This document constitutes a base prospectus in respect of non-equity securities within the meaning of Article 8 (1) of Regulation (EU) 2017/1129 (the "**Base Prospectus**").

BASE PROSPECTUS

VCL MASTER NETHERLANDS B.V.

(*a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of The Netherlands with its statutory seat in Amsterdam*)

as Issuer

EUR 1,500,000,000 Programme for the Issuance of Notes

(the "Programme")

Under this Programme, VCL Master Netherlands B.V. (the "**Issuer**") may from time to time issue asset backed floating rate Class A Notes and asset backed floating rate Class B Notes (together the "**Notes**") denominated in Euro (subject always to compliance with all legal and/or regulatory requirements).

The Issuer will issue the 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 Series, the Issuer will deliver a global registered note to a Common Safekeeper for Clearstream Banking *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**").

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 Leased Vehicles and the associated Lease Receivables from Volkswagen Pon Financial Services B.V. (the "**Seller**") pursuant to the Master Hire Purchase Agreement.

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 Lease Collections, from the Cash Collateral Account, from the enforcement of the Security with respect to the Lease Receivables and from the Swap Agreements. The sum of the Nominal Instrument Amount of the Notes plus the overcollateralisation amount plus the Subordinated Loan equals the Present Value of the Purchased Vehicles and related Lease Receivables discounted to the Cut-Off Date or the respective Additional Cut-Off Date using the Discount Rate. In case of payment in full by the respective Lessees in accordance with the underlying Lease Agreements and/or utilisation of the Cash Collateral Account to the extent any shortfall of Purchased Vehicles and the associated Lease Receivables 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 Margin, 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, as amended (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 (1) 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 [20 November 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 the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen).

Any websites 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 coupons. Each Global Note shall be deposited with a Common Safekeeper for Clearstream, Luxembourg and Euroclear to be held under the new safekeeping structure ("**NSS**") and which will be registered in the name of a nominee of the Common Safekeeper. The Notes represented by the Global Notes will not be exchangeable for definitive Notes. The Notes are intended to be held in a manner which will allow Eurosystem eligibility. See "**OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES – Global Notes**".

Ratings will be assigned to the Class A Notes by DBRS Ratings GmbH ("**Morningstar DBRS**") and Moody's Deutschland GmbH ("**Moody's**"). The Class B Notes are not rated. 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 ("**CRA3**"). Each of Morningstar DBRS and Moody's has been registered in accordance with 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 3 August 2026, which can be found on the website http://www.esma.europa.eu/supervision/credit-rating-agencies/risk. The Issuer considered the appointment of a credit rating agency with no more than 10 per cent. of the total market share when appointing the rating agencies in connection with this Programme along with Moody's and Morningstar DBRS. The assignment of ratings to the Class A Notes or an outlook on these ratings is not a recommendation to invest in the Class A Notes and may be revised, suspended or withdrawn at any time.

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 Notes by Morningstar DBRS and Moody's will be endorsed by DBRS Ratings Limited and Moody's Investors Service Ltd., 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 are 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) (the "**Benchmarks Regulation**").

The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Base Prospectus to reflect any change in the registration status of the Administrator.

Securitisation Regulation

The Seller, in its capacity as originator, will whilst any of the Notes remain outstanding retain for the life of the Programme a material net economic interest of not less than 5 per cent. with respect to the Programme in accordance with Article 6(3)(c) of Regulation (EU) 2017/2402 (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 Regulation and Article 6 of 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, provided that the level of retention may reduce over time in compliance with Article 10 (2) of the of the Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023. As at the Closing Date, such interest will, in accordance with Article 6(3)(c) of the Securitisation Regulation, and Article 6 of Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023, be comprised of an interest in randomly selected exposures equivalent to no less than 5 per cent. of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the Programme. The Seller in its capacity as servicer will service all of the retained exposures, the securitised exposures and comparable exposures held on its balance sheet in accordance with its customary practices in effect from time to time.

The Servicer will prepare Monthly Servicer Reports wherein relevant information with regard to the Purchased Receivables 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**"). The 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**".

Unless stated otherwise, the content of any websites referenced in this Base Prospectus does not form part of this Base Prospectus. For the avoidance of doubt, documents incorporated by reference, however, form part of this Base Prospectus.

