.

21.3 Notwithstanding the provisions of clauses 21.1 and 22.2, (i) any proceeds arising from a Term Takeout shall not be distributed according to the Order of Priority but shall be distributed

first to the then outstanding Senior Instruments, until the Redeemable Amount of all then outstanding Senior Instruments has been redeemed in full;

second to the then outstanding Junior Instruments, until the Redeemable Amount of all then outstanding Junior Instruments has been redeemed in full;

third to the Subordinated Loan; and

fourth to VWL by way of an additional success fee.

and (ii) amounts distributed to a specific Senior Instrument or a specific Junior Instrument exceeding the amount required to redeem such Instrument in full shall be distributed to the other Senior Instruments and the other Junior Instruments, respectively, whereas in case of Non-Amortising Instruments, any redemption payments will be made in a way to redeem a certain number of Notes in their principal amount of Euro 100,000 or Schuldschein Loans in their principal amount of EUR 100,000.

22. **Cash Collateral Account; Accumulation Account**

22.1 Under the Account Agreement the Issuer has established the Cash Collateral Account at the Account Bank to be used for the initial cash collateral in an amount equal to the General Cash Collateral Amount. On each Payment Date which is also an Issue Date, VWL will fund an increase of the Cash Collateral Account with an amount equal to the Specified General Cash Collateral Account Balance. The Issuer will deposit such funds in the Cash Collateral Account at the Account Bank and has agreed to keep these accounts at all times with a bank that has Account Bank Required Ratings. In the event that the Cash Collateral Account Bank ceases to have the Account Bank Required Ratings,

the Issuer shall within sixty (60) calendar days procure transfer of the accounts held with the Cash Collateral Account Bank to an Eligible Collateral Bank which shall be appointed by the Issuer within the sixty (60) calendar day period referred to above (and the Issuer undertakes to the Relevant Security Trustee to take such action).

22.2 The Cash Collateral Account will contain a Buffer Release Reserve Ledger in which the Buffer Release Reserve will be administered. Purpose of the Buffer Release Reserve is to cover any shortfalls in case the Buffer Release Rate is a negative number. Prior to the occurrence of a Reserve Trigger Event, any shortfalls due to the fact that the Buffer Release Rate is a negative number will be mitigated by the payment obligation of the Seller to pay the Negative Buffer Release Amount in accordance with clause 17.1 of the Expectancy Rights Purchase Agreement. On any Payment Date, upon the occurrence of a Reserve Trigger Event, the Required Buffer Release Reserve Amount shall be used to pay an amount equal to the Negative Buffer Release Amount for such Payment Date and with such mitigate the fact that the Buffer Release Rate is a negative number. Therefore, prior to the service of an Enforcement Notice, an amount equal to the Negative Buffer Release Amount for relevant Payment Date shall be debited from the Buffer Release Reserve Ledger and shall form part of the Available Distribution Amount on such Payment Date and shall be applied towards any payment to be made pursuant to items *first* to *ninth* of the Order of Priority, as set out in clause 21.2(a) (*Order of Priority*) of above.

22.3 On each Payment Date amounts payable under item *tenth* of the respective Order of Priority according to clause 21.2(a) above will be paid until the amount of funds in the Cash Collateral Account is equal to the Specified General Cash Collateral Account Balance, respectively. On each Payment Date the General Cash Collateral Amount shall be used

(a) to cover any shortfalls in the amounts payable under items *first* through *ninth* of the respective Order of Priority in clause 21.2(a) above;

(b) to make payment of the amounts due and payable under clause 21.2(b) above; and

(c) on the earlier of (i) the latest occurring Legal Maturity Date of any Instrument or (ii) the date on which the Aggregate Expectancy Rights Balance has been reduced to zero, to make payment of the amounts due and payable under items *eleventh*, *twelfth*, *fifteenth* and *sixteenth* of the Order of Priority set out in clause 21.2(a).

22.4 If on any Payment Date prior to the service of an Enforcement Notice, the balance deposited on the Buffer Release Reserve Ledger exceeds the actual Required Buffer Release Reserve Amount, such excess shall be repaid directly to the Seller (whereby such excess shall not form part of the Available Distribution Amount).

22.5 Upon full and final discharge of all obligations under the Instruments and the Subordinated Loans and upon fulfilment of all claims of all Programme Creditors, VWL shall be entitled to the sums remaining in the Cash Collateral Account (including any amounts standing to the credit of the Buffer Release Reserve Ledger). All interest accrued on the Cash Collateral Account shall be segregated and shall be paid to VWL on an annual basis on the Payment Date falling in September of each calendar year. The Cash Collateral Account shall be closed as soon as all Purchased Lease Receivables as well as all Purchased Expectancy Rights and rights to Security have been realised after final payment in full of the Instruments and the Subordinated Loans. After the closing of the Cash Collateral Account, VWL is entitled to any Purchased Lease Receivables and Purchased Expectancy Rights still outstanding.

22.6 The Issuer has established at the Accumulation Account Bank the Accumulation Account to collect during the Revolving Period payments as set forth in items *eleventh* and *twelfth* of the respective Order of Priority according to clause 21.2(a). During the Revolving Period, amounts on deposit in the Accumulation Account shall be used by the Issuer for the purchase of Additional Expectancy Rights from VWL according to the terms for the purchase of the Additional Expectancy Rights as set forth in clause 4 *et seq*. of the Expectancy Rights Purchase Agreement or the relevant Additional Expectancy Rights Purchase Agreement. Interest earned on the Accumulation Account shall be paid to the Issuer in accordance with the relevant bank mandate and shall be part of the Available Distribution Amount. Upon the occurrence of an Early Amortisation Event, the Accumulation Account shall be closed on the subsequent Payment Date and any amounts on deposit in the Accumulation

Account shall form part of the Available Distribution Amount pursuant to limb (g) of the definition of Available Distribution Amount.

23. **Relation to third parties; overpayment**

23.1 In respect of the Security, the Order of Priority shall be binding on all Programme Creditors of the Issuer. In respect of other assets of the Issuer, such Order of Priority shall only be applicable internally between the Programme Creditors, the Expectancy Rights Trustee and the Issuer; in third party relationships, the rights of the Programme Creditors and the Expectancy Rights Trustee will have equal rank to those of the third-party creditors of the Issuer.

23.2 The Order of Priority set forth in clause 21 shall also be applicable if the claims are transferred to a third party by assignment, subrogation into a contract, or otherwise.

23.3 All payments to Programme Creditors shall be subject to the condition that, if a payment is made to a Programme Creditor in breach of the Order of Priority such Programme Creditor shall repay - with commercial effect to the relevant Payment Date - the received amount to the Expectancy Rights Trustee; the Expectancy Rights Trustee shall then pay - with commercial effect to the relevant Payment Date - such moneys received in the way that they were payable in accordance with the aforementioned Order of Priority on the relevant Payment Date. If such non-complying payment is not repaid on the relevant Payment Date by such Programme Creditor, following the non-complying payment or if the claim to repayment is not enforceable, the Expectancy Rights Trustee is authorised and obliged to adapt the distribution provisions pursuant to clause 21 in such a way that any over- or underpayments made in breach of clause 21 are set off by correspondingly increased or decreased payments on such Payment Date (and, to the extent necessary, on all subsequent Payment Dates).

PART F
Delegation; advisors

24. **Delegation**

24.1 In individual instances, the Expectancy Rights Trustee may, at market prices (if appropriate, after obtaining several offers), retain the services of a reputable law firm or credit institution to assist it in performing the duties assigned to it under this Agreement, by delegating the entire or partial performance of the following duties,

(a) the undertaking of individual measures pursuant to clause 14, specifically the enforcement of certain claims against the Issuer or a Programme Creditor;

(b) the foreclosure on the Security pursuant to clause 16;

(c) the settlement of payments pursuant to clause 18; and

(d) the settlement of overpayments pursuant to clause 23.

24.2 If third parties are retained pursuant to clause 24.1, the Expectancy Rights Trustee shall only be liable for the exercise of due care in the selection and supervision of the third party to a degree that the Expectancy Rights Trustee would exercise in its own affairs. The Expectancy Rights Trustee, however, shall not be liable for any negligence of the third party. In case of any damage caused by such third party, the Expectancy Rights Trustee shall enforce any claims for damages against such third party for the benefit of the Programme Creditors.

24.3 The Expectancy Rights Trustee shall promptly notify the Rating Agencies of every instruction pursuant to clause 24.1.

25. **Advisors**

25.1 The Expectancy Rights Trustee is authorised, in connection with the performance of its duties under the Funding and the Programme Documents, at its own discretion, to seek information and advice from legal counsel, financial consultants, banks, and other experts in Germany or elsewhere (and irrespective of whether such persons are already retained by the Expectancy Rights Trustee, the

Issuer, a Programme Creditor, or any other person involved in the transactions under the Instruments, the Subordinated Loans or the Programme Documents), at market prices (if appropriate, after obtaining several offers).

25.2 The Expectancy Rights Trustee may rely on such information and such advice of such external advisors without having to make its own investigations. The Expectancy Rights Trustee shall not be liable for any damages or losses caused by acting in reliance on the information or the advice of such Persons. The Expectancy Rights Trustee shall not be liable for any negligence of such Persons.

PART G
Fees; Reimbursement of expenses; indemnification; taxes

26. **Fees**

26.1 The Issuer will pay the Expectancy Rights Trustee a fee, the amount of which shall be separately agreed between the Issuer and the Expectancy Rights Trustee.

26.2 Upon the occurrence of a Foreclosure Event or a default of any party (other than the Expectancy Rights Trustee) to a Programme Document which results in that the Expectancy Rights Trustee, respectively, undertaking additional tasks, the Issuer shall pay or procure to be paid to the Expectancy Rights Trustee such additional remuneration as shall be agreed between the Issuer and the Expectancy Rights Trustee. In the event that the Issuer and the Expectancy Rights Trustee fail to agree as to whether and/or in which amount an additional remuneration shall be payable in accordance with the preceding sentence, such matters shall be determined by a bank, financial services institution or auditing firm of recognised standing (acting as an expert and not as an arbitrator) jointly determined by the Issuer and the Expectancy Rights Trustee, as applicable. The determination made by such expert shall be final and binding upon the Issuer and the Expectancy Rights Trustee, as applicable. It is understood that the additional tasks to be performed by the Expectancy Rights Trustee, as applicable, will not be delayed, but instead will be continued as if the Issuer and the Expectancy Rights Trustee, as applicable, would have agreed on a fee immediately.

27. **Reimbursement of expenses; advance**

The Issuer shall bear all reasonable costs and disbursements (including costs for legal advice and costs of other experts) incurred by the Expectancy Rights Trustee in connection with the performance of its respective duties under this Agreement, including the costs and disbursements in connection with the creation, holding, and foreclosure on the Security.

28. **Right to indemnification**

28.1 The Issuer shall indemnify the Expectancy Rights Trustee against all losses, liabilities, obligations (including any taxes (other than taxes on the Expectancy Rights Trustee's own income, profit or gains or any FATCA Deduction)), actions in and out of court, and costs and disbursements incurred by the Expectancy Rights Trustee in connection with this Agreement or any other Programme Document, unless such costs and expenses are incurred by the Expectancy Rights Trustee due to a breach of its standard of care pursuant to clause 33.

28.2 Notwithstanding any other provision of this Agreement, the Issuer will have no obligation to indemnify the Expectancy Rights Trustee for any FATCA Deductions.

29. **Taxes**

29.1 The Issuer shall bear all transfer taxes and other similar taxes or charges which are imposed in Germany or in Luxembourg on or in connection with (i) the creation, holding, foreclosure or enforcement of Security, (ii) on any measure taken by the Expectancy Rights Trustee pursuant to the Conditions, the Subordinated Loan or the Programme Documents, and (iii) the issue of the Notes and the drawings under the Schuldschein Loans, the conclusion of the Subordinated Loan Agreements or the conclusion of Programme Documents.

29.2 All payments of fees and reimbursements of reasonable expenses to the Expectancy Rights Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the

Expectancy Rights Trustee's own income, profits or gains or any FATCA Deduction, which are imposed in the future on the services of the Expectancy Rights Trustee.

PART H
Replacement of the Expectancy Rights Trustee

30. **Termination by the Expectancy Rights Trustee for good cause**

30.1 The Expectancy Rights Trustee may resign from its office as Expectancy Rights Trustee for good cause (*aus wichtigem Grund*) at any time *provided that* upon or prior to its resignation the Expectancy Rights Trustee on behalf of the Issuer, appoints a reputable bank in Germany or a reputable German auditing company and/or fiduciary company as successor and such appointee is experienced in the business of security trusteeship in Germany and assumes all rights and obligations arising from this Agreement and has been furnished with all authorities and powers that have been granted to the Expectancy Rights Trustee.

30.2 Without prejudice to the obligation of the Expectancy Rights Trustee to appoint a successor in accordance with clause 30.1, the Issuer shall be authorised to make such appointment *in lieu* of the Expectancy Rights Trustee.

30.3 The appointment of the New Expectancy Rights Trustee pursuant to clause 30.1 and 30.2 shall only take effect if (i) VWL consents to the appointment of the proposed New Expectancy Rights Trustee or withholds such consent unreasonably; and (ii) the Issuer consents to the appointment of the proposed New Expectancy Rights Trustee or withholds such consent unreasonably. Consent pursuant to number (i) above shall be deemed granted if the Issuer or the Expectancy Rights Trustee requests VWL in writing for consent to the appointment and consent is not refused by VWL within five (5) Business Days of having received the request or proof of reasonable cause for refusing to give consent is not provided within five (5) Business Days after VWL receives the request. Consent pursuant to number (ii) shall be deemed granted if the New Expectancy Rights Trustee requests the Issuer in writing for consent to the appointment and consent or proof of reasonable cause for refusing to give consent is not provided within five (5) Business Days after the Issuer receives the request.

30.4 Notwithstanding any termination pursuant to clause 30.1, the rights and obligations of the New Expectancy Rights Trustee, shall continue until the appointment of the New Expectancy Rights Trustee, has become effective and the rights pursuant to clause 32 have been assigned to it.

31. **Replacement of the Expectancy Rights Trustee**

The Issuer shall be authorised to and shall replace the Expectancy Rights Trustee with a reputable bank or a reputable German auditing company and/or law firm and/or a fiduciary company that is experienced in the business of security trusteeship in Germany, if the Issuer has been so instructed in writing by a Lender or Lenders or Noteholder or Noteholders owning at least 25 per cent. of the aggregate outstanding principal amount of all Instruments or by the Subordinated Loan. The Issuer shall notify VWL and the Rating Agencies within 30 days upon receipt of such request to replace the Expectancy Rights Trustee on the request to replace the Expectancy Rights Trustee.

32. **Transfer of Security; costs; publication**

32.1 In the case of a replacement of the Expectancy Rights Trustee pursuant to clause 30 or clause 31, the Expectancy Rights Trustee, shall forthwith transfer all assets and other rights it holds as fiduciary under this Agreement, as well as its Trustee Claim under clause 4 (including the pledge rights granted for the same pursuant to clause 6) in its capacity as trustee to the Expectancy Rights Trustee. Without prejudice to this obligation, the Issuer is hereby irrevocably authorised to effect such transfer on behalf of the Expectancy Rights Trustee, subject to the condition set forth in the first sentence.

32.2 The costs incurred in connection with replacing the Expectancy Rights Trustee pursuant to clause 30 or clause 31 shall be borne by the Issuer. If the replacement pursuant to clause 30 or clause 31 is caused by a violation of obligations of the Expectancy Rights Trustee as set out in clauses 33 and 34, the Issuer shall be entitled, without prejudice to any additional rights, to demand damages from the Expectancy Rights Trustee in the amount of such costs.

32.3 The appointment of a New Expectancy Rights Trustee in accordance with clause 30 or clause 31 shall be published without delay in accordance with the Conditions, and the Subordinated Loan, or, if this is not possible, in any other appropriate way.

32.4 The Expectancy Rights Trustee shall provide the New Expectancy Rights Trustee with a report regarding its activities within the framework of this Agreement.

PART I
Liability of the Expectancy Rights Trustee

33. Standard of care

The Expectancy Rights Trustee shall be liable for breach of its obligations under this Agreement only if and to the extent that it fails to meet the standard of care which it would exercise in its own affairs (*Sorgfalt in eigenen Angelegenheiten*).

34. Exclusion of liability

34.1 The Expectancy Rights Trustee shall not be liable for, (i) any action or failure to act of the Issuer or of other parties to the Programme Documents (including to the extent performed on behalf of the Expectancy Rights Trustee), (ii) the Instruments, the Subordinated Loan, the Purchased Lease Receivables, the Purchased Expectancy Rights, the Security, the Lease Collateral and the Programme Documents being or not being legal, valid, binding, or enforceable, or for the fairness of the provisions set forth in the Instruments, the Subordinated Loan or in the aforementioned agreements, (iii) a loss of documents related to the Purchased Rights not attributable to a violation of the standard of care set out in clause 33 of the Expectancy Rights Trustee, and (iv) – without prejudice to the provisions of clause 14 – the Seller's failure to meet all or part of its contractual obligations to submit documents to the Expectancy Rights Trustee.

34.2 No shareholder, officer or director of the Expectancy Rights Trustee shall incur any personal liability as a result of the performance or non-performance by the Expectancy Rights Trustee of its obligations hereunder. Any recourse against such a person is excluded accordingly.