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 PON FINANCIAL SERVICES B.V.**" and "**SERVICER, MAINTENANCE COORDINATOR AND 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 "**SERVICER, MAINTENANCE COORDINATOR AND 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 "**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 PON FINANCIAL SERVICES B.V.**" and "**SERVICER, MAINTENANCE COORDINATOR AND 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

ING Bank N.V.

LEAD MANAGER

ING Bank N.V.

The date of this Base Prospectus is [20 November 2026].

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything which is likely to affect the import of such information or which would make misleading any statement (whether it is a statement of fact or of opinion) in this Base Prospectus. The delivery of this Base Prospectus at any time does not imply that the information herein is correct at any time subsequent to the date of this Base Prospectus. The Lead Manager accepts responsibility for the information contained in "**WEIGHTED AVERAGE LIFE OF THE NOTES**", except that to the extent there is any inaccuracy resulting from information provided by the Seller to the Lead Manager, in which case the Seller is solely responsible for such information.

Stichting Security Trustee VCL Master Netherlands accepts responsibility for the information contained in the section entitled "**The other Parties**". To the best of the Security Trustee's knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Security Trustee as to the accuracy or completeness of any other information contained in this Base Prospectus or any other information supplied in connection with the Notes or their distribution.

Volkswagen Pon Financial Services B.V. accepts responsibility, as applicable, for the information contained in the sections entitled "**The Portfolio**", "**Business and Organisation of Volkswagen Pon Financial Services B.V.**", "**Securitisation Regulation**" and "**Business Procedures of Volkswagen Pon Financial Services B.V.**". To the best of Volkswagen Pon Financial Services B.V.'s knowledge and belief (having taken all reasonable care to ensure that such is the case), the respective information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Seller as to the accuracy or completeness of any other information contained in this Base Prospectus or any other information supplied in connection with the Notes or their distribution.

U.S. Bank Europe DAC, accepts responsibility for the information contained in the section entitled "**The other Parties**". To the best knowledge and belief of U.S. Bank Europe DAC (having taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by U.S. Bank Europe DAC as to the accuracy or completeness of any other information contained in this Base Prospectus or any other information supplied in connection with the Notes or their distribution.

[●] accepts responsibility for the information contained in the section entitled in the first part of "**Swap Agreements and Swap Counterparties**", in accordance with the terms of such section. To the best of the Swap Counterparty's knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Swap Counterparty as to the accuracy or completeness of any other information contained in this Base Prospectus or any other information supplied in connection with the Notes or their distribution.

US Bank Global Corporate Trust Limited accepts responsibility for the information contained in the section entitled "**The other Parties**". To the best knowledge and belief of US Bank Global Corporate Trust Limited (having taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by US Bank Global Corporate Trust Limited as to the accuracy or completeness of any other information contained in this Base Prospectus or any other information supplied in connection with the Notes or their distribution.

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, the Seller, the Servicer, the Security Trustee, the Lead Manager or by the Arranger shown on the cover page or any other parties described in this Base Prospectus. The Arranger and the Lead Manager do not constitute

an underwriting syndicate or otherwise 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 any of the Arranger or 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, the Seller, the Servicer, the Security 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 the Luxembourg Prospectus Law. Any such supplement will be published on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen).

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, as amended (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 / target market -The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Noteholder subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Noteholders nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

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 as of 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 the Seller 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.

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. 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 the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen).

Neither this Base Prospectus nor any Final Terms constitutes an offer to sell or the solicitation of an offer to buy any securities. 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**".

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

An investment in the Notes that are the subject of this Base Prospectus 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 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.

It should be remembered that the price of securities and the expected income from them may decrease.

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. THE ISSUER IS BEING STRUCTURED SO AS NOT TO CONSTITUTE A "COVERED FUND" FOR PURPOSES OF REGULATIONS ADOPTED UNDER SECTION 13 OF THE BANK HOLDING COMPANY ACT OF 1956, AS AMENDED, COMMONLY KNOWN AS THE "VOLCKER RULE".

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.