PART J
Undertakings of the Issuer

35. Undertakings of the Issuer in respect of the Security

The Issuer undertakes *vis-à-vis* the Expectancy Rights Trustee,

(a) not to sell the Security and to refrain from all actions and failure to act (excluding the collection and enforcement of the Security in the ordinary course of business) which may result in a material decrease in the aggregate value or in a loss of the Security; to the extent that there are indications that a Programme Creditor does not properly fulfil its obligations under a Programme Document, the Issuer will in particular exercise the due care of a merchant (*die Sorgfalt eines ordentlichen Kaufmanns*) to take all necessary action to prevent the Security or their value from being jeopardised;

(b) to mark in its books and documents the transfer for security purposes and the pledge to the Expectancy Rights Trustee and to disclose to third parties having a legal interest in becoming aware of the transfer for security purposes and the pledge that the transfer for security purposes and the pledge has taken place;

(c) promptly to notify the Expectancy Rights Trustee if the rights of the Expectancy Rights Trustee in the Security are impaired or jeopardised by way of an attachment or other actions of third parties, by sending a copy of the attachment or transfer order or of any other document on which the enforcement of the third party is based, as well as all further documents which are required or useful to enable the Expectancy Rights Trustee to file proceedings and take other actions in defence of its rights. In addition, the Issuer shall promptly inform the attachment creditor and other third parties in writing, including by e-mail, of the rights of the Expectancy Rights Trustee in the Security; and

(d) to permit the Expectancy Rights Trustee or its representatives to inspect its books and records at any time during usual business hours for purposes of verifying and enforcing the Security, to give any information necessary for such purpose, and to make the relevant records available for inspection.

36. **Other undertakings of the Issuer**

The Issuer undertakes to,

(a) promptly notify the Expectancy Rights Trustee in writing, including by e-mail, if circumstances occur which constitute a Foreclosure Event pursuant to clause 16;

(b) submit to the Expectancy Rights Trustee at least once a year and in any event not later than 120 days after the end of its fiscal year and at any time upon demand within five days a certificate signed by a director of VCL Master Residual Value S.A. in which such director, in good faith and to the best of his/her knowledge based on the information available represents, on behalf of the Issuer, that during the period between the date the preceding certificate was submitted (or, in the case of the first certificate, the date of this Agreement) and the date on which the relevant certificate is submitted, the Issuer has fulfilled its obligations under the Instruments, the Subordinated Loan and the Programme Documents or (if this is not the case) specifies the details of any breach;

(c) give the Expectancy Rights Trustee at any time such other information it may reasonably demand for the purpose of performing its duties under this Agreement;

(d) send to the Expectancy Rights Trustee one copy in the German or the English language of any balance sheet, any profit and loss accounts, any report or notice, or any other memorandum sent out by the Issuer to its shareholder either at the time of the mailing of those documents to the shareholder or as soon as possible thereafter;

(e) send or have sent to the Expectancy Rights Trustee a copy of any notice given in accordance with the Conditions and/or the Subordinated Loan immediately, or at the latest on the day of the publication of such notice;

(f) ensure that the Principal Paying Agent notifies the Expectancy Rights Trustee immediately if it does not receive the moneys needed to discharge in full any obligation to repay the full or partial principal amount due to the Lenders, the Noteholders and/or the Subordinated Lender on any Payment Date;

(g) have at all times at least one director independent from the Seller and the Issuer's shareholders;

(h) correct any known misunderstanding regarding its separate identity;

(i) conduct its own business in its own name; and

(j) at all times ensure that its central management and control is exercised in Luxembourg.

37. **Actions of the Issuer requiring consent**

As long as the Instruments and the Subordinated Loan are outstanding, the Issuer is not authorised without prior written consent of the Expectancy Rights Trustee to,

37.1 engage in any business or activities other than,

(a) the performance of the obligations under this Agreement, the Instruments, the Subordinated Loan and the other Programme Documents and under any other agreements which have been entered or may be entered into in connection with the Funding;

(b) the enforcement of its rights;

(c) the performance of any acts which are necessary or useful in connection with (a) or (b) above; and

(d) the execution of all further documents and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Expectancy Rights Trustee, are necessary or desirable with respect to the reasonable interests of the Lenders, the Noteholders or the Subordinated Lender in order to ensure that the Conditions or the Subordinated Loan Agreements are always valid;

37.2 hold, permit to subsist any subsidiary nor form or acquire any subsidiary (unless in the case of a substitution of the Issuer pursuant to the Conditions and the Subordinated Loan);

37.3 dispose or pledge of any assets or any part thereof or interest therein and/or make, incur, assume or suffer to exist any loan, advance or guarantee to any person, unless otherwise provided in clause 37.1;

37.4 pay dividends or make any other distribution to its shareholders;

37.5 incur, create, assume or suffer to exists or otherwise become liable in respect of any indebtedness, whether present or future;

37.6 have any employees or own any real estate assets;

37.7 create or permit to subsist any mortgages, or – except as otherwise permitted by the Programme Documents – any liens, pledges or similar rights;

37.8 consolidate or merge;

37.9 materially amend its Articles of Incorporation;

37.10 issue new shares and acquire shares;

37.11 open new accounts (other than contemplated in the Programme Documents);

37.12 change its country of incorporation;

37.13 effect a substitution of the Issuer pursuant to the Conditions and the Subordinated Loan;

37.14 permit its assets to become commingled with those of any other party; or

37.15 acquire obligations or securities of its affiliates;

37.16 if the Issuer requests that the Expectancy Rights Trustee grants its consent as required pursuant to this clause 37, the Expectancy Rights Trustee may grant or withhold the requested consent at its discretion, taking into account the reasonable interests of the Programme Creditors in accordance with clause 3.1 hereof.

PART K
Miscellaneous provisions

38. Amendments

38.1 VWL will be entitled to amend any term or provision of this Agreement with the consent of the Issuer and the Expectancy Rights Trustee but without the consent of any Lender, any Noteholder, any Swap Counterparties, the Subordinated Lender or any other Person; *provided that* such amendment shall only become valid,

(a) if it is notified to the Expectancy Rights Trustee and the Rating Agencies and the Issuer and VWL have received a confirmation from the Expectancy Rights Trustee that in the sole professional judgement of the Expectancy Rights Trustee, such amendment will not be materially prejudicial to the interests of any Programme Creditor; and

(b) if any of the amendments relate to the amount, the currency or the timing of the cash-flow received by the Issuer under the Purchased Expectancy Rights, the application of such cash-flow by the Issuer, or the ranking of the Swap Counterparties in the Order of Priority, then the consent of the Swap Counterparties will be required; and

(c) in case of amendments which materially and adversely affect the interests of the Issuer, the Expectancy Rights Trustee, the Swap Counterparties or the Subordinated Lender if such parties have consented to such amendment.

38.2

(a) The Swap Counterparties and the Issuer shall be entitled,

(i) to amend the Swap Agreements to ensure that the terms hereof, and the parties obligations thereunder, are in compliance with the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation, as amended from time to time, ("**EMIR**") and/or the then subsisting technical standards under EMIR; or

(ii) to amend or waive (subject at all times to Article 15 (Dispute resolution), Chapter VII of the technical standards under EMIR (which relate to, *inter alia*, non-financial counterparties, risk-mitigation techniques for over the counter derivative contracts not cleared by a central counterparty) any of the time periods set out Part 6(c) of the schedule to the Swap Agreements.

(b) The Servicer or the relevant Programme Party(ies), as the case may be, and the Issuer shall be entitled to amend the Servicing Agreement or any other Programme Documents to ensure that the terms hereof, and the parties obligations thereunder, are in compliance with EMIR and/or the then subsisting technical standards under EMIR,

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

38.3 Notwithstanding clauses 38.1 and 38.2 VWL will be entitled to amend any term or provision of this Agreement (except for the ranking of the Instruments, any security securing the Instruments, the Legal Maturity Date, the Scheduled Repayment Date, the Instrument Revolving Period Expiration Date, any Payment Date, the Senior Instrument Interest Rate, the Junior Instrument Interest Rate or the amount of payments of any principal) with the consent of the Issuer and the Expectancy Rights Trustee, but without the consent of any Lender, any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person, if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation. Any amendment subject to this clause 38.3 shall only become valid, by giving ten (10) Business Days prior notice to the Lenders, the Noteholders and the Rating Agencies in writing, including by email.

38.4 The Expectancy Rights Trustee has the right to request a reputable law firm in the relevant jurisdiction to confirm the legal validity of such amendment and/or to describe the legal effects of such amendment and to incur reasonable expenses for such consultation which shall be reimbursed by VWL.

38.5 This Agreement may also be amended from time to time with prior notification to the Rating Agencies, in accordance with the provisions set out in sections 5 to 21 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - Schuldverschreibungsgesetz SchVG*) with

the unanimous consent of (a) the Issuer and (b) the Noteholders of each Series of Notes and the Lenders of each Schuldschein Loan for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement which materially and adversely affect the interests of the Noteholders and the Lenders of the Schuldschein Loans and/or any other Programme Creditor provided that (x) no such amendment shall reduce the interest rate or principal amount of any Note or Schuldschein Loan or delay the Scheduled Repayment Date or Legal Maturity Date of any Note or Schuldschein Loan without the consent of all Noteholders of the relevant Class or the Lenders of relevant Schuldschein Loan, and (y) provided further that if any of the amendments relate to the amount, the currency or the timing of the cash-flow received by the Issuer under the Purchased Lease Receivables and/or the Purchased Expectancy Rights and/or the Leased Vehicles, the application of such cash-flow by the Issuer, or the ranking of the Swap Counterparties in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparties, then the consent of the Swap Counterparties will be required. The manner of obtaining such consents may be either a contractual agreement to be concluded between the Issuer and all Noteholders of the Relevant Series or the Lenders of the relevant Schuldschein Loan as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - Schuldverschreibungsgesetz SchVG*) with a prior notification to the Rating Agencies or by a Noteholder's resolution adopted with unanimous consent of the Noteholders of such Series or Lenders pursuant to Sections 5 to 22 of aforementioned act, or in case of (y) only a contractual agreement between the Issuer, all Noteholders of all Series of Notes, the Expectancy Rights Trustee and each Swap Counterparty. The manner of obtaining any other consents of the Noteholders or Lenders provided for in this Agreement and of evidencing the authorisation of the execution thereof by Noteholders or Lenders will be subject to such reasonable requirements as the Expectancy Rights Trustee may prescribe, including the establishment of record dates.

IN WITNESS WHEREOF, this Agreement is duly executed and delivered on the date and the year first above written.

Annex B
MASTER DEFINITIONS SCHEDULE

The following is the text of the Master Definitions Schedule. The text will be attached as Annex to the Conditions and constitutes an integral part of the Conditions.

1. **Definitions**

1.1 The parties to this Master Definitions Schedule agree that, except where expressly stated to the contrary or where the context otherwise requires, the definitions set out below shall apply to terms or expressions referred to but not otherwise defined in each Programme Document.

2. "**12-Months Average Dynamic Net Loss Ratio**" means, for any Payment Date, a fraction, expressed as a percentage rate, the numerator of which is the sum of the Dynamic Net Loss Ratios calculated with respect to the last 12 calendar months preceding on such Payment Date and the denominator of which is 12.

"**€STR**" or "**Euro Short-Term Rate**" means the overnight rate calculated on the basis of unsecured borrowing deposit transactions carried out by ECB's money market statistical reporting agents with financial corporations calculated by the European Central Bank.

"**Accession Letter**" means a letter from a prospective purchaser of Notes or a prospective Lender substantially in the Form of Schedule 7 or Schedule 9 of the Programme Agreement.

"**Account Agreement**" means the account agreement between the Issuer, the Account Bank, the Cash Administrator and the Expectancy Rights Trustee governing the Accounts dated on or about the Signing Date.

"**Account Bank**" means the bank operating as Cash Collateral Account Bank, the Distribution Account Bank, the Swap Termination Payment Account Bank and the Accumulation Account Bank which is The Bank of New York Mellon, Frankfurt Branch.

"**Account Bank Required Ratings**" means ratings, solicited or unsolicited of:

(a) either

(i) a long-term unsecured, unguaranteed and unsubordinated debt obligations rating of "A" from DBRS, or

(ii) a DBRS Critical Obligations Rating of "A (high)" in respect of the relevant entity, or

(iii) if a public rating from DBRS is not available, a DBRS Equivalent Rating with respect to the relevant entity's capacity for timely payment of financial commitments equal to a long-term rating for unsecured and unguaranteed debt of at least "A" from DBRS, and

(b) either

(i) for a counterparty having a resolution counterparty rating, a long-term issuer credit rating of at least "BBB" from S&P Global, or

(ii) for a counterparty not having a resolution counterparty rating, a long-term issuer credit rating of at least "A" from S&P Global.

"**Accounts**" means the Cash Collateral Account, the Distribution Account, the Counterparty Downgrade Collateral Account, the Swap Termination Payment Account and the Accumulation Account, collectively.

"**Accrued Interest**" means, in respect of an Instrument and any Payment Date, the interest which has accrued on such Note up to such Payment Date.

"**Accumulation Account**" means the interest bearing account with IBAN DE53 5033 0300 8610 0697 15 held by VCL Master Residual Value S.A. with the Accumulation Account Bank.

"**Accumulation Account Bank**" means the bank operating the Accumulation Account, which is The Bank of New York Mellon, Frankfurt Branch.

"**Additional Borrowing Date**" has the meaning assigned to such term in clause 2.3 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

"**Additional Cut-Off Date**" means the last day of a Monthly Period elapsing prior to an Additional Purchase Date.

"**Additional Discounted Expectancy Rights Balance**" means, on any Additional Purchase Date, the present value on the relevant Additional Cut-Off Date of the Additional Expectancy Rights to be purchased by the Purchaser on such Additional Purchase Date, calculated by using the Expectancy Rights Discount Rate.

"**Additional Electronic File**" means an electronic data file comprising the data relevant for the identification of the Purchased Additional Expectancy Rights and the related Leased Vehicles, other than the personal data of the Lessees.

"**Additional Encrypted List**" means an encrypted electronic data file comprising the data relevant for the identification of the Purchased Additional Expectancy Rights and the related Leased Vehicles, including the personal data of the Lessees.

"**Additional Expectancy Right**" means any expectancy right (*Anwartschaftsrecht*) of the Seller in respect of a Leased Vehicle resulting from the transfer of security title to such Leased Vehicle to the Relevant Lease Receivables Purchaser under the Relevant Receivables Purchase Agreement subject to the resolutory condition (*auflösende Bedingung*) of the earlier of the security purpose contemplated in the Relevant Receivables Purchase Agreement being fulfilled or the occurrence of a Lease Contract Termination Event and purchased by the Issuer in accordance with an Additional Expectancy Rights Purchase Agreement.

"**Additional Expectancy Rights Purchase Agreement**" means any additional expectancy rights purchase agreement to be entered into at the option of VWL during the Revolving Period on an Additional Purchase Date.

"**Additional Expectancy Rights Purchase Price**" means the purchase price in relation to any Purchased Additional Expectancy Rights, the Purchased Additional Final Payment Receivables and the corresponding Additional Expectancy Rights Related Collateral which shall be equal to the sum of:

(a) (A) the sum of the relevant Senior Instrument Increase Amount and the relevant Junior Instrument Increase Amount, plus (B) any Subordinated Loan Increase Amount, and less (C) where applicable, amounts required for the endowment of the Cash Collateral Account with the respective General Cash Collateral Amount to equal the Specified General Cash Collateral Account Balance, plus

(b) (x) the Replenished Additional Expectancy Rights Balance multiplied by (y) one (1) minus the Replenished Expectancy Rights Overcollateralisation Percentage.

The Additional Expectancy Rights Purchase Price must not exceed the sum of the funds available from (without double counting):

(A) the proceeds from the issuance of Further Instruments on the respective Further Issue Date,

(B) the Senior Instrument Accumulation Amount available on such Further Issue Date,

(C) the Junior Instrument Accumulation Amount available on such Further Issue Date. and

(D) the Subordinated Loan Increase Amount for such Further Issue Date.

The Additional Expectancy Rights Purchase Price is payable by the Purchaser acting with respect to its Compartment 2 and shall, unless netted against payments due from the Seller to the Purchaser, be debited from the Accumulation Account on the Additional Purchase Date and/or funded from the advances of Further Loans or the issuance of Further Notes, as applicable.

"**Additional Expectancy Rights Related Collateral**" means rights and claims pertaining to the Additional Expectancy Rights and the corresponding Additional Final Payment Receivable, in each case without any VAT, and any substitute (*Surrogat*) thereof.

"**Additional Final Payment Receivable**" means any final payment receivable relating to an Additional Expectancy Right and identified by the relevant contract number set out in the relevant Additional Electronic File and Additional Encrypted List including, but not limited to, a Lessee's obligation to make additional payments for excess kilometres under a Closed End Lease Contract (*Vertrag ohne Gebrauchtwagenabrechnung*), and other claims due to excess usage and/or damages but excluding, for the avoidance of doubt, any receivables arising from a Lessee's option to purchase the Leased Vehicle.

"**Additional Purchase Date**" means a Payment Date falling in the Revolving Period when an additional purchase is made.

"**Additional Residual Value**" means the value of the Leased Vehicle relating to an Additional Expectancy Right as set at the inception of the respective Lease Contract as the potential value of the vehicle at the maturity date of the underlying Lease Contract as determined by VWL pursuant to its evaluation principles reflecting current used car price market developments, as applicable.

"**Adjustment Spread**" means in respect of any Substitute Reference Rate an adjustment spread which is recommended by a responsible authority or used in a material number of bonds after determination of a Benchmark Event and designed to eliminate or minimise any potential transfer of value between parties when the Substitute Reference Rate is applied and eliminate or minimise the risk of manipulation.

"**Advance**" means an advance under a Schuldschein Loan.

"**Adverse Claim**" means any mortgage, charge, pledge, hypothecation, lien, floating charge or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any Person's assets or properties in favour of any other Person.

"**Affiliate**" means, in relation to any Person, any entity controlled, directly or indirectly by the Person, any entity that controls, directly or indirectly the Person or any entity directly or indirectly under common control with such Person (for this purpose, "**control**" of any entity of Person means ownership of a majority of the voting power of the entity or Person). For the purposes of this definition, with respect to the Issuer, "**Affiliate**" does not include the Corporate Services Provider or any entities which the Corporate Services Provider controls.