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GENERAL DESCRIPTION OF THE PROGRAMME

*This following **"GENERAL DESCRIPTION OF THE PROGRAMME**" must be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Base Prospectus and in the relevant Final Terms and constitutes a general description of the Programme for the purpose of Article 25 of Commission Delegated Regulation (EU) 2019/980. 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 OVERVIEW" shall have the respective meanings set out in the "MASTER DEFINITIONS SCHEDULE".*

The Programme is a EUR 1,500,000,000 Programme for the issuance of the Instruments under which the Issuer may from time to time issue asset backed floating rate notes denominated in Euro (subject always to compliance with all legal and/or regulatory requirements during the Revolving Period). 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 Conditions of the Notes 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 of the Notes" below for further detail). In addition the Issuer may request Advances under the Schuldschein Loans.

THE PARTIES

Issuer / Purchaser / Call Option Provider	VCL Master Netherlands B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its official seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Basisweg 10, 1043 AP Amsterdam, The Netherlands, registered in the Trade Register under number 65490916. The Issuer has been incorporated on 3 March 2016. The Legal Entity Identifier (LEI) of the Issuer is: 529900HPHD9YZZ504R69.
Foundation	Stichting VCL Master Netherlands, a foundation (*stichting*) established under the laws of The Netherlands, having its official seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Basisweg 10, 1043 AP Amsterdam, The Netherlands, registered with the Trade Register under number 65487982. The Foundation is the sole shareholder of the Issuer.
Seller / Servicer / Maintenance Coordinator/ Call Option Buyer/ Issuer Facility Borrower/ Reserve Funding Provider	Volkswagen Pon Financial Services B.V. ("**VWPFS**"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its official seat (*statutaire zetel*) in Amersfoort, The Netherlands, and its registered office at Saturnus 1, 3824 ME Amersfoort, The Netherlands, registered in the Trade Register under number 20073305.
Arranger	ING Bank N.V., Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands.
Lead Manager	ING Bank N.V., Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands.
Swap Counterparty	[●].
Subordinated Lender	Volkswagen Pon Financial Services B.V. ("**VWPFS**"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its official seat (*statutaire zetel*) in Amersfoort,

	The Netherlands, and its registered office at Saturnus 1, 3824 ME Amersfoort, The Netherlands, registered in the Trade Register under number 20073305.
Account Bank / Registrar / Principal Paying Agent / Interest Determination Agent / Calculation Agent	U.S. Bank Europe DAC, a designated activity company registered in Ireland with the Companies Registration Office, registered number 418442, with its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7.
Security Trustee	Stichting Security Trustee VCL Master Netherlands, a foundation (*stichting*) established under the laws of The Netherlands, having its official seat (*statutaire zetel*) in Amsterdam, The Netherlands and registered in the Trade Register under number 66086302.
Cash Administrator	US Bank Global Corporate Trust Limited, a limited company registered in England and Wales having the registration number 05521133 and a registered address of 125 Old Broad Street, Fifth Floor, London, EC2N 1AR.
Issuer Director / Foundation Director	CSC Management (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its official seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Basisweg 10, 1043 AP Amsterdam, The Netherlands, registered in the Trade Register under number 33226415.
Trustee Director / Data Protection Trustee	Amsterdamsch Trustee's Kantoor B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its official seat (*statutaire zetel*) in Amsterdam, The Netherlands, and its registered office at Basisweg 10, 1043 AP Amsterdam, The Netherlands, registered in the Trade Register under number 33001955.
Rating Agencies	DBRS Ratings GmbH , Neue Mainzer Straße 75, 60311 Frankfurt am Main, Germany; and Moody's Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Germany.
English Process Agent	CSC Capital Markets UK Limited, 5 Churchill Place, 10th Floor, Canary Wharf, London, E14 5HU, United Kingdom.
German Process Agent	Rechtsanwalt Bernhard Faber, with its offices at Thomasiusstraße 11, 10557 Berlin, Germany.
Clearing Systems	Clearstream Banking société anonyme, 42 Avenue JF Kennedy, L-1885 Luxembourg and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.
The Programme	The Programme is a EUR 1,500,000,000 Programme for the issuance of the Instruments under which the Issuer may from time to time issue asset backed floating rate notes denominated in Euro (subject always to compliance with all legal and/or regulatory requirements) during the Revolving Period. The applicable terms to any Notes will be agreed between the Issuer and the relevant purchaser prior to the issue of the Notes and will be set out in the Conditions of the Notes 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 of the Notes**" below for further detail).