"**Agency Agreement**" means the agency agreement between, *inter alios*, the Issuer, the Principal Paying Agent, the Registrar, the Calculation Agent, the Interest Determination Agent and the Expectancy Rights Trustee dated on or about the Signing Date.

"**Agents**" means the Calculation Agent, the Interest Determination Agent, the Registrar and the Principal Paying Agent, and "Agent" means any one of them.

"**Aggregate Discounted Expectancy Rights Balance**" means the sum of the Discounted Expectancy Rights Balances for all Lease Contracts in relation to the Instruments.

"**Aggregate Discounted Expectancy Rights Balance Shortfall**" has the meaning given to such term in clause 16.5 of the Expectancy Rights Purchase Agreement.

"**Aggregate Discounted Receivables Balance**" means at any date the sum of the Discounted Receivables Balances for all Lease Contracts of the Programme on such date.

"**Aggregate Redeemable Amount**" means, at any Payment Date on which Expectancy Rights are sold pursuant to clause 8.7 *(Early settlement/ Clean-Up Call/ sale of Expectancy Rights to other*

securitisation vehicles) of the Expectancy Rights Purchase Agreement, the difference between (i) the aggregate outstanding principal amount of an Instrument on the preceding Payment Date and (ii) the Targeted Remaining Senior Instrument Balance or Targeted Remaining Junior Instrument Balance, as the case may be.

"**Amortisation Factor**" means, with respect to an Amortising Instrument and a certain Payment Date, the ratio of the principal amount outstanding of such Amortising Instrument immediately before it commences amortisation as numerator and the sum of the principal amount outstanding of all Non-Amortising Instruments of the same seniority and the principal amount outstanding of all Amortising Instruments of the same seniority each as issued or advanced on the day immediately *preceding* the commencement of the amortisation of such Amortising Instrument as denominator, stated as a percentage.

"**Amortising Instrument**" means, on any Payment Date,

(a) any Instrument for which on or prior to such Payment Date the Instrument Revolving Period Expiration Date has occurred, or

(b) following the occurrence of an Early Amortisation Event, all Instruments.

"**Ancillary Rights**" means all existing and future claims and rights of the Seller under, pursuant to, or in connection with the relevant Purchased Expectancy Right and Purchased Final Payment Receivable, including, but not limited to, unilateral rights to alter legal relationships (*Gestaltungsrechte*) and damage claims arising from a breach of contract or in tort against the respective Lessee, in particular claims to lump-sum damages in case of default of the respective Lessee as well as any interest due and claims against third parties due to damage to or loss of the Leased Vehicles.

"**Applicable Insolvency Law**" means any applicable bankruptcy, insolvency or other similar law affecting creditors' rights now or hereafter in effect in any jurisdiction.

"**Arranger**" means Crédit Agricole Corporate and Investment Bank.

"**Articles of Incorporation**" means the statutes of VCL Master S.A. or the Company, as the case may be, under Luxembourg law.

"**Available Distribution Amount**" shall, on any Payment Date, be an amount equal to the sum of the following amounts,

(a) the Expectancy Rights Collection Amount, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus

(b) any interest accrued on the Accumulation Account and the Distribution Account; plus

(c) any Net Swap Receipts under the Swap Agreements and any other amounts included in the Available Distribution Amount pursuant to clause 20 (*Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement; plus

(d) payments from the Cash Collateral Account as provided for in clause 22.2 (*Cash Collateral Account*) of the Trust Agreement; plus

(e) payments from the VCL Master Distribution Account made on the immediately preceding Payment Date; plus

(f) any settlement amount received from VWL pursuant to clause 6.5(b) of the Expectancy Rights Purchase Agreement; plus

(g) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus

(h) any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Instruments in accordance with Condition 9(b); plus

(i) any amount to be debited from the Buffer Release Reserve Ledger on such Payment Date subject to and in accordance with the relevant mechanics of the Buffer Release Reserve Ledger; plus

(j) any Negative Buffer Release Amount, provided that no Reserve Trigger Event has occurred and the Buffer Release Reserve has been funded; less

(k) any Positive Buffer Release Amount, provided that no Credit Enhancement Increase Condition is in effect. For the avoidance of doubt if a Credit Enhancement Increase Condition is in effect, the Positive Buffer Release Amount will remain forming part of the Available Distribution Amount as part of the Expectancy Rights Collection Amount under limb (a) of this definition.

"**Base Prospectus**" means the base prospectus dated on or about [22 September 2026] and prepared in connection with the issue by the Issuer of the Notes.

"**Benchmark Event**" means any of the following (i) a public statement by the European Money Markets Institute that it will cease publishing EURIBOR or will not be included in the register under Article 36 of the Benchmarks Regulation permanently or indefinitely (in circumstances where no successor administrator has been appointed or where there is no mandatory administration), or (ii) a public statement by the ESMA that EURIBOR has been or will be permanently or indefinitely discontinued; or (iii) the applicability of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which the EURIBOR may no longer be used as a reference rate to determine the payment obligations under the Instruments and/or under the Swap Agreements, or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

"**Borrowing Base Cure Amount**" has the meaning given to such term in clause 16.5 of the Expectancy Rights Purchase Agreement.

"**Borrowing Date**" has the meaning assigned to such term in clause 2.1 of the Subordinated Loan Agreement.

"**Buffer Release Rate**" means, on any Payment Date, (a) a percentage rate *per annum* calculated as (i) the Expectancy Rights Discount Rate, less (ii) the weighted average (calculated on the basis of the outstanding principal amount of the Instruments and the outstanding principal amount of the Subordinated Loan as at the end of the relevant Monthly Period) of the Senior Instrument Swap Fixed Rate, the Junior Instrument Swap Fixed Rate, the Senior Instrument Fixed Rate, the Junior Instrument Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under the Swap Agreements) that would be required to swap the floating rate interest payments under the Subordinated Loan, less (iii) the Servicer Fee at a rate of 1 per cent. *per annum*, less (iv) 0.03 per cent. for any administrative cost and fees, divided by (b) 12.

"**Buffer Release Reserve**" means the cash reserve maintained on the Buffer Release Reserve Ledger from which any shortfall of payments to be made pursuant to items *first* to *ninth* of the Order of Priority, as set out in clause 21.2(a) (*Order of Priority*) of the Trust Agreement, shall be paid in accordance with the Trust Agreement.

"**Buffer Release Reserve Ledger**" means the ledger for the Buffer Release Reserve held on the Cash Collateral Account.

"**Business Day**" means any day on which the T2 System is open for business provided that this day is also a day on which banks are open for business in London and Luxembourg.

"**Business Vehicles Leasing Agreements**" means Lease Contracts generally containing VWL's leasing conditions for business vehicles.

"**Calculation Agent**" means The Bank of New York Mellon, London Branch.

"**Calculation Check Notice**" shall mean a notice to be supplied by the Calculation Agent pursuant to clause 6 (*The Calculation Agent*) of the Agency Agreement in writing.

"**Calculation Checks**" means the checks of the relevant calculations to be performed by the Calculation Agent pursuant to clause 6 (*The Calculation Agent*) of the Agency Agreement.

"**Cash Administration Services**" means the services set forth in clause 10.2 (*Cash Administration Services*) of the Account Agreement.

"**Cash Administrator**" means The Bank of New York Mellon, Frankfurt Branch.

"**Cash Collateral Account**" means the interest bearing account with IBAN DE26 5033 0300 8610 0697 16 held by the Issuer with the Cash Collateral Account Bank.

"**Cash Collateral Account Bank**" means the bank operating the Cash Collateral Account, which is The Bank of New York Mellon, Frankfurt Branch.

"**CET**" means Central European Time as being the local time in Frankfurt am Main and Luxembourg.

"**Check Information**" has the meaning ascribed to such term in clause 5.3(a) (*Limitation of liability*) of the Agency Agreement.

"**Class**" means in relation to any Series of the Notes either the Class A Notes or the Class B Notes.

"**Class A Notes**" means the class A notes of a given Series of Notes.

"**Class B Notes**" means the Class B notes of the given Series of Notes.

"**Clean-Up Call**" means with respect to VCL Master Instruments and/or Instruments VWL's right at its option to exercise a clean-up call when the Clean-Up Call Condition is satisfied.

"**Clean-Up Call Condition**" means that, under the Expectancy Rights Purchase Agreements and after the end of the Revolving Period, VWL will have the option to exercise a Clean-Up Call and to repurchase the Purchased Expectancy Rights on any Payment Date when the Aggregate Discounted Expectancy Rights Balance is on a Payment Date less than 10 per cent. of the Aggregate Discounted Expectancy Rights Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, *provided that* all payment obligations under the Instruments will be fulfilled by the proceeds of such repurchase.

"**Clean-Up Call Settlement Amount**" means the lesser of:

(a) an amount equal to the outstanding Discounted Expectancy Rights Balance which would have become due if the Clean-Up Call had not occurred, calculated as at the last calendar day of the month in which the repurchase is to become effective; and

(b) an amount equal to the theoretical present value of each Purchased Expectancy Right remaining to be paid in the future, calculated by discounting such amount using the Expectancy Rights Discount Rate on the basis of a 360-day year (each month consisting of 30 days), which discount rate is determined by reference to: (i) the weighted average (calculated on the basis of the outstanding principal amount of the Instruments and the outstanding principal amount of the Subordinated Loan as at the end of the relevant Monthly Period) of the Senior Instrument Swap Fixed Rate, the Junior Instrument Swap Fixed Rate, the Senior Instrument Fixed Rate, the Junior Instrument Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under the Swap Agreements) that would be required to swap the floating rate interest payments under the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. *per annum*, and plus (iii) 0.03 per cent. for administrative costs and fees. It shall be calculated as at the last calendar day of the month in which the repurchase is to become effective.

For the purposes of calculating the Clean-Up Call Settlement Amount, the risk of losses inherent to the relevant Purchased Expectancy Rights shall be taken into account on the basis of the risk status of such Purchased Expectancy Rights assessed by VWL immediately prior to the repurchase becoming effective.

"**Closed End Lease Contract**" means any closed end Lease Contract (*Vertrag ohne Gebrauchtwagenabrechnung*), i.e. a Lease Contract with a fixed residual value (based on the contractual mileage and term of the contract).

"**Closing Date**" means 25 November 2015.

"**Common Terms**" means the common terms set out under the heading Common Terms in the Incorporated Terms Memorandum and incorporated into the Programme Documents by reference.

"**Company**" means VCL Master Residual Value S.A. acting with respect to its Compartment 2.

"**Compartment**" means a compartment of VCL Master Residual Value S.A. within the meaning of the Luxembourg Securitisation Law.

"**Compensation Payment**" means, until a Servicer Insolvency Event has occurred, the compensation payment payable (i) by VWL to the Issuer for the negative difference of the Discounted Expectancy Rights Balance before and after extensions, deferrals, amendments, modifications or adjustments on a Lease Contract taking into account all instalments affected by such amendment or (ii) by the Issuer to VWL for the positive difference of the Discounted Expectancy Rights Balance before and after extensions, deferrals, amendments, modifications or adjustments on a Lease Contract taking into account all instalments affected by such amendment.

"**Conditions**" means the Loan Conditions and the Notes Conditions.

"**Confirmation Letter**" means a letter from the Issuer substantially in the Form of Schedule 8 or Schedule 10 of the Programme Agreement.

"**Corporate Services Agreement**" means the corporate services agreement entered into by VCL Master Residual Value S.A. and the Corporate Services Provider on or about the Signing Date, as amended and restated from time to time, under which the Corporate Services Provider is responsible for the day to day activities of VCL Master Residual Value S.A, and shall provide secretarial, clerical, administrative and related services to VCL Master Residual Value S.A. and maintain the books and records of VCL Master Residual Value S.A. in accordance with applicable laws and regulations of Luxembourg.

"**Corporate Services Provider**" means Circumference FS (Luxembourg) S.A.

"**Counterparty Downgrade Collateral Account**" means, as the case may be, the account to be opened with the Distribution Account Bank (and each sub-account in respect thereof) upon the downgrade of a Swap Counterparty's rating and the securities account to be opened pursuant to the Custody Agreement.

"**CRA3**" means the Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies.

"**Credit Enhancement Increase Condition**" shall be deemed to be in effect if, (a) the Dynamic Net Loss Ratio for three consecutive Payment Dates exceeds (i) 0.40 per cent. if the Weighted Average Seasoning is less than 12 months, (ii) 1.00 per cent. if the Weighted Average Seasoning is between 12 months (inclusive) and 24 months (inclusive), (iii) 2.00 per cent. if the Weighted Average Seasoning is between 24 months (exclusive) and 36 months (inclusive), or (iv) 2.80 per cent. if the Weighted Average Seasoning is greater than 36 months; or (b) the 12-Months Average Dynamic Net Loss Ratio exceeds 0.15 per cent. or (c) if the Late Delinquency Ratio exceeds 1.50 per cent. on any Payment Date, provided that this event will be waived following a Term Takeout if the Issuer receives a confirmation from each Rating Agency that the sale of the Expectancy Rights will not result in a downgrade of the outstanding Rated Instruments on or before the Payment Date immediately following the occurrence of such event; or (d) in case of the occurrence of a Servicer Replacement Event; or (e) in case of the occurrence of an Insolvency Event with respect to VWL; or (f) in respect of VCL Master S.A., the VCL Master Cash Collateral Account does not contain the VCL Master Specified General Cash Collateral Account Balance on two consecutive Payment Dates; or (g) in respect of the Issuer the Cash Collateral Account does not contain the Specified General Cash Collateral Account Balance on two consecutive Payment Dates; or (h) any Repurchase Price has not

been paid by the Seller on the respective Repurchase Date or (i) VWL fails to pay the Negative Buffer Release Amount when due, and such failure continues unremedied for a period of thirty (30) calendar days; or (j) VWL fails to fund the Buffer Release Reserve in an amount such that the balance on the Buffer Release Reserve Ledger is equal to the Required Buffer Release Reserve Amount within thirty (30) calendar days following the occurrence of a Reserve Trigger Event.

"**CSSF**" means the Commission de Surveillance du Secteur Financier of Luxembourg.

"**Current Aggregate Discounted Expectancy Rights Balance**" has the meaning given to such term in clause 16.4(a) of the Expectancy Rights Purchase Agreement.

"**Custodian**" means The Bank of New York Mellon, London Branch.

"**Custody Agreement**" means the agreement entered into on or about 23 November 2015 between the Issuer and the Custodian on opening and maintaining a securities account.

"**Cut-Off Date**" means each of the Initial Cut-Off Date and each Additional Cut-Off Date.

"**Data Protection Rules**" means, collectively, the rules of German banking secrecy (*Bankgeheimnis*), the provisions of the German Federal Data Protection Act (*Bundesdatenschutzgesetz*), the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*), the General Data Protection Regulation (*Datenschutzgrundverordnung*) and the provisions of Circular 4/97 (*Rundschreiben 4/97*) of the German Federal Financial Supervisory Authority, and any other applicable data protection law, as such rules are binding VWL in its capacity as a German financial institution (*Finanzdienstleistungsinstitut*) with respect to the Lease Receivables and the Lease Collateral from time to time.

"**Data Protection Trust Agreement**" means the data protection trust agreement entered into on 20 September 2018, as amended and restated from time to time, by the Seller, the Data Protection Trustee, the Expectancy Rights Trustee and the Issuer.

"**Data Protection Trustee**" means Amsterdamsch Trustee's Kantoor B.V.

"**DBRS**" means DBRS Ratings GmbH or any successor to its rating business.

"**DBRS Critical Obligations Rating**" or "**COR**" means, in relation to a relevant entity, the public or private rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. A COR assigned by DBRS to the relevant entity will be indicated on the website of DBRS (www.dbrs.com).

"**DBRS Equivalent Chart**" means:

DBRS	Moody's	S&P Global	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC

CCC	Caa2	CCC	
CCC(low)	Caa3	CCC-	
CC	Ca	CC	
		C	
D	C	D	D

"**DBRS Equivalent Rating**" means with respect to any issuer rating or senior unsecured debt rating (or other rating equivalent), (i) if a Fitch public rating, a Moody's public rating and a S&P Global public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and the lowest rating have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, but public ratings by any two of Fitch, Moody's and S&P Global are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) or paragraph (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P Global is available, such rating will be the DBRS Equivalent Rating (upon conversion on the basis of the DBRS Equivalent Chart).

"**Delinquent Lease Contract**" means each and any Lease Contract for which (i) one or more Lease Receivable instalments are overdue, or (ii) where VWL has terminated such Lease Contract.

"**Delinquent Lease Receivables**" means each and any Lease Receivables for which one or more scheduled instalments are overdue.

"**Determination Date**" means the second (2nd) Business Day prior to the first (1st) day of a Monthly Period.

"**Discount Rate Variation Option**" has the meaning given to such term in clause 16.1 of the Expectancy Rights Purchase Agreement.

"**Discount Rate Variation Option Notice**" has the meaning given to such term in clause 16.6(b) of the Expectancy Rights Purchase Agreement.

"**Discounted Balance**" means the Discounted Expectancy Rights Balance plus the Discounted Receivables Balance.

"**Discounted Expectancy Rights Balance**" means as of the end of any Monthly Period the present value of the remaining residual value represented by the Expectancy Rights, calculated using the Expectancy Rights Discount Rate.

"**Discounted Receivables Balance**" means as of the end of any Monthly Period the present value of the remaining Lease Receivables (excluding any Written Off Purchased Lease Receivables), calculated using Lease Receivables Discount Rate.

"**Distribution Account**" means the interest bearing account with IBAN DE80 5033 0300 8610 0697 14 held by the Issuer with the Distribution Account Bank.

"**Distribution Account Bank**" means the bank operating the Distribution Account, which is The Bank of New York Mellon, Frankfurt Branch.

"**Drawdown Request**" means the drawdown request as set out in Annex G of the Procedures Memorandum.

"**Drawing**" means any drawing under the Senior Schuldschein Loans and the Junior Schuldschein Loans by the Issuer from the Lenders on the respective Issue Date.

"**Dynamic Net Loss Ratio**" means, for any Payment Date, a fraction, expressed as a percentage rate, the numerator of which is the sum of the Discounted Receivables Balance of all Lease Receivables (including Lease Receivables which were not received on time and Lease Receivables remaining to be paid in the future) at the time they were charged-off by the Servicer in accordance with its customary practices (and just before they became Written Off Purchased Leased

Receivables), as measured during the Monthly Period and the denominator of which is the Aggregate Discounted Receivables Balance as of the beginning of the Monthly Period.

"**Early Amortisation Event**" shall mean any of the following, (i) the occurrence of a Foreclosure Event, (ii) the amounts deposited in the Accumulation Account on three consecutive Payment Dates exceed 15 per cent. of the Aggregate Discounted Expectancy Rights Balance, after application of the relevant Order of Priority on such Payment Date, (iii) the Credit Enhancement Increase Condition is in effect, (iv) failure by the Issuer, following an event of default or a termination event (as defined in the applicable Swap Agreement), to enter into a replacement Swap Agreement or failure by the respective Swap Counterparty to post collateral, in each case within the time period specified in the applicable Swap Agreement, (each as provided for in clause 20 (*Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement) or to take other measures to prevent a downgrade of the Instruments, (v) the Senior Instrument Actual Overcollateralisation Percentage is determined as being lower than 42.30 per cent. or the Junior Instrument Actual Overcollateralisation Percentage is determined as being lower than 31.30 per cent. on two consecutive Payment Dates, provided that no tap-up will be allowed on any Payment Date where such event is continuing (vi) the occurrence of an Early Amortisation Event in respect of the VCL Master Revolving Period or (vii) VWL ceases to be an Affiliate of the Parent or any successor thereto.

"**EC Treaty**" means the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001) and as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007 and in force since 1 December 2009).

"**EEA**" means the European Economic Area established under the "The Agreement creating the European Economic Area" entered into force on 1 January 2004.

"**Eligible Collateral Bank**" means an international recognised bank with the Account Bank Required Ratings.

"**Eligible Swap Counterparty**" means any entity

(a) the long-term unsecured, unguaranteed and unsubordinated debt obligations or DBRS Critical Obligations Rating of which are rated by DBRS at least (i) "A" or (ii) "BBB" and which posts collateral in the amount and manner set forth in the Swap Agreement; or which obtains a guarantee from a person having long-term unsecured, unguaranteed and unsubordinated debt obligations of which are rated by DBRS at least (x) "A" or (y) "BBB" and, in the case of a rating required pursuant to (y), posts collateral in the amount and manner set forth in the Swap Agreement; or in each case, if the relevant entity's long-term unsecured, unguaranteed and unsubordinated debt obligations are not rated by DBRS or such entity does not have a DBRS Critical Obligations Rating, if applicable, such debt obligations have at least a DBRS Equivalent Rating corresponding to the ratings required pursuant to (i) or (ii) above, respectively; and

(b) having (i) a rating of not less than the counterparty ratings for the S&P Collateral Framework Option then in effect pursuant to the Swap Agreement; or (ii) having the Minimum S&P MTM Collateralised Counterparty Rating (as defined in the Swap Agreement) or the Minimum S&P VB Collaterised Counterparty Rating (as defined in the Swap Agreement) and posts collateral in the amount and manner set forth in the Swap Agreement or (iii) obtaining a guarantee from a party having the minimum required counterparty ratings for the S&P Collateral Framework Option then in effect.

"**Enforcement Event**" means a Foreclosure Event and the Expectancy Rights Trustee has served an Enforcement Notice upon the Issuer.

"**Enforcement Notice**" means a notice delivered by the Expectancy Rights Trustee on the Issuer upon the occurrence of a Foreclosure Event (in the sole judgement of the Expectancy Rights Trustee upon request of the Noteholders and Lenders holding not less than 66 $^{2}/_{3}$ per cent. of the outstanding principal amount of the Senior Instruments or, if no Senior Instruments are outstanding, more than 66 $^{2}/_{3}$ per cent. of the outstanding principal amount of the Junior Instruments, whereby Instruments

owned by VW Bank or its affiliates, if any, will not be taken into account for the determination of the required majority of 66 $^{2}/_{3}$ per cent. of the outstanding principal amount of the Instruments) stating that the Expectancy Rights Trustee commences with the enforcement of the Security pursuant to the procedures set out in the relevant Security Documents.

"**Enforcement Proceeds**" means the proceeds from the realisation of Leased Vehicles in respect of Purchased Lease Receivables and Purchased Expectancy Rights and from the enforcement of any other Lease Collateral.

"**English Process Agent**" means CSC Capital Markets UK Limited.

"**ESMA**" means the European Securities and Markets Authority.

"**ESTR**" means Euro Short-Term Rate.

"**EU**" means the European Union.

"**EU Member State**" means, as the context may require, a member state of the European Union or of the European Economic Area.

"**EUR**" or "**EURO**" or "**€**" means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

"**EURIBOR**" (Euro Interbank Offered Rate) means for each Interest Accrual Period, except as provided below, the offered quotation (expressed as a percentage rate *per annum*) for deposits in Euro for that Interest Accrual Period which appears on the Reuters 3000 page EURIBOR01 (the "**Screen Page**") as of 11:00 a.m. (Brussels time) on the second Business Day prior to the commencement of the relevant Interest Accrual Period.

(a) If the Screen Page is not available or if no such quotation appears thereon, in each case as at such time, the Interest Determination Agent shall in consultation with the Issuer determine EURIBOR on the basis of such other screen rate as agreed between the Issuer and the Interest Determination Agent. If the Interest Determination Agent cannot determine EURIBOR on the basis of such other screen rate as agreed, EURIBOR shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page on the last day preceding the second Business Day prior to the commencement of the relevant Interest Accrual Period on which such quotations were offered.

(b) Following a Benchmark Event, the Servicer, on behalf of the Issuer, shall be entitled, in coordination with the Expectancy Rights Trustee, to determine a Substitute Reference Rate in its due discretion which shall replace the EURIBOR affected by such Benchmark Event. Any Substitute Reference Rate shall apply from (and including) the interest determination date determined by the Issuer in its due discretion, which shall be no earlier than on the second Business Day, prior to the commencement of the relevant Interest Accrual Period, falling on or immediately following the date of the Benchmark Event, with first effect for the Interest Accrual Period for which the Senior Instrument Floating Rate and the Junior Instrument Floating Rate, as the case may be, is determined. If the Servicer, on behalf of the Issuer, decides to determine a Substitute Reference Rate, the Servicer, on behalf of the Issuer, in coordination with the Expectancy Rights Trustee, shall weigh up the interests of the Noteholders and the Lenders, any Swap Counterparty and the Issuer's own interests and determine the Substitute Reference Rate and any adjustment, if any, in a manner that to the greatest possible extent upholds the economic character of the Instruments for either side (the "**Substitution Objective**"). Notwithstanding the generality of the foregoing, the Servicer, on behalf of the Issuer, will in the following sequential order:

(i) *firstly*, implement an Official Substitution Concept;

(ii) secondly, if paragraph (i) above is not available, implement an Industry Solution; or

(iii) *thirdly*, if paragraphs (i) and (ii) above are not available, implement a Generally Accepted Market Practice; or

(iv) *fourthly*, if paragraphs (i) to (iii) above are not available, apply any unsecured or secured overnight money market reference rate calculated by the European Central Bank or any other third party on swap basis (overnight index swap – OIS); or

(v) *fifthly*, if paragraphs (i) to (iv) above are not available, determine €STR for the Relevant Period to be the Substitute Reference Rate.

(c) If the Servicer, on behalf of the Issuer, determines a Substitute Reference Rate, it shall also be entitled to make, in its due discretion, any such procedural determinations relating to the determination of the current Substitute Reference Rate (e.g. the interest determination date, the relevant time, the relevant screen page for obtaining the Substitute Reference Rate and the fallback provisions in the event that the relevant screen page is not available) and to make such adjustments to the definition of "Business Day" in and the business day convention provisions in which in accordance with the generally accepted market practice are necessary or expedient to make the substitution of the EURIBOR by the Substitute Reference Rate operative. To the extent that the Servicer applies a Substitute Reference Rate, the Servicer, on behalf of the Issuer, shall be entitled to determine an Adjustment Spread, if applicable.

If the Servicer (on behalf of the Issuer) uses an overnight rate as Substitute Reference Rate in accordance with (i) above, the interest rate shall be a quote-based rate for tradable EUR interest swaps derived from the respective overnight rate looking forward (rate for overnight indexed swaps) for the relevant Interest Accrual Period calculated on such date as determined by the Servicer (on behalf of the Issuer) in its reasonable discretion and in accordance with prevailing market standards, if any.

The Servicer, on behalf of the Issuer, is entitled, but not obliged, to determine, in its due discretion, a Substitute Reference Rate pursuant to this provisions several times in relation to the same Benchmark Event, *provided that* each later determination is better suitable than the earlier one to realise the Substitution Objective and each determination shall be subject to prior coordination with the Expectancy Rights Trustee. This paragraph shall apply *mutatis mutandis* in the event of a Benchmark Event occurring in relation to any Substitute Reference Rate previously determined by the Servicer, on behalf of the Issuer.

If the Servicer, on behalf of the Issuer, has determined a Substitute Reference Rate following the occurrence of a Benchmark Event, it will cause the occurrence of the Benchmark Event, the Substitute Reference Rate determined by it and any further determinations of it pursuant to this paragraph associated therewith to be notified to the Interest Determination Agent, the Paying Agent, the Luxembourg Stock Exchange, the Lenders and to the Noteholders in accordance with Note Condition 11 and the respective Loan Condition as soon as possible, but in no event later than two Business Days following the determination of the Substitute Reference Rate but in no event later than the first day of the Interest Accrual Period to which the Substitute Reference Rate applies for the first time. For the avoidance of doubt, if the Servicer, on behalf of the Issuer, should not determine a Substitute Reference Rate, the fallback provisions pursuant to paragraph (a) above shall apply.

(d) For the purpose of this definition the following definitions shall apply:

"**Generally Accepted Market Practice**" means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the EURIBOR or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the EURIBOR in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the EURIBOR as reference rate for the determination of payment obligations.

"**Industry Solution**" means any statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Kreditwirtschaft (DK), the Bundesverband

Öffentlicher Banken Deutschlands (VÖB), the Deutsche Sparkassen- und Giroverband (DSGV), the Bundesverband deutscher Banken (BdB), the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), the Deutscher Derivate Verband (DDV) or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the EURIBOR or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the EURIBOR.

"**Official Substitution Concept**" means any binding or non-binding statement by any central bank, supervisory authority or supervisory or expert body of the financial sector established under public law or composed of publically appointed members pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the EURIBOR or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the EURIBOR.

"**Relevant Period**" means the number of weeks until an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practice has been implemented.

"**Eurosystem**" comprises the European Central Bank and the national central banks of those countries that have adopted the euro.

"**Euro-zone**" means the region comprising member states of the European Union that have adopted the single currency, the euro, in accordance with the EC Treaty.

"**EU Insolvency Regulation**" means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast), as amended by Regulation (EU) 2021/2260 of the European Parliament and of the Council of 15 December 2021.

"**EUWA**" means the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020.

"**Event of Default**" has the meaning ascribed to such term in clause 11 of the Subordinated Loan Agreement.

"**Excess Swap Collateral**" means, in respect of a Swap Agreement, an amount (which shall be transferred directly to the Swap Counterparty in accordance with the Swap Agreement) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Swap Counterparty to the Issuer pursuant to the Swap Agreement exceeds the Swap Counterparty's liability under the Swap Agreement as at the date of termination of the Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Swap Agreement.

"**Expectancy Rights**" means the Initial Expectancy Rights and/or the Additional Expectancy Rights to be allocated to VCL Master Residual Value S.A.

"**Expectancy Rights Collection Amount**" means (a) the proceeds from the realisation of Leased Vehicles (including any amounts received by the Issuer under the Repurchase Agreement) which have been allocated to the Issuer pursuant to clause 17 (*Enforcement and Sale of Expectancy Rights and Leased Vehicles*) of the Trust Agreement; plus (b) any payments received under Purchased Final Payment Receivables for the respective Monthly Period; plus, (c)(i) Compensation Payments, Settlement Amounts related to the relevant Purchased Expectancy Right, Insurance Proceeds allocated to the relevant Purchased Expectancy Right and Clean-Up Call Settlement Amounts paid by VWL to the Issuer minus (ii) Compensation Payments paid by the Issuer to VWL; plus (d) any Monthly Collateral for the respective Monthly Period, unless VWL has transferred the collections referred to in (a) and (b) for the respective Monthly Period to the Distribution Account.

"**Expectancy Rights Discount Rate**" means initially 6.84 per cent or any discount rate as agreed in accordance with clause 16 of the Expectancy Rights Purchase Agreement.

"**Expectancy Rights Purchase Agreement**" means the expectancy rights purchase agreement dated 23 November 2015, as amended and restated from time to time, and entered into between the Purchaser, the Seller and the Expectancy Rights Trustee.

"**Expectancy Rights Related Collateral**" means the Initial Expectancy Rights Related Collateral and/or the Additional Expectancy Rights Related Collateral.

"**Expectancy Rights Trustee**" means Intertrust Trustees Limited.

"**Expenses**" has the meaning as set out in clause 13.1 (*Indemnity and liability*) of the Account Agreement or in clause 9.1 (*Indemnity and liability*) of the Agency Agreement, respectively.

"**Extension Letter**" means an extension letter by the Issuer to the respective Noteholder in a form as attached as Schedule 1 to the Note Conditions.

"**FATCA**" means:

(a) sections 1471 to 1474 of the US Internal Revenue Code and the Treasury regulations and official guidance issued thereunder, as amended from time to time ("US FATCA");

(b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with US FATCA (an "IGA");

(c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of US FATCA or an IGA ("Implementing Law"); and

(d) any agreement entered into with the US Internal Revenue Service, the US government or any governmental or Tax authority in any other jurisdiction in connection with US FATCA, an IGA or any Implementing Law;

"**FATCA Deduction**" means a deduction or withholding from a payment under a Programme Document required by FATCA;

"**Final Discharge Date**" means the Date on which the Expectancy Rights Trustee notifies the Issuer and the Programme Creditors that it is satisfied that all the Secured Obligations and/or all other monies and other liabilities due or owing by the Issuer have been paid or discharged.

"**Final Payment Receivables**" means the Initial Final Payment Receivables and/or the Additional Final Payment Receivables.

"**Final Terms**" means the final terms to the Base Prospectus, which will be prepared for each issue of Notes.

"**Fitch**" means Fitch Ratings Limited, or any successor to its rating business.

"**Foreclosure Event**" means any of the following events,

(a) with respect to VCL Master Residual Value S.A. an Insolvency Event occurs; or

(b) the Issuer does not pay any interest on the most senior Instruments then outstanding on any relevant Payment Date and such failure to pay continues for a period of five (5) Business Days; or

(c) the Issuer defaults in the payment of principal of any Instrument on the Legal Maturity Date.

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

"**FSMA**" means the United Kingdom Financial Services and Markets Act 2000.

"**Funding**" means the Instruments and the Subordinated Loan.

"**Further Discounted Expectancy Rights Balance**" means on each Payment Date, the Additional Discounted Expectancy Rights Balance of the Purchased Additional Expectancy Rights sold under the Additional Expectancy Rights Purchase Agreement less the Replenished Additional Expectancy Rights Balance.

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

"**Further Expectancy Rights Overcollaterisation Percentage**" means 3.00 per cent.

"**Further Instruments**" means Further Notes and Further Loans, collectively.

"**Further Issue Date**" means each day which shall be a Payment Date on which Further Instruments are issued or advanced, as applicable, *provided that* with respect to each existing Instrument such date shall in no event be later than the Payment Date immediately preceding the Instrument Revolving Period Expiration Date applicable to such Instrument (excluding, for the avoidance of doubt, in respect of an Instrument, the first issuance of Notes of a particular Series or drawings under a Schuldschein Loan).

"**Further Loans**" means any Senior Schuldschein Loan or Junior Schuldschein Loan advanced to the Issuer on any Further Issue Date.

"**Further Notes**" means any notes of each series of any Class of the asset backed notes issued by the Issuer on any Further Issue Date.

"**Future Discounted Expectancy Rights Balance**" means, at the beginning of a Monthly Period, the present value of the Purchased Expectancy Rights scheduled to be paid in the future, calculated using a discount rate equal to the Expectancy Rights Discount Rate.

"**General Data Protection Regulation**" means Regulation (EU) 2016/679 of 27 April 2016.

"**General Cash Collateral Amount**" means all funds in the Cash Collateral Account (other than any funds standing to the credit of the Buffer Release Reserve Ledger).

"**German Banking Act**" means the banking act (*Kreditwesengesetz*) of Germany, as amended or restated from time to time.

"**German Civil Code**" or "**BGB**" means the civil code (*Bürgerliches Gesetzbuch*) of Germany, as amended or restated from time to time.

"**German Commercial Code**" or "**HGB**" means the commercial code (*Handelsgesetzbuch*) of Germany, as amended or restated from time to time.

"**German Federal Financial Supervisory Authority**" means the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), including its predecessors and any potential successor(s).

"**German Tax Residents**" means Persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany.

"**Germany**" means the Federal Republic of Germany.

"**Global Notes**" means in respect of each Class of Notes the global registered notes without coupons attached representing each such Class as more specifically described in Condition 1(b).

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to a government, including without limitation any court, and any Person owned or controlled, through

stock or capital ownership or otherwise, by any of the foregoing including for the avoidance of doubt the German Federal Financial Supervisory Authority.

"**Incorporated Terms Memorandum**" means the memorandum signed by the Programme Parties on or about 21 February 2014 for the purposes of identification, as amended and restated from time to time.

"**Initial Advance**" means the advance of the Initial Loans to the Issuer.

"**Initial Class A Notes**" means any Class A Notes issued by the Issuer on the relevant Initial Issue Date.

"**Initial Class B Notes**" means any Class B Notes issued by the Issuer on the relevant Initial Issue Date.

"**Initial Cut-Off Date**" means 31 October 2015.

"**Initial Electronic File**" means an electronic data file comprising the data relevant for the identification of the Initial Expectancy Rights purchased on the Closing Date and the related Leased Vehicles, other than the personal data of the Lessees.

"**Initial Encrypted List**" means an encrypted electronic data file comprising the data relevant for the identification of the Initial Expectancy Rights purchased on the Closing Date and the related Leased Vehicles, including the personal data of the Lessees.

"**Initial Expectancy Right**" means any expectancy right (*Anwartschaftsrecht*) of the Seller in respect of a Leased Vehicle resulting from the transfer of security title to such Leased Vehicle to the Relevant Lease Receivables Purchaser under the Relevant Receivables Purchase Agreement subject to the resolutory condition (*auflösende Bedingung*) of the earlier of the security purpose contemplated in the Relevant Receivables Purchase Agreement being fulfilled or the occurrence of a Lease Contract Termination Event and purchased by the Issuer in accordance with clause 2 of the Expectancy Rights Purchase Agreement.

"**Initial Expectancy Rights Purchase Date**" means 25 November 2015.

"**Initial Expectancy Rights Purchase Price**" means the purchase price in relation to any Purchased Initial Expectancy Rights, the Purchased Initial Final Payment Receivables and the corresponding Initial Expectancy Rights Related Collateral calculated as follows, the purchase price must not exceed the sum of the funds available from (without double counting) (A) the issuance of Initial Notes and (B) amounts available under the Subordinated Loan, in each case on the Initial Expectancy Rights Purchase Date. The Initial Expectancy Rights Purchase Price to be paid by the Purchaser shall equal the sum of the Initial Residual Values discounted by the Expectancy Rights Discount Rate, less (i) amounts required for overcollateralisation purposes, less (ii) the amount as set forth in connection with the issuance of the Initial Notes for the endowment of the Cash Collateral Account to equal the Specified General Cash Collateral Account Balance and less (iii) certain costs related to the issue of the Initial Notes, plus statutory VAT (if applicable) whereby payment of VAT is deferred according to clause 3.4 (*Transfer of title to the purchased Initial Expectancy Rights*) of the Expectancy Rights Purchase Agreement. The Initial Expectancy Rights Purchase Price without any applicable statutory VAT shall be funded by the issuance of Further Instruments and amounts available under the Subordinated Lender. For the avoidance of doubt, no Initial Expectancy Rights Purchase Price shall be paid by the Purchaser for Initial Expectancy Rights which are transferred to the Purchaser for overcollateralisation purposes (*zusätzliche Absicherung von Portfoliorisiken*).

"**Initial Expectancy Rights Related Collateral**" means rights and claims appertaining to the Initial Expectancy Rights and the corresponding Initial Final Payment Receivable, in each case without any VAT, and any substitute (*Surrogat*) thereof.

"**Initial Final Payment Receivable**" means any final payment receivable relating to an Initial Expectancy Right and identified by the relevant contract number set out in the relevant Initial Electronic File and the Initial Encrypted List including, but not limited to, a Lessee's obligation to make additional payments for excess kilometres under a Closed End Lease Contract (*Vertrag ohne*

Gebrauchtwagenabrechnung), and other claims due to excess usage and/or damages but excluding, for the avoidance of doubt, any receivables arising from a Lessee's option to purchase the Leased Vehicle.

"**Initial Instruments**" means the Initial Notes and the Initial Loans.

"**Initial Issue**" means the Initial Class A Notes and the Initial Class B Notes issued by the Issuer on the relevant Initial Issue Date.

"**Initial Issue Date**" means, in respect of a Series of Notes, the day on which the Initial Notes of such Series are issued as set out in the respective Final Terms, and, in respect of the Junior Schuldschein Loans and Senior Schuldschein Loans, the day on which the Initial Junior Loans and Initial Senior Loans are advanced to the Issuer.

"**Initial Junior Loans**" means any Junior Schuldschein Loan advanced to the Issuer on the relevant Initial Issue Date.

"**Initial Loans**" means the Initial Senior Loans and the Initial Junior Loans advanced to the Issuer on the relevant Initial Issue Date.

"**Initial Notes**" means the asset backed notes of each Series issued by the Issuer on each Initial Issue Date.

"**Initial Residual Value**" means the value of the Leased Vehicle relating to an Initial Expectancy Right as set at the inception of the related Lease Contract as the potential value of the vehicle at the maturity date of the underlying Lease Contract as determined by VWL pursuant to its evaluation principles reflecting current used car price market developments, as applicable.

"**Initial Senior Loans**" means any Senior Schuldschein Loan advanced to the Issuer on the Initial Issue Date.

"**Insolvency Event**" means, with respect to VCL Master Residual Value S.A., the Seller, the Servicer, the Expectancy Rights Trustee or the VCL Master Security Trustee, as the case may be, the occurrence of any of the following events, (i) the making of an assignment, conveyance, composition or marshalling of assets for the benefit of its creditors generally or any substantial portion of its creditors; (ii) the application for, seeking of, consent to, or acquiescence in, the appointment of a receiver, custodian, trustee, liquidator or similar official for it or a substantial portion of its property; (iii) the initiation of any case, action or proceedings before any court or Governmental Authority against it under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors, stabilisation, restructuring or other similar laws and such proceedings not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same; (iv) the levy or enforcement of a distress or execution or other process upon or sued out against the whole or any substantial portion of its undertaking or assets and such possession or process (as the case may be) not being discharged or otherwise ceasing to apply within sixty (60) days; (v) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to it under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws; (vi) an order being made against it or an effective resolution being passed for its winding-up; or (vii) it is deemed generally unable to pay its debts within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment (*provided that*, for the avoidance of doubt, any assignment, charge, pledge or lien made by the Issuer for the benefit of the VCL Master Security Trustee or the Expectancy Rights Trustee under the Trust Agreement or the Security Assignment Deed shall not constitute an Insolvency Event in respect of the Issuer).

"**Institution**" means a German credit institution or financial services institution (including a German branch of a non-German credit institution or financial services institution, but excluding a non-German branch of a German credit institution or financial services institution).

"**Instruments**" means the Notes and the Schuldschein Loans, collectively.

"**Instrument Factor**" means, on any Payment Date after the occurrence of the Instrument Revolving Expiration Date in respect of an Instrument, the ratio of the outstanding nominal amount of such Amortising Instrument to the nominal amount of such Instrument as determined on the Instrument Revolving Expiration Date.

"**Instrument Amortisation Amount**" means, with respect to

(a) an Amortising Instrument relating to a Senior Instrument, an amount calculated as follows:

(i) if on the relevant Payment Date all outstanding Senior Instrument are Non-Amortising Instrument, zero; or

(ii) for any Senior Instrument which on the relevant Payment Date qualifies as an Amortising Instrument (such Payment Date with respect to such Senior Instrument referred to as the "**Senior Instrument Amortisation Date**"), the Instrument Amortisation Amount applicable to such Senior Instrument with respect to all following Payment Dates shall be determined as the lesser of (A) the principal amount outstanding of such Senior Instrument and (B) the product of (1) the positive difference between the Senior Instrument Available Redemption Collections minus the sum of the Instrument Amortisation Amounts in respect of the other Amortising Instruments of Senior Instruments with an earlier Senior Instrument Amortisation Date multiplied by (2) the Amortisation Factor applicable to such Amortising Instrument; or

(iii) if on the relevant Payment Date all Senior Instruments are Amortising Instruments, the Instrument Amortisation Amount for any Series of Senior Instrument will be determined as the product of (A) the Senior Instrument Principal Payment Amount multiplied by (B) the ratio of the principal amount outstanding of the relevant Amortising Instruments of Senior Instruments on such Payment Date as numerator and the sum of the principal amount outstanding of all Senior Instruments on such Payment Date as denominator; and

(b) an Amortising Instrument relating to a Junior Instrument, an amount calculated as follows:

(i) if on the relevant Payment Date all outstanding Junior Instruments are Non-Amortising Instruments, zero; or

(ii) for any Junior Instrument which on the relevant Payment Date qualifies as an Amortising Instrument (such Payment Date with respect to such Junior Instrument referred to as the "**Junior Instrument Amortisation Date**"), the Instrument Amortisation Amount applicable to such Junior Instrument with respect to all following Payment Dates shall be determined as the lesser of (A) the principal amount outstanding of such Junior Instrument and (B) the product of (1) the positive difference between the Junior Instrument Available Redemption Collections minus the sum of the Instrument Amortisation Amounts in respect of the other Amortising Instruments of Junior Instrument with an earlier Junior Instrument Amortisation Date multiplied by (2) the Amortisation Factor applicable to such Amortising Instrument; or

(iii) if on the relevant Payment Date all Junior Instruments are Amortising Instruments, the Instrument Amortisation Amount for any Junior Instrument will be determined as the product of (A) the Junior Instrument Principal Payment Amount multiplied by (B) the ratio of the principal amount outstanding of the relevant Amortising Instruments of Junior Instruments on such Payment Date as numerator and the sum of the principal amount outstanding of all Junior Instruments on such Payment Date as denominator.

"**Instrument Principal Amount Outstanding**" means, in relation to an Instrument on any day, the principal amount of such Instrument upon issue or advance, as applicable, as reduced by all amounts paid prior to such date on such Instrument in respect of principal.

"**Instrument Revolving Period Expiration Date**" means:

(a) with respect to each Schuldschein Loan the revolving period expiration date as specified for such Schuldschein Loan in the Loan Conditions; and

(b) with respect to each Series of Notes the revolving period expiration date as specified for such Series in the applicable Final Terms.

"**Insurance Claims**" means any claims against any car insurer in relation to any damaged Leased Vehicle.

"**Insurance Proceeds**" means any proceeds or monetary benefit in respect of any Insurance Claims.

"**Interest**" means in respect of any Lease Receivable, each of the scheduled periodic payments of interest (if any) payable by the Lessee as provided for in accordance with the terms of the relevant Lease Contract.

"**Interest Accrual Period**" shall mean, unless otherwise mutually agreed by the parties, the period from (and including) a Payment Date to (but excluding) the next succeeding Payment Date; *provided that* any initial Interest Accrual Period shall be the period from (and including) the relevant Issue Date to (but excluding) the first Payment Date.

"**Interest Determination Agent**" means The Bank of New York Mellon, London Branch.

"**Interest Determination Date**" has the meaning ascribed to such term in clause 7.7 of the Agency Agreement.

"**Interest Shortfall**" means the Accrued Interest which is not paid on an Instrument on the Payment Date related to the Interest Accrual Period in which it accrued, including but not limited to any Accrued Interest resulted from correction of any miscalculation of interest payable on an Instrument related to the last Interest Accrual Period immediately prior to the Payment Date.

"**International Central Securities Depositary**" or "**ICSD**" means Clearstream, Luxembourg or Euroclear, and "**ICSDs**" means both Clearstream, Luxembourg and Euroclear collectively.

"**ISIN**" means the international securities identification number pursuant to the ISO – 6166 Standard.

"**ISO**" means the International Organisation for Standardisation.

"**Issue Date**" means each of the Initial Issue Date and each Further Issue Date.

"**Issue Notice**" means a notice by the Issuer in a form as attached as Annex E to the Procedures Memorandum.

"**Issuer**" means VCL Master Residual Value S.A., having its registered office at 22 Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg registered with the Luxembourg register of commerce and companies under registration number B 184029, acting solely for and on behalf of its Compartment 2.

"**Junior Instrument Accumulation Amount**" means, on any Payment Date during the Revolving Period, the lessor of (a) the Junior Instrument Cash Component and (b) (i) the Junior Instrument Available Redemption Collections minus (ii) the sum of the Instrument Amortisation Amount to be paid with respect to the Junior Instruments on such Payment Date.

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

"**Junior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount**" means, in respect of a Payment Date, the amount necessary to increase the Aggregate Discounted Expectancy Rights Balance at the end of the Monthly Period to the Junior Instrument Targeted Aggregate Discounted Expectancy Rights Balance in excess of the Senior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount on such Payment Date.

"**Junior Instrument Available Redemption Collections**" shall be equal to the Available Distribution Amount less any amounts due and payable on the relevant Payment Date under items *first* through *eleventh* of the Order of Priority set out in clause 21.2(a) (*Order of Priority*) of the Trust Agreement.

"**Junior Instrument Cash Component**" shall be equal to (i) the Junior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount multiplied by (ii) one minus the Replenished Expectancy Rights Overcollateralisation Percentage.

"**Junior Instrument Fixed Rate**" means the fixed rate as set out in the applicable Final Terms.

"**Junior Instrument Floating Rate**" means the sum of EURIBOR and the relevant Junior Instrument Margin.

"**Junior Instrument Increase Amount**" means, with respect to any Further Issue Date an amount equal to the product of (i) 11.00 per cent. and (ii) the Further Discounted Expectancy Rights Balance and as rounded down to the nearest EUR 100,000.

"**Junior Instrument Interest Rate**" means the Junior Instrument Floating Rate or the Junior Instrument Fixed Rate, as applicable.

"**Junior Instrument Margin**" means:

(a) in respect of the Class B Notes, the margin specified under item 6 in the Final Terms of the relevant Series of Notes; and

(b) in respect of the Junior Schuldschein Loans, the margin specified in Loan Condition 8(c) of the Junior Schuldschein Loans.

"**Junior Instrument Principal Payment Amount**" means after the end of the Revolving Period, an aggregate amount for any Payment Date which is equal to the amount necessary to reduce the outstanding principal amount of the Junior Instruments to the Junior Instrument Targeted Balance.

"**Junior Instrument Targeted Aggregate Discounted Expectancy Rights Balance**" means on a given Payment Date, a fraction the numerator of which is the aggregate principal amount of the Senior Instruments and the Junior Instruments after application of any Instrument Amortisation Amounts on such Payment Date and the denominator of which is the difference of 100 per cent. minus the Junior Instrument Targeted Overcollateralisation Percentage.

"**Junior Instrument Targeted Balance**" means for each Junior Instrument,

(a) if the Aggregate Discounted Expectancy Rights Balance at the end of a Monthly Period is less than 10 per cent. of the Aggregate Discounted Expectancy Rights Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, zero; otherwise

(b) the excess of the sum of:

  (i) the Aggregate Discounted Expectancy Rights Balance at the end of such Monthly Period; plus

  (ii) after expiration of the Revolving Period, the amounts standing to the credit of the Accumulation Account at the end of the respective Monthly Period; less

  (iii) the Senior Instrument Targeted Balance,

over the Junior Instrument Targeted Overcollateralisation Amount.

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

(a) the Aggregate Discounted Expectancy Rights Balance; and

(b) the amounts standing to the credit of the Accumulation Account,

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

"**Junior Instrument Targeted Overcollateralisation Percentage**" means:

(a) 36.00 per cent. until expiration of the Revolving Period and until a Credit Enhancement Increase Condition is in effect;

(b) 39.00 per cent. after expiration of the Revolving Period until a Credit Enhancement Increase Condition is in effect; and

(c) 100 per cent. until the Legal Maturity Date if a Credit Enhancement Increase Condition has occurred.

"**Junior Instruments**" means the Junior Schuldschein Loans and the Class B Notes, collectively.

"**Junior Instrument Swap Fixed Rate**" means [●] per cent.

"**Junior Schuldschein Loans**" means all Junior Schuldschein Loans including the Initial Junior Schuldschein Loans, any Junior Schuldschein Loan advanced since the Initial Issue Date and any Junior Schuldschein Loan advanced on any Further Issue Date, collectively.

"**Late Delinquency Lease Receivables**" means each and any Lease Receivable for which one or more scheduled instalments are more than six (6) calendar months overdue.

"**Late Delinquency Ratio**" means, expressed as a percentage, the ratio of (i) Late Delinquency Lease Receivables at the end of any Monthly Period as nominator and (ii) the Aggregate Discounted Receivables Balance at the end of such related Monthly Period as denominator.

"**Lead Manager**" means Crédit Agricole Corporate and Investment Bank.

"**Lease Administration Fee**" means the lease administration fee (*Bearbeitungsgebühr*) relating to a Lease Receivable (i) which fee has become payable in accordance with the terms of the relevant Lease Contracts and (ii) that is capitalised by VWL in accordance with VWL's customary accounting practice in effect from time to time prior to the sale of such Lease Receivables to the Relevant Lease Receivables Purchaser under the Relevant Receivables Purchase Agreement.

"**Lease Collateral**" means (i) security title (*Sicherungseigentum*) in respect of Leased Vehicles, (ii) Insurance Claims, (iii) damage claims arising from a breach of contract or in tort against a Lessee, (iv) any claims against third parties due to damage or loss of Leased Vehicles, (v) and any other collateral provided by the Lessee to VWL under or in connection with the relevant Lease Contract; in each case to the extent and subject as acquired by VWL and excludes, for the avoidance of doubt, the Expectancy Rights, the Final Payment Receivables and the Expectancy Rights Related Collateral.

"**Lease Contract**" means each contractual framework, as applicable in the form of standard business terms (*Allgemeine Geschäftsbedingungen*) or otherwise, governing (immediately prior to any transactions under the Expectancy Rights Purchase Agreement or any Additional Expectancy Rights Purchase Agreement) the Seller's relationship with the respective Lessee(s) with regard to the Lease Receivables.

"**Lease Contract Termination Event**" means the termination of the Lease Contract including, without limitation,

(a) termination due to contractual lapse of contract (*Ablauf der regulären, ursprünglich vereinbarten Leasingdauer*); or

(b) rescission of the Lease Contract by the Lessee (*Rücktritt des Leasingnehmers*); or

(c) termination due to good cause (*Kündigung aus wichtigem Grund*).

"**Lease Receivable**" means a lease receivable (in particular a lease instalment) arisen under a Lease Contract and comprising claims against Lessees in respect of Principal, Interest and Lease Administration Fees (including, for the avoidance of doubt, any and all statutory claims being

commercially equivalent to Principal, Interest and/or Lease Administration Fees) which have been purchased by the Relevant Lease Receivables Purchaser.

"**Lease Receivables Discount Rate**" means 5.7016 per cent. *per annum*; discounting shall take place on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days.

"**Leased Vehicles**" means, with respect to a Lease Receivable, the related vehicle leased from VWL under a Lease Contract.

"**Legal Maturity Date**" means the Payment Date falling in September 2034.

"**Lender**" means each Lender of a particular Schuldschein Loan under the Programme Agreement.

"**Lessee**" means, in respect of a Lease Receivable, a Person (including consumers and businesses) to whom the Seller has leased one or more vehicles on the terms of a Lease Contract.

"**Lessee Notification Event**" means the earlier of (i) the institution of insolvency proceedings in respect of VWL and/or (ii) non-compliance of VWL with its statutory obligation to transfer any VAT (*Umsatzsteuer*) on the Lease Receivables to the tax office when such VAT becomes due and/or (iii) any notification in connection with a Servicer Replacement Event.

"**Loan Conditions**" means the terms and conditions of the relevant Schuldschein Loans which are set out in the Programme Agreement.

"**Losses**" has the meaning as set out in clause 13.1 (*Indemnity and liability*) of the Account Agreement or in clause 9.1 (*Indemnity and liability*) of the Agency Agreement, respectively.

"**Luxembourg**" means the Grand Duchy of Luxembourg.

"**Luxembourg Companies Law**" means the Luxembourg law on commercial companies of 10 August 1915, as amended from time to time.

"**Luxembourg Securitisation Law**" means the Luxembourg law on securitisation of 22 March 2004, as amended.

"**Luxembourg Stock Exchange**" means société de la bourse de Luxembourg.

"**Margin**" means each of the Senior Instrument Margin and the Junior Instrument Margin.

"**Maximum Commitment Amount**" means the maximum commitment amount up to which the Issuer may request Advances from the relevant Lender or may offer Notes to the relevant Note Purchaser as specified in Schedule 2 of the Programme Agreement.

"**MiFID II**" means directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU. "**Minimum S&P Collateralised Counterparty Rating**" has the meaning given to it in the relevant Swap Agreements.

"**Minimum S&P Uncollateralised Counterparty Rating**" has the meaning given to it in the relevant Swap Agreements.

"**Monthly Collateral**" means an amount in cash equal to the sum of (i) the Aggregate Discounted Expectancy Rights Balance and (ii) the Purchased Final Payment Receivables, in each case as becoming due in the then ongoing month.

"**Monthly Collateral Payment Date**" means each Payment Date.

"**Monthly Collateral Start Date**" means any date which falls within thirty (30) calendar days from the date (excluding) on which the Monthly Remittance Condition was not satisfied.

"**Monthly Period**" means the calendar month immediately prior to each Payment Date.

"**Monthly Remittance Condition**" will no longer be satisfied if any of the following events occur:

(a) the Parent no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" from DBRS or if a public rating from DBRS is not available, the Parent receives notification from DBRS that DBRS has determined the Parent's capacity for timely payment of financial commitments would no longer equal a long-term rating for unsecured and unguaranteed debt of at least "BBB" from DBRS; or

(b) either (w) the Parent no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P Global and a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, or (x) where the Parent is not the subject of an S&P Global short-term rating, the Parent no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P Global or (y) S&P Global notifies the Issuer and/or the Servicer that the Parent is not deemed eligible any longer under the applicable rating criteria by S&P Global.

"**Monthly Servicer Report**" means the servicer report covering the calendar month immediately prior to each Servicer Report Performance Date to be provided by the Servicer pursuant to clause 9.1(a)(i) (*Reporting duties, Duties under the Swap Agreements and Reporting Duties under the Securitisation Regulation*) of the Servicing Agreement and containing the information listed in Schedule 1 to the Servicing Agreement.

"**Negative Buffer Release Amount**" means on any Payment Date and to the extent the Buffer Release Rate is lower than zero, the product of (a) the product of (i) Buffer Release Rate, and (ii) the Future Discounted Expectancy Rights Balance, and (b) -1 (minus one). Any Negative Buffer Release Amount shall only be used to cover the payment pursuant to items *first* to *ninth* of the Order of Priority, as set out in clause 21.2(a) (*Order of Priority*) of the Trust Agreement.

"**Net Swap Payment**" means for the Swap Agreement, the net amounts with respect to regularly scheduled payments owed by the Issuer to a Swap Counterparty, if any, on any Payment Date, including any interest accrued thereon, under the Swap Agreement, excluding Swap Termination Payments or any other amounts payable to the Swap Counterparty under the Swap Agreement.

"**Net Swap Receipts**" means for the Swap Agreement, the net amounts received by the Issuer from a Swap Counterparty, if any, on any Payment Date, excluding any Swap Termination Payments. For the avoidance of doubt, this term does not include any amounts transferred as collateral.

"**New Aggregate Discounted Expectancy Rights Balance**" has the meaning given to such term in clause 16.4(b) of the Receivables Expectancy Rights Agreement.

"**New Expectancy Rights Discount Rate**" has the meaning given to such term in clause 16.2 of the Expectancy Rights Purchase Agreement.

"**New Expectancy Rights Trustee**" has the meaning as set out in clause 8.3(a) (*Authority to collect, assumption of obligations, future assignment*) of the Trust Agreement.

"**New Issuer**" means any Person which substitutes the Issuer pursuant to Condition 11.

"Nominal Instrument Amount" means:

(a) in respect of the Schuldschein Loans, the amount advanced for any Senior Schuldschein Loan or any Junior Schuldschein Loan, as applicable; and

(b) in respect of the Notes, the amount issued for any Series of Class A Notes or any Series of Class B Notes, as applicable.

"**Non-Amortising Instrument**" means, on any Payment Date, any Instrument which does not qualify as an Amortising Instrument.

"**Noteholders**" means the holders of the Notes.

"**Notes**" means the Initial Notes and the Further Notes.

"**Notes Conditions**" means the terms and conditions of the relevant Class of Notes as set out in the Base Prospectus.

"**Note Purchaser**" means each party defined as such in the Programme Agreement and together the "**Note Purchasers**".

"**Obligors**" means in respect of a Lease Receivable or a Final Payment Receivable, (i) the Lessee(s) and (ii) those Persons who have guaranteed the obligations of any Lessee(s) in respect of such Lease Receivable or Final Payment Receivable.

"**Order of Priority**" means the order of priority according to which the payments of interest and principal to the Lenders and the Noteholders are distributed and other payments due and payable by the Issuer are made as more specifically described in clause 21.2 (*Order of Priority*) of the Trust Agreement.

"**Parent**" means either

(a) Volkswagen Bank GmbH on the Renewal Date, and subsequently

(b) any company which

(i) holds directly more than 50% of the shares in the Seller; and

(ii) has a profit and loss sharing agreement (*Gewinnabführungsvertrag*) in place with the Seller.

"**Payment Date**" means the 25th day of each month or, in the event such day is not a Business Day, then the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

"**Person**" means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

"**Portfolio**" means the aggregate of all Purchased Lease Receivables and the Purchased Expectancy Rights that VWL has not sold or transferred to any Person other than the Relevant Lease Receivables Purchaser and/or the Issuer, as applicable, under or in connection with the Relevant Receivables Purchase Agreement, the Expectancy Rights Purchase Agreement or any Additional Expectancy Rights Purchase Agreement, as the case may be.

"**Portfolio Decryption Key**" means the portfolio decryption key for the decryption of the list of names and addresses of the respective Lessees for each contract number relating to a Lease Contract.

"**Positive Buffer Release Amount**" means on any Payment Date and to the extent the Buffer Release Rate is equal to or higher than zero, the product of (a) the Buffer Release Rate, and (b) the Future Discounted Expectancy Rights Balance.

"**Principal**" means with respect to a Lease Receivable each of the scheduled periodic payments of principal payable by the respective Lessee as provided for in accordance with the terms of the relevant Lease Contract, as may be modified from time to time to account e.g. for unscheduled prepayments by the Lessee.

"**Principal Paying Agent**" means The Bank of New York Mellon, London Branch.

"**Programme**" means the Programme Documents, together with all agreements and documents executed in connection with the issuance of the Notes, the raising of the Schuldschein Loans, the performance thereof and all other acts, undertakings and activities connected therewith.

"**Programme Agreement**" means the programme agreement dated 23 September 2015 and entered into between the Issuer, the Lenders and the purchasers of the Notes, as amended and restated from time to time.

"**Programme Creditors**" means for all Instruments, the Noteholders, the Lenders, the VCL Master Security Trustee, the Expectancy Rights Trustee, the Seller, the Servicer (if different to the Seller), the Lead Manager, the Swap Counterparties, the Subordinated Lender, the Principal Paying Agent, the Interest Determination Agent, the Calculation Agent, the Account Bank (with respect to the Accounts), the Registrar, the Data Protection Trustee, the Cash Administrator and the Corporate Services Provider.

"**Programme Documents**" means the Conditions, the Trust Agreement, the Security Assignment Deed, the Programme Agreement, the Agency Agreement, the Account Agreement, the Custody Agreement, the Swap Agreements, the Subordinated Loan Agreement, the Expectancy Rights Purchase Agreements, the Repurchase Agreement, the Servicing Agreement, the Data Protection Trust Agreement, the ICSDs Agreement, the Corporate Services Agreement and this Incorporated Terms Memorandum.

"**Programme Parties**" means any and all parties to the Programme Documents.

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.

"**Purchased Additional Expectancy Rights**" means the Additional Expectancy Rights purchased by the Purchaser from the Seller in accordance with any Additional Expectancy Rights Purchase Agreement.

"**Purchased Additional Final Payment Receivables**" means the Additional Final Payment Receivables purchased by the Purchaser from the Seller in accordance with any Additional Expectancy Rights Purchase Agreement.

"**Purchased Expectancy Rights**" means the Purchased Initial Expectancy Rights and/or the Purchased Additional Expectancy Rights, allocated to the Issuer.

"**Purchased Final Payment Receivables**" means the Purchased Initial Final Payment Receivables and/or the Purchased Additional Final Payment Receivables.

"**Purchased Initial Expectancy Rights**" means the Initial Expectancy Rights purchased by the Purchaser from the Seller in accordance with the Expectancy Rights Purchase Agreement.

"**Purchased Initial Final Payment Receivables**" means the Initial Final Payment Receivables purchased by the Purchaser from the Seller in accordance with the Expectancy Rights Purchase Agreement.

"**Purchased Lease Receivables**" means the Lease Receivables purchased by the Relevant Lease Receivables Purchaser from the Seller in accordance with the Relevant Receivables Purchase Agreement.

"**Purchased Rights**" means the Purchased Expectancy Rights together with the Expectancy Rights Related Collateral.

"**Purchaser**" means the Issuer in its capacity as purchaser of the Final Payment Receivables secured by the Expectancy Rights Related Collateral and the Expectancy Rights.

"**Qualified Replacement Data Protection Trustee**" has the meaning given to such term in the Data Protection Trust Agreement.

"**Rated Instruments**" means the Rated Senior Instruments and the Rated Junior Instruments.

"**Rated Junior Instruments**" means such Junior Instruments to which ratings have been or will be assigned by the Rating Agencies.

"**Rated Senior Instruments**" means such Senior Instruments to which ratings have been or will be assigned by the Rating Agencies.

"**Rating Agencies**" means DBRS and S&P Global.

"**Redeemable Amount**" means, with respect to each outstanding Note of any Series and each outstanding Schuldschein Loan and the Payment Date on which Expectancy Rights are sold pursuant to clause 8.7 *(Early settlement/ Clean-Up Call/ sale of Expectancy Rights to other securitisation vehicles)* of the Expectancy Rights Purchase Agreement, an amount determined as the quotient of (A) the Aggregate Redeemable Amount, divided by (B) the number of Notes of such Class and Schuldschein Loans outstanding on the preceding Payment Date. In case of Non-Amortising Instruments any redemption payments will be made in a way to redeem a certain number of Notes in their principal amount of EUR 100,000 or Schuldschein Loans in their principal amount of EUR 100,000.

"**Register**" means the register kept and maintained by the Registrar on which the names and account details of (i) the Lenders and the particulars of the Schuldschein Loans granted by such Lenders and (ii) the Noteholders and the particulars of the Notes held by such Noteholders and all transfers and payments (of interest and principal) of such Notes will be entered.

"**Registered Holder**" means the nominee of the common depositary for Euroclear and Clearstream Luxembourg in whose name the Global Note has been registered.

"**Registrar**" means The Bank of New York Mellon SA/NV, Luxembourg Branch.

"**Related Lease Contract**" means with respect to a Leased Vehicle which has been identified in column 1 of the Initial Electronic File or Additional Electronic File, as the case may be, relating to the Expectancy Rights Purchase Agreement or any Additional Expectancy Rights Purchase Agreement by reference to its vehicle identification number (*Fahrgestellnummer*), the corresponding Lease Contract identified in the same line of such column 1 of the Initial Electronic File or Additional Electronic File, as the case may be, by reference to the lease contract number.

"**Relevant Clearing System**" means, in respect of any Notes, any of the following: Euroclear Bank SA/NV and/or Clearstream Banking *société anonyme*, Luxembourg and any additional or alternative clearing system (including Clearstream AG) approved by the Issuer, the Principal Paying Agent and the Luxembourg Stock Exchange.

"**Relevant Currency Value**" means with respect to an amount on any day, in case of an amount denominated in Euro, such amount and, in case of an amount denominated in a currency other than Euro (the "**Other Currency**"), the amount of Euro that could be purchased with such amount of the Other Currency at the spot exchange rate on such day.

"**Relevant Final Terms**" has the meaning ascribed to such term in the Programme Agreement.

"**Relevant Lease Receivables Purchaser**" means, in respect of a Lease Contract, VCL Master S.A. or the relevant securitisation vehicle to which VCL Master S.A. has sold the relevant Lease Receivables in accordance with clause 8.8 of VCL Master Receivables Purchase Agreement.

"**Relevant Receivables Purchase Agreement**" means, in respect of a Lease Contract, either the VCL Master Receivables Purchase Agreement or the relevant receivables purchase agreement entered into between the relevant securitisation vehicle, which acquired the relevant Lease Receivables from VCL Master in accordance with clause 8.8 of VCL Master Receivables Purchase Agreement, and VWL.

"**Relevant Security Trustee**" means either the VCL Master Security Trustee or the relevant security trustee acting for the securitisation vehicle which acquired the relevant Lease Receivables from VCL Master in accordance with clause 8.8 of VCL Master Receivables Purchase Agreement.

"**Renewal Date**" means 25 September 2026.

"**Replenished Additional Expectancy Rights Balance**" means on any Additional Purchase Date, the lesser of (i) the sum of the Senior Instrument Accumulation Amount and the Junior Instrument Accumulation Amount divided by one (1) minus the Replenished Expectancy Rights Overcollateralisation Percentage, all as determined with respect to such Additional Purchase Date

or (ii), only on each Additional Purchase Date on which no Further Instruments will be drawn or issued, an amount equal to the sum of the Additional Expectancy Rights that are available to be purchased on such Additional Purchase Date.

"**Replenished Expectancy Rights Overcollateralisation Percentage**" means 0.050 (which, for the avoidance of doubt, equals 5.00 per cent.).

"**Required Buffer Release Reserve Amount**" means on any Payment Date an amount equal to:

(a) as long as (i) no Reserve Trigger Event has occurred and (ii) following the occurrence of a Reserve Trigger Event no such Reserve Trigger Event is continuing: zero;

(b) following the Payment Date on which any and all amounts of interest and principal in respect of the Instruments have been or will be redeemed in full: zero;

(c) following a Reserve Trigger Event that has occurred and is continuing and provided that the Buffer Release Rate is a negative number, such annualised negative Buffer Release Rate multiplied by (A) -1 (minus one) and (B) the Aggregate Discounted Expectancy Rights Balance on the immediately preceding Payment Date.

"**Reserve Trigger Event**" means that any of the following events occur:

(a) the Parent no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" from DBRS or if a public rating from DBRS is not available, the Parent receives notification from DBRS that DBRS has determined the Parent's capacity for timely payment of financial commitments would no longer equal a long-term rating for unsecured and unguaranteed debt of at least "BBB" from DBRS; or

(b) either (w) the Parent no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P Global and a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, or (x) where the Parent is not the subject of an S&P Global short-term rating, the Parent no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P Global or (y) S&P Global notifies the Issuer and/or the Servicer that the Parent is not deemed eligible any longer under the applicable rating criteria by S&P Global.

"**Repurchase Agreement**" means the repurchase agreement between the Issuer, VWL and the Expectancy Rights Trustee originally dated 23 November 2015, as amended and restated from time to time.

"**Repurchase Date**" has the meaning ascribed to such term in the Repurchase Agreement.

"**Repurchase Price**" means the purchase price determined pursuant to clause 3.1 or clause 3.2 (*Repurchase Price*) of the Repurchase Agreement.

"**Residual Value**" means the Initial Residual Value and/or the Additional Residual Value.

"**Revolving Period**" means the period from (and including) the Closing Date and ending on the earlier of (i) (and including) the Instrument Revolving Period Expiration Date of the last outstanding Instrument and (ii) the occurrence of an Early Amortisation Event.

"**Revolving Series of Notes**" means a Series of Notes whose Revolving Period has not elapsed.

"**RRTS**" means Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023 on supplementing the Securitisation Regulation with regard to regulatory technical standards specifying in greater detail the risk retention requirements for originators, sponsors, original lenders and services.

"**Scheduled Repayment Date**" means:

(a) for each Notes, the date specified as such in the relevant Final Terms which shall in any event be a Payment Date; and

(b) for each Schuldschein Loan, the date specified as such in the respective Schuldschein (*Certificate of Indebtedness).*

"**Schuldschein**" means the certificate evidencing a Schuldschein Loan.

"**Schuldschein Loans**" means the Senior Schuldschein Loans and the Junior Schuldschein Loans and "**Schuldschein Loan**" means any of them.

"**Secured Obligations**" means all duties and liabilities of the Issuer *vis-à-vis* the other Programme Parties under the Programme Documents.

"**Securitisation Regulation**" means the Regulation (EU) 2017/2402 of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/38EC, 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended from time to time, and any relevant regulatory and/or implementing technical standards adopted by the European Commission in relation thereto, and in each case, any relevant guidance published by the European Banking Authority, the European Securities and Markets Authority (or, in either case, any predecessor authority), the European Commission and by German competent authorities, and any implementing laws or regulations in force in Germany.

"**Securitisation Regulation Disclosure Requirements**" means the disclosure requirements set out in Article 7 of the Securitisation Regulation and the Commission Delegated Regulation (EU) 2020/1224.

"**Securitisation Repository**" means European DataWarehouse GmbH, in its capacity as securitisation repository and registered in accordance with Article 10 of the Securitisation Regulation.

"**Security**" means all the Adverse Claims from time to time created by the Issuer in favour of the Expectancy Rights Trustee (and also for the benefit of the Programme Creditors) pursuant to the provisions of the Trust Agreement.

"**Security Assignment Deed**" means the English law deed of assignment (including any supplements thereto) governing the granting of security and declaration of trust entered into between, inter alios, VCL Master Residual Value S.A. and the Expectancy Rights Trustee dated on or about the Renewal Date.

"**Security Documents**" means the Trust Agreement and the Security Assignment Deed, collectively.

"**Seller**" means VWL.

"**Senior Instruments"** means the Class A Notes and the Senior Schuldschein Loans, collectively.

"**Senior Instrument Accumulation Amount**" means, on any Payment Date during the Revolving Period, the lesser of (a) the Senior Instrument Cash Component and (b) (i) the Senior Instrument Available Redemption Collections minus (ii) the sum of the Instrument Amortisation Amounts to be paid with respect to the Senior Instruments on such Payment Date.

"**Senior Instrument Actual Overcollateralisation Percentage**" means, with respect to any Payment Date, one (1) minus the quotient of (a) the Nominal Amount of all outstanding Senior Instruments divided by (b) (i) the Aggregate Discounted Expectancy Rights Balance and (ii) any amounts standing to the credit of the Accumulation Account, each as determined as of the end of the Monthly Period.

"**Senior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount**" means in respect of a Payment Date, the amount necessary to increase the Aggregate Discounted Expectancy Rights Balance at the end of the Monthly Period to the Senior Instrument Targeted Aggregate Discounted Expectancy Rights Balance.

"**Senior Instrument Available Redemption Collections**" shall be equal to the Available Distribution Amount less any amounts due and payable on the relevant Payment Date under items *first* through *tenth* of the Order of Priority set out in clause 21.2(a) (*Order of Priority*) of the Trust Agreement.

"**Senior Instrument Cash Component**" shall be equal to (i) the Senior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount multiplied by (ii) one minus the Replenished Expectancy Rights Overcollateralisation Percentage.

"**Senior Instrument Fixed Rate**" means the fixed rate as set out in the applicable Final Terms.

"**Senior Instrument Floating Rate**" means the sum of EURIBOR and the relevant Senior Instrument Margin.

"**Senior Instrument Increase Amount**" means, with respect to any Further Issue Date an amount equal to the product of (i) 57.20 per cent. and (ii) the Further Discounted Expectancy Rights Balance and as rounded down to the nearest EUR 100,000.

"**Senior Instrument Interest Rate**" means the Senior Instrument Floating Rate or the Senior Instrument Fixed Rate, as applicable:

"**Senior Instrument Margin**" means:

(a) in respect of the Class A Notes, the margin specified under item 6 in the Final Terms of the relevant Series of Notes; and

(b) in respect of the Senior Schuldschein Loans, the margin specified in Loan Condition 8(c) of the Senior Schuldschein Loans.

"**Senior Instrument Principal Payment Amount**" means after the end of the Revolving Period, an aggregate amount for any Payment Date which is equal to the amount necessary to reduce the outstanding principal amount of the Senior Instruments to the Senior Instrument Targeted Balance.

"**Senior Instrument Swap Fixed Rate**" means [●] per cent.

"**Senior Instrument Targeted Aggregate Discounted Expectancy Rights Balance**" means on a given Payment Date a fraction the numerator of which is the aggregate principal amount of the Senior Instruments after application of the Instrument Amortisation Amounts on such Payment Date and the denominator of which is the difference of 100 per cent. minus the Senior Instrument Targeted Overcollateralisation Percentage.

"**Senior Instrument Targeted Balance**" means for each Senior Instrument:

(a) if the Aggregate Discounted Expectancy Rights Balance at the end of a Monthly Period is less than 10 per cent. of the Aggregate Discounted Expectancy Rights Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, zero; otherwise

(b) the excess of the sum of:

(i) the Aggregate Discounted Expectancy Rights Balance at the end of such Monthly Period; plus

(ii) after expiration of the Revolving Period, the amounts standing to the credit of the Accumulation Account at the end of the respective Monthly Period,

over the Senior Instrument Targeted Overcollateralisation Amount.

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

(a) the Aggregate Discounted Expectancy Rights Balance; and

(b) the amounts standing to the credit of the Accumulation Account,

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

"**Senior Instrument Targeted Overcollateralisation Percentage**" means:

(a) 48.00 per cent. until the expiration of the Revolving Period and until a Credit Enhancement Increase Condition is in effect;

(b) 51.00 per cent. after expiration of the Revolving Period until a Credit Enhancement Increase Condition is in effect; and

(c) 100 per cent. until the Legal Maturity Date if a Credit Enhancement Increase Condition has occurred.

"**Senior Schuldschein Loans**" means all Senior Schuldschein Loans including the Initial Senior Loans, any Senior Schuldschein Loan advanced since the Initial Issue Date and any Senior Schuldschein Loan advanced on any Further Issue Date, collectively.

"**Series**" means in respect of the Notes, any series issued on a given Issue Date.

"**Servicer**" means Volkswagen Leasing GmbH unless the engagement of Volkswagen Leasing GmbH as servicer of the Issuer is terminated in which case Servicer shall mean the replacement servicer (if any).

"**Servicer Fee**" means, for any Monthly Period, one-twelfth of the Servicer Fee Rate multiplied by the sum of the Aggregate Discounted Expectancy Rights Balance as of the beginning of the Monthly Period charged on the Payment Date falling in such Monthly Period.

"**Servicer Fee Rate**" means 1 per cent. *per annum*.

"**Servicer Insolvency Event**" means that the Servicer declares its inability to effect payments (*Zahlungsunfähigkeit*) or overindebtedness (*Überschuldung*) or those insolvency proceedings under the Insolvency Code (*Insolvenzordnung*) are instituted by the insolvency court against the Servicer.

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

(a) the Servicer fails to make any payment or deposit to be made by it to the Distribution Account and such failure to pay has not been remedied within five (5) Business Days after the earliest of (i) receipt by the Servicer of a written notice from the Issuer or any Lender or any Noteholder of such failure to pay or (ii) the Servicer becoming aware of such failure to pay;

(b) the Servicer fails to perform or observe in any material respect any material term, covenant or agreement hereunder applicable to it (other than as referred to in paragraphs (a) above) and such failure shall remain unremedied for sixty (60) days (or if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Lender or Noteholder requiring the failure to be remedied, (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period);

(c) any material written representation or warranty made by the Servicer in its capacity as such in the Servicing Agreement or any of the Programme Documents proves to have been incorrect, in any material respect, when made or deemed to be made by reference to the facts and circumstances then subsisting (provided, that repurchase or exchange of an Expectancy Right by VWL in accordance with the Expectancy Rights Purchase Agreement shall be deemed to remedy such circumstances with respect to such Expectancy Right), and such incorrect representation or warranty shall remain unremedied for sixty (60) days (or, if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Lender or Noteholder requiring the circumstances causing or responsible for such misrepresentation to be remedied (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period); or

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

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

"**Servicer Report Performance Date**" means the 3rd Business Day prior to each Payment Date.

"**Servicing Agreement**" means the servicing agreement between the Servicer, the Issuer and the Expectancy Rights Trustee originally dated on or about the Signing Date, as amended and restated from time to time.

"**Settlement Amount**" means the sum payable by VWL to the Issuer pursuant to clause 8 of the Expectancy Rights Receivables Purchase Agreement equal to

(a) the present value of the residual value representing the Purchased Expectancy Rights, calculated using the Expectancy Rights Discount Rate, or

(b) in case of alteration of a Lease Contract pursuant to clause 8.2 of the Expectancy Rights Purchase Agreement, the difference between (i) the present value of the residual value representing the Purchased Expectancy Rights agreed upon at the inception of the Lease Contract and (ii) the present value of the future outstanding residual value representing the Purchased Expectancy Rights following such alteration of the related Lease Contract, in each case discounted at the Expectancy Rights Discount Rate.

Discounting shall be made on the relevant present values of the Purchased Expectancy Rights on the last calendar day of the month prior to the repurchase date in which the buying back shall become effective using, as applicable, the Expectancy Rights Discount Rate on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days.

"**Shortfall**" has the meaning ascribed to such term in clause 7.3 (*Duties of the Principal Paying Agent, the Calculation Agent and the Interest Determination Agent*) of the Agency Agreement.

"**Signing Date**" means 23 November 2015.

"**Specified General Cash Collateral Account Balance**" means on each Payment Date, (i) during the Revolving Period an amount being equal to 2.00 per cent. of the aggregate outstanding principal amount of all Instruments after application of the applicable Order of Priority on the preceding Payment Date and (ii) after the Revolving Period, the lesser of (a) the Specified General Cash Collateral Account Balance on the last Payment Date of the Revolving Period and (b) the aggregate outstanding principal amount of the Instruments after application of the applicable Order of Priority on the preceding Payment Date.

"**Subordinated Lender**" means the subordinated lender under the Subordinated Loan Agreement, being an Affiliate of Volkswagen AG.

"**Subordinated Loan**" means the loan received (or to be received) by the Issuer under the Subordinated Loan Agreement.

"**Subordinated Loan Advance Notice**" has the meaning assigned to such term in clause 2.3 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

"**Subordinated Loan Agreement**" means the Subordinated Loan Agreement originally dated 23 November 2015, as amended and restated from time to time and entered into by, *inter alios*, the Issuer, the Subordinated Lender and the Expectancy Rights Trustee, under which the Subordinated Lender will advance (or has advanced) the Subordinated Loan to the Issuer.

"**Subordinated Loan Amount**" means the amount received (or to be received) by the Issuer from the Subordinated Lender in respect of the acquisition of the Expectancy Rights.

"**Subordinated Loan Increase Amount**" means, with respect to any Further Issue Date, an amount equal to the difference of (a) the Further Discounted Expectancy Rights Balance less (b) the sum of the Senior Instrument Increase Amount and the Junior Instrument Increase Amount and less (c) the Further Expectancy Rights Overcollateralisation Amount, all such amounts as of such Further Issue Date.

"**Subscription Agreement**" means an agreement between the Issuer, the Lead Manager, the Seller, the Expectancy Rights Trustee and the Note Purchasers substantially in the form of Schedule 11 of the Programme Agreement.

"**Substitute Reference Rate**" means a rate (expressed as a percentage rate *per annum*) provided by a third party and meeting any applicable legal requirements for being used for determining the payment obligations under the Instruments determined by the Servicer, on behalf of the Issuer, in its due discretion, as modified by applying the adjustments (e.g. in the form of premiums or discounts), if any, that may be determined by the Servicer, on behalf of the Issuer, in its due discretion.

"**Successor Bank**" means the successor account bank determined in accordance with the Account Agreement.

"**Swap Agreement**" means the relevant interest rate swap agreement between the Issuer and the Swap Counterparty in respect of the respective Series of Notes pursuant to the 2002 ISDA Master Agreement, the associated schedule and the credit support annex and a confirmation dated on or about the Renewal Date or any amendments thereto.

"**Swap Agreements**" means all swap agreements entered into by the Issuer acting with respect to any Class and Series of Notes to swap a floating interest rate under such Notes against a fixed rate.

"**Swap Counterparty**" means [●].

"**Swap Replacement Proceeds**" means any amounts received from a replacement Swap Counterparty in consideration for entering into a replacement Swap Agreement for a terminated Swap Agreement.

"**Swap Termination Payment**" means the payment due to the Swap Counterparty by the Issuer or to the Issuer by the Swap Counterparty, including interest that may accrue thereon, under the Swap Agreements due to a termination of any Swap Agreement due to an "event of default" or "termination event" under that Swap Agreement.

"**Swap Termination Payment Account**" means the interest bearing account held with the Swap Termination Payment Account Bank.

"**Swap Termination Payment Account Bank**" means The Bank of New York Mellon, London Branch.

"**S&P Global**" means S&P Global Ratings Europe Limited, a subsidiary of the McGraw-Hill.

"**S&P Collateral Framework Option**" has the meaning given to it in the relevant Swap Agreements.

"**Targeted Delinquent Lease Junior Instrument Balance**" means the Discounted Expectancy Rights Balance of Expectancy Rights related to a Delinquent Lease Contract not sold pursuant to clause 8.7 of the Expectancy Rights Purchase Agreement on the respective Payment Date multiplied by 6.0 per cent.

"**Targeted Delinquent Lease Senior Instrument Balance**" means the Discounted Expectancy Rights Balance of Expectancy Rights related to a Delinquent Lease Contract not sold pursuant to clause 8.7 of the Expectancy Rights Purchase Agreement on the respective Payment Date multiplied by 30.0 per cent.

"**Targeted Non-Delinquent Lease Junior Instrument Balance**" means the product of (i) the sum of (A) the Discounted Expectancy Rights Balance of Expectancy Rights that are not related to a Delinquent Lease Contract and that are not sold pursuant to this clause 8.7 of the Expectancy Rights

Purchase Agreement on the respective Payment Date and (B) the Replenished Additional Expectancy Rights Balance on the respective Payment Date, and (ii) 11.00 per cent.

"**Targeted Non-Delinquent Lease Senior Instrument Balance**" means the product of (i) the sum of (A) the Discounted Expectancy Rights Balance of Expectancy Rights that are not related to a Delinquent Lease Contract and that are not sold pursuant to this clause 8.7 of the Expectancy Rights Purchase Agreement on the respective Payment Date and (B) the Replenished Additional Expectancy Rights Balance on the respective Payment Date, and (ii) 57.20 per cent.

"**Targeted Remaining Junior Instrument Note Balance**" means the sum of (i) the Targeted Non-Delinquent Lease Junior Instrument Balance and (ii) the Targeted Delinquent Lease Junior Instrument Balance.

"**Targeted Remaining Senior Instrument Balance**" means the sum of (i) the Targeted Non-Delinquent Lease Senior Instrument Balance and (ii) the Targeted Delinquent Lease Senior Instrument Balance.

"**Tax Information Agreement**" means any governmental or inter-governmental arrangement, or other arrangement between competent authorities, for the cross-border exchange of Tax information applicable in any jurisdiction (or any treaty, law, regulation, or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of such arrangement) including (without limitation) FATCA, the OECD global standard for automatic and multilateral exchange of financial information between tax authorities (also known as the "**Common Reporting Standard**") any arrangement analogous to FATCA, and any bilateral or multilateral Tax information agreement.

"**Terminated Lease Receivable**" means each and any Lease Receivable which has been terminated.

"**Term Takeout**" means any disposal of any or all Purchased Expectancy Rights by the Issuer to a company that issues asset backed securities secured by Expectancy Rights or other assets originated or acquired by a member of Volkswagen Group in connection with term issuances of debt instruments of such separate company.

"**Trust Agreement**" means the trust agreement dated on or about the Signing Date and entered into between, *inter alios*, the Issuer, the Expectancy Rights Trustee and the VCL Master Security Trustee.

"**Trustee Claim**" has the meaning ascribed to such term in clause 4.2 (*Position of the Expectancy Rights Trustee in relation to the Issuer*) of the Trust Agreement.

"**T2 System**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"**UK**" or "the **United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**UK CRA Regulation**" means the CRA3 as it was part of the domestic law of the United Kingdom by virtue of the EUWA and as amended by the Credit Rating Agencies (Amendment, etc) (EU Exit) Regulations 2019).

"**United States**" means, for the purpose of issue of the Notes and the Programme Documents, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, America Samoa, Wake Island and the Northern Mariana Islands).

"**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended.

"**VAT**" means value added tax.

"**VCL Master Cash Collateral Account**" means the interest bearing account with IBAN DE77503303008608409710 held by VCL Master S.A. with the Distribution Account Bank.

"**VCL Master Distribution Account**" means the interest bearing account with IBAN DE50503303008608409711 held by VCL Master S.A. with the Distribution Account Bank.

"**VCL Master General Cash Collateral Amount**" means all funds in the VCL Master Cash Collateral Account.

"**VCL Master Instruments**" means the instruments issued by VCL Master S.A.

"**VCL Master Programme Legal Maturity Date**" means the Payment Date falling in January 2035.

"**VCL Master Receivables Purchase Agreement**" means collectively the receivables purchase agreement dated 19 January 2010, as amended and restated from time to time, and entered into between VCL Master S.A. and VWL and any additional receivables purchase agreement entered into between VCL Master S.A. and VWL.

"**VCL Master Revolving Period**" means the period from (and including) the Initial Issue Date and ending on (but excluding) the earlier of (i) the Instrument Revolving Period Expiration Date of the last outstanding Series of VCL Master Instruments and (ii) the occurrence of an Early Amortisation Event.

"**VCL Master Security Trustee**" means CSC Trustees GmbH.

"**VCL Master Specified General Cash Collateral Account Balance**" means, on each Payment Date, (i) during the Revolving Period an amount being equal to 0.75 per cent. of the aggregate outstanding principal amount of all VCL Master Instruments after application of the applicable Order of Priority on the preceding Payment Date and (ii) after the Revolving Period, the lesser of (a) the VCL Master Specified General Cash Collateral Account Balance on the last Payment Date of the Revolving Period and (b) the aggregate outstanding principal amount of the VCL Master Instruments after application of the applicable Order of Priority on the preceding Payment Date (for the avoidance of doubt, all capitalised terms has the meaning ascribed to such term in the VCL Master's base prospectus).

"**VCL Master S.A.**" means VCL Master S.A., acting for and on behalf of its Compartment 1.

"**Vehicle Sale Amount**" means with respect to a Leased Vehicle either the market value of the Leased Vehicle determined as of the date of return of the relevant Leased Vehicle as assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*) or the purchase price for such Leased Vehicle paid by the respective dealer to VWL, as applicable.

"**Volkswagen Group**" means Volkswagen AG and any of its Affiliates.

"**VWL**" means Volkswagen Leasing GmbH.

"**Waterfall Table**" has the meaning ascribed to such term in clause 6.1 (*Functions of the Calculation Agent*) of the Agency Agreement.

"**Weighted Average Seasoning**" means, on each Payment Date, the weighted average seasoning of the Lease Contracts, calculated on a lease by lease basis as the original term minus the remaining term of each such Lease Contract, weighted by the Discounted Expectancy Rights Balance as at the end of the related Monthly Period related to such Payment Date.

"**Withdrawn Cash Collateral**" has the meaning as set out in clause 20.7 (*Distribution Account, Accumulation Account, swap provisions*) of the Trust Agreement.

"**Write-Off**" means in respect of any debts owed to VWL by a Lessee under a Lease Contract the action taken by VWL in its capacity as Servicer to finally write-off such debts in accordance with its customary accounting practice in effect from time to time.

"**Written Off Purchased Lease Receivables**" means Purchased Lease Receivables which have been subject to a Write-Off.

"**2021 ISDA Interest Rate Derivatives Definitions**" means the definitions and provisions published by the International Swaps and Derivatives Association, Inc.

In this Master Definitions Schedule, words denoting the singular number only shall also include the plural number and *vice versa*, words denoting one gender only shall include the other genders, and words denoting individuals only shall include firms and corporations and *vice versa*.

3. **Interpretation**

In any Programme Document, the following shall apply,

(a) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding". The word "including" shall not be exclusive and shall mean "including, without limitation";

(b) if any date specified in any Programme Document would otherwise fall on a day that is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;

(c) periods of days shall be counted in calendar days unless Business Days are expressly prescribed;

(d) the expression "tax" shall be construed so as to include any tax, levy, impost, duty or other charge of similar nature, including, without limitation, any penalty or interest payable in connection with any failure to pay or delay in paying the same;

(e) a reference to law, treaty, statute, regulation, order, decree, directive or guideline of any governmental authority or agency, or any provision thereof, shall be construed as a reference to such law, statute, regulation, order, decree, directive or guideline, or provision, as the same may have been, or may from time to time be, amended or re-enacted;

(f) any reference to any Person appearing in any of the Programme Documents shall include its successors and permitted assigns;

(g) any reference to an agreement, deed or document shall be construed as a reference to such agreement, deed or document as the same may from time to time be amended, varied, novated, supplemented, replaced or otherwise modified;

(h) to the extent applicable, the headings of clauses, schedules, sections, articles and exhibits are provided for convenience only. They do not form part of any Programme Document and shall not affect its construction or interpretation. Unless otherwise indicated, all references in any Programme Document to clauses, schedules, sections, articles and exhibits refer to the corresponding clauses, schedules, sections, articles or exhibits of that Programme Document;

(i) unless specified otherwise, "promptly" or "immediately" shall mean without undue delay (*ohne schuldhaftes Zögern*);

(j) "novation" shall, for the purposes of documents governed by German law, be construed as *Vertragsübernahme*. "To novate" shall be interpreted accordingly; and

(k) where a German term has been used, it alone, and not the English term to which it relates, shall be authoritative for the interpretation of the relevant Programme Document. Where English terms are accompanied by German definitions, such definitions shall define how such terms are to be interpreted under the laws of Germany.

FORM OF FINAL TERMS

An investment in the Notes that are the subject of these Final Terms is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses (including the total loss of the invested amount) which may result from such investment.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Final Terms

[Date]

VCL Master Residual Value S.A.

acting with respect to its Compartment 2

(*incorporated with limited liability in Luxembourg with R.C.S. registration number B 184029*)

as Issuer

for the issuance of the

EUR [●] Series [●] [Class A / Class B] [Fixed / Floating Rate] Notes

[(*to be consolidated and form a single Series with the EUR [●] Series [●] [Class A / Class B] [Fixed / Floating Rate] Notes already outstanding*)]

issued pursuant to the

EUR 12,000,000,000 Programme for the Issuance of Notes

These Final Terms are issued to replicate the information in relation to issue of [Class A / Class B] [Fixed / Floating Rate] Notes by VCL Master Residual Value S.A. acting with respect to its Compartment 2 under the EUR 12,000,000,000 Programme for the issuance of Notes (the "**Programme**"). The Base Prospectus dated [22 September 2026] [and any supplement dated [●] hereto] and the Final Terms have been published on the website of the Luxembourg Stock Exchange (www.luxse.com) and the Base Prospectus is published on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com).

The Final Terms of the Series [●] [Class A / Class B] [Fixed / Floating Rate] Notes have been prepared for the purpose of Article 8 of Regulation (EU) 2017/1129 and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Capitalised terms not otherwise defined herein shall have the meaning specified in the Notes Conditions of the [Class A / Class B] [Fixed / Floating Rate] Notes. All references in these Final Terms to numbered Conditions are to be read as reference to the respective Notes Conditions of the [Class A / Class B] [Fixed / Floating Rate] Notes.

1.	Issue Price:	[●]

2.	[Initial] [Further] Issue Date (Condition 8(a)):	[●]
3.	[Class A / Class B] Series Number:	[●]
	Tranche Number,	[●]
4.	Aggregate Nominal Amount of [Further] Series [●] [Class A / Class B] Notes:	EUR [●]
5.	[Aggregate Nominal Amount of Series [●] [Class A / Class B] Notes (including the Notes subject of these Final Terms):]	EUR [●] [Not Applicable]
6.	Series [●] [Class A / Class B] Notes Interest Rate / yield:	[EURIBOR rate for one month Euro deposits plus the Margin as set out in Condition 8(c)][[●] per cent. per annum)]
	Amount on which interest is to be paid on the first Payment Date (Condition 9(a)):	EUR [●]
7.	Margin (Condition 8**Error! Reference source not found.**):	[[●] per cent. *per annum*] [Not Applicable]
	First Payment Date with respect to the Series [●] [Class A / Class B] Notes:	[●]
8.	Instrument Revolving Period Expiration Date:	Payment Date falling in [●] (including) (or as extended in accordance with Condition 9(f))
9.	Scheduled Repayment Date (Condition 9(d)):	Payment Date falling in [●] (or as extended in accordance with Condition 9(f) as a consequence of the extension of the Instrument Revolving Period Expiration Date)
10.	Legal Maturity Date (Condition 9(e)):	[●] (or as extended in accordance with Condition 9(f) as a consequence of the extension of the Instrument Revolving Period Expiration Date)
11.	Settlement information:	[delivery against payment] / [delivery free of payment] / [Not applicable]
12.	Clearing Codes:	
	- ISIN Code	[●]
	- Common Code	[●]
13.	Admission to trading and total expenses:	Application has been made for the Series [●] [Class A / Class B] Notes subject of these Final Terms to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [●]. The total expenses related to the admission to trading will amount to EUR [●].

14.	Use of proceeds	The aggregate gross proceeds from the issuance of the Series [●] [Class A / Class B] Notes will be used to purchase the Expectancy Rights from Volkswagen Leasing GmbH on the relevant [Initial / Further] Issue Date and to pay costs related to the issue of the Series [●] [Class A / Class B] Notes.
15.	Net amount of proceeds	EUR [●]
16.	Ratings	[●][Not Applicable][3]

[In case of Further Notes being subject to these Final Terms, please insert updated portfolio data]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Series [●] [Class A / Class B] Notes described herein (as from [insert Issue Date]).

VCL Master Residual Value S.A., acting with respect to its Compartment 2

[Name and title of signatories]

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[3] A brief explanation of the meaning of the ratings will be inserted, to the extent rated.

SUBSCRIPTION AND SALE

Subscription and Sale

Each Note Purchaser has agreed to subscribe the Notes and to comply with the selling restrictions set out below.

The issuance of the Notes is not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section _.20 of the U.S. Risk Retention Rules. "U.S. Risk Retention Rules" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Notes at all times may not, without the prior consent of the Seller, be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S.

Each purchaser of Notes, including beneficial interests therein, will be deemed, and in certain circumstances will be required, to represent and agree that: (1) it is not a Risk Retention U.S. Person (2) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note to a U.S. person; and (3) it is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The Notes may not be sold to, or for the account or benefit of, U.S. persons except (i) pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act and (ii) in accordance with an exemption from the U.S. Risk Retention Rules.

Selling Restrictions

General

All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered, to the best of each Note Purchaser's knowledge and belief (subject that each Note Purchaser shall have no liability to the Issuer or the Seller in respect of any non-observance of the U.S. Risk Retention Rules by the Issuer or the Seller or any other person). Each Note Purchaser (with respect to the Series of Notes acquired by such Note Purchaser) has agreed that it will not, directly or indirectly, offer, sell or deliver any of the Notes or distribute the Base Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations of such jurisdiction, to the best of each Note Purchaser's knowledge and belief, and that it will not impose any obligations on the Issuer except as set out in the Programme Agreement.

Notwithstanding the foregoing, the Note Purchasers will not have any liability to the Issuer or the Seller for compliance with the U.S. Risk Retention Rules by the Issuer or the Seller or any other person except to the extent as set out in the Note Purchase Agreement.

Germany

Each Note Purchaser has represented and agreed that the Notes have not been and will not be offered or sold or publicly promoted or advertised by it in Germany other than in compliance with the provisions of the German Asset Investment Act (*Vermögensanlagengesetz*), or of any other laws applicable in Germany governing the issue, offering and sale of securities.

Japan

Each of the Note Purchasers has acknowledged, and each further Note Purchaser appointed under the Programme will be required to acknowledge, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) and, accordingly, the Note Purchaser has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to,

or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

United States of America and its Territories

The Notes have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws and under circumstances designed to preclude the issuer from having to register under the Investment Company Act.

Each of the Note Purchasers has represented and agreed under the Programme Agreement that it has not offered, sold or delivered the Notes, and will not offer or sell the Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and the Closing Date or the Initial Issue Date, as applicable, except, in either case, only in accordance with Rule 903 or Rule 904 (as applicable) of Regulation S under the Securities Act. No Note Purchaser nor their respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) nor any Persons acting on its behalf have engaged or will engage in any "directed selling efforts" with respect to the Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of the sale of Notes, each Note Purchaser will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and the Closing Date or the Initial Issue Date, as applicable, except, in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section have the meaning given to them in Regulation S under the Securities Act save that as used in this paragraph "U.S. Person" means a U.S. person within the meaning of Regulation S.

The Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act.

United Kingdom

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that,

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of France

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that,

(a) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly or indirectly, any Notes to the public in France other than in accordance with the exemption of article 1(4) of the Prospectus Regulation; and

(b) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, other than to qualified investors, as defined in Article 2(e) of the Prospectus Regulation, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes.

Prohibition of Sales to EEA Retail Investors

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that it will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that it will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is either one (or both) of the following:

(i) not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

GENERAL INFORMATION

Authorisation of Note Issuance

The issuance of the Notes was authorised by the board of directors of the Issuer on 20 November 2015, the increase of the Programme amount from EUR 3,000,000,000 to EUR 6,000,000,000 was authorised by the board of directors of the Issuer on 13 September 2018 and the increase of the Programme amount from EUR 6,000,000,000 to EUR 8,000,000,000 was authorised by the board of directors of the Issuer on 17 March 2020 and the increase of the Programme amount from EUR 8,000,000,000 to EUR 9,000,000,000 was authorised by the board of directors of the Issuer on 14 September 2021, the increase of the Programme amount from EUR 9,000,000,000 to EUR 10,000,000,000 was authorised by the board of directors of the Issuer on 12 September 2023 and the increase of the Programme amount from EUR 10,000,000,000 to EUR 12,000,000,000 was authorised by the board of directors of the Issuer on 6 September 2024. The update and extension of the Programme including the Schuldschein Loans was authorised by the board of directors of the Issuer on 9 September 2025. The update and extension of the Programme was authorised by the board of directors of the Issuer on 5 March 2026. The update and extension of the Programme, as well as the introduction of fixed rate Notes, was authorised by the board of directors of the Issuer on [●] 2026.

Governmental, Legal and Arbitration Proceedings

During the period covering the 12 months prior to the date of this Base Prospectus, the Issuer has not been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had in the recent past significant effects on the Issuer's financial position or profitability.

Material Adverse Change

There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2025.

Payment Information and Post-Issuance Transaction Information

The Issuer intends to provide post-issuance transaction information regarding the Notes to be admitted to trading and the performance of the underlying assets. The Servicer will provide the investors with monthly servicer reports regarding the Notes and the performance of the underlying assets. Such servicer reports will be provided on a monthly basis and sent directly to the relevant investors.

For as long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, the Issuer will notify the Luxembourg Stock Exchange of the Interest Amounts, Interest Accrual Periods and the Interest Rates and the payments of principal, in each case without delay after their determination pursuant to the Notes Conditions. This information will be communicated to the Luxembourg Stock Exchange at the latest on the first day of each Interest Accrual Period.

All information to be given to the Noteholders pursuant to Condition 7 of the Notes will be available and may be obtained (free of charge) at the specified office of the Issuer.

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

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

Listing and Admission to Trading

The Issuer is expected to make application for the Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading at the regulated market of the Luxembourg Stock Exchange.

ICSDs

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

Clearstream Banking société anonyme
42 Avenue JF Kennedy
L-1885 Luxembourg

Clearing Codes of Notes

As set out in the Final Terms prepared for the relevant Series of Notes.

Inspection of Documents

Copies of the following documents may be inspected during customary business hours on any working day from the date hereof (or the date of publication of such document, as relevant) for at least ten years at the registered office of the Issuer and the Principal Paying Agent, (i) this Base Prospectus and the Final Terms, (ii) the Trust Agreement, (iii) the Security Assignment Deed, (iv) the Agency Agreement, and (v) the Articles of Incorporation of the Issuer and all historical and future financial statements of the Issuer. A copy of this Base Prospectus and the relevant Final Terms will be published on the website of the Luxembourg Stock Exchange (www.luxse.com) and a copy of this Base Prospectus only will be published on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com). The Articles of Incorporation of VCL Master Residual Value S.A. and all historical financial reports of VCL Master Residual Value S.A. (interim financial reports will not be prepared) will be published on the website of Circumference FS (Luxembourg) S.A. (https://circumferencefs-luxembourg.com).

The Servicer shall publish Monthly Servicer Reports regarding the Notes and the performance of the underlying assets. Monthly Servicer Reports shall be published by the Servicer three (3) Business Days prior to the Payment Date of a calendar month via the Securitisation Repository. Furthermore, the Monthly Servicer Report will be published by the Servicer three (3) Business Days prior to the Payment Date of a calendar month available on https://www.vwfs.com/en/investor-relations/volkswagen-leasing-gmbh/refinancing.html#. Subject to any amendments in accordance with the Securitisation Regulation, such Monthly Servicer Reports will, *inter alia*, provide the following information:

(a) the Available Distribution Amount and the aggregate amount to be distributed in relation to each Instrument and the Subordinated Loan, including repayment of the nominal amount and interest payment, on the immediately following Payment Date;

(b) the amounts of interest paid and unpaid on the Instruments and the Subordinated Loan;

(c) collections of the Purchased Final Payment Receivables and the Expectancy Rights Related Collateral for the Monthly Period;

(d) the nominal amount still outstanding on each Instrument and the Subordinated Loan as of each respective Payment Date and the nominal amount of any Further Instruments to be issued on such Payment Date and of any Borrowing Base Cure Amount on such date;

(e) outstanding principal balance before and after origination of Additional Expectancy Rights and any Borrowing Base Cure Amount on such date;

(f) the General Cash Collateral Amount remaining available on the immediately following Payment Date and the amount of any Monthly Collateral received from VWL with respect to such Payment Date;

(g) the sums corresponding to the administration fees and servicing fees;

(h) the 12-Months Average Dynamic Net Loss Ratio and whether the Credit Enhancement Increase Condition is in effect and fulfilled;

(i) the Senior Instrument Actual Overcollateralisation Percentage and the Junior Instrument Actual Overcollateralisation Percentage;

(j) the Dynamic Net Loss Ratio;

(k) delinquency information for delinquency periods of up to one month, one to two months, two to three months, three to four months, four to five months, five to six months, six to seven months, seven to eight months, eight to nine months, nine to ten months and more than ten months with respect to the number of delinquent Lease Contracts, the amount of Delinquent Purchased Lease Receivables and the total outstanding Discounted Receivables Balance of Delinquent Lease Contracts;

(l) in the event of the final Payment Date, the fact that such date is the final Payment Date;

(m) stratification tables;

(n) contract status;

(o) early settlements;

(p) write-offs on the Lease Contracts;

(q) the Revolving Period;

(r) the Late Delinquency Ratio;

(s) Residual Values;

(t) the Buffer Release Rate, any amount standing to the credit of the Buffer Release Reserve Ledger, any Positive Buffer Release Amount and any Negative Buffer Release Amount;

(u) information on the occurrence of an Early Amortisation Event:

(v) amortisation profile of the outstanding pool;

(w) any Senior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount or Junior Instrument Aggregate Discounted Expectancy Rights Balance Increase Amount;

(x) Maximum Commitment Amount for each Instrument;

(y) The Order of Priority; and

(z) the Risk Retention.

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THE ISSUER

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