THE NOTES

Notes

Prior to the occurrence of an Enforcement Event, the Class A Notes will (i) with respect to payments of interest, rank equally with the Senior Schuldschein Loans but senior to the Class B Notes and the Junior Schuldschein Loans and the Subordinated Loan, and (ii) with respect to payments of principal, will rank senior to the Class B Notes and the Junior Schuldschein Loans and the Subordinated Loan, but payments of interest under the Class B Notes and the Junior Schuldschein Loans will rank senior to payments of principal under the Class A Notes. After the occurrence of an Enforcement Event, the Class A Notes will rank senior to the Class B Notes and the Junior Schuldschein Loans and the Subordinated Loan with respect to payments of interest and principal, and will rank equally with the Senior Schuldschein Loans. The Junior Schuldschein Loans rank equally with the Class B Notes and junior to the Class A Notes and the Senior Schuldschein Loans but senior to the Subordinated Loan.

With respect of interest and principal, each of the Class A Notes and Class B Notes rank *pari passu* amongst themselves, prior and after the occurrence of an Enforcement Event. The Senior Schuldschein Loans rank *pari passu* among themselves and with the Class A Notes, and the Junior Schuldschein Loans rank *pari passu* among themselves and with the Class B Notes, in each case prior and after the occurrence of an Enforcement Event.

The foregoing is in each case subject to the Order of Priority.

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:	[77.50]%*
Junior Instrument Increase Amount:	[6.00]%*
Subordinated Loan increase amount:	[14.73]%
Additional Lease Receivables Overcollateralisation Percentage:	[1.77]%*
Total:	100 %*

* Percentages are in relation to the Further Discounted Receivables Balance

Furthermore, along with each issuance of Further Instruments under the Programme the Cash Collateral Account balance shall be increased (i) during the Revolving Period, to an amount equal

to [1.35] per cent. of the aggregate outstanding principal amount of all Instruments after application of the applicable Order of Priority on the Further Issue Date, and (ii) after the Revolving Period, to the lesser of (a) the Specified General Cash Collateral Account Balance as of the last Payment Date of the Revolving Period, and (b) the aggregate outstanding principal amount of the Instruments as of the end of the Monthly Period.

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, subject to a floor of zero, (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 Class A Notes have been rated AAA (sf) by Morningstar DBRS and Aaa (sf) by Moody's, whilst the Class B Notes have not been rated. The ratings indicate the ultimate payment of principal and the timely payment of interest of the Class A Notes. The ratings should not be regarded as a recommendation by the Issuer, the Seller and Servicer (if different), the Lead Manager, the Arranger, the Security Trustee, the Principal Paying Agent, the Interest Determination Agent, the Data Protection Trustee, the Calculation Agent, the Swap Counterparties, the Account Bank or the Rating Agencies to buy, sell or hold the Class A Notes as the ratings are subject to revision or withdrawal at any time. Morningstar DBRS is established in the European Union. Moody's is established in the European Union. According to the press release from European Securities Markets Authority ("**ESMA**") dated 31 October 2011, Morningstar DBRS and Moody's 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 Notes by Morningstar DBRS and Moody's will be endorsed by DBRS Ratings Limited and Moody's Investors Service Ltd., as applicable, being rating agencies which are registered with the Financial Conduct Authority.
Discount Rate	The Discount Rate is 4.4207 per cent. per annum.
Discounted Receivables Balance	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 Receivables), calculated using the 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 Amsterdam and London.
Revolving Period	The Revolving Period means the period from (and including) the Initial Issue Date and ending on (and including) 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 Instrument 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.
Available Distribution Amount	The "**Available Distribution Amount**" shall, on any Payment Date be an amount equal to the sum of the following amounts: (i) amounts received as Lease Collections under the Master Hire Purchase Agreement and the Servicing Agreement, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus (ii) amounts of interest paid or principal repaid, other than by way of set-off, under the Issuer Facility Agreement; plus (iii) any Vehicle Realisation Proceeds; plus (iv) any Lease Incidental Shortfall payments received from the Seller; plus (v) any interest accrued on the Distribution Account and the Accumulation Account; plus (vi) payments from the Cash Collateral Account as provided for in clause 6 (*Cash Collateral Account*) of the Trust Agreement; plus (vii) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus (viii) any amount to be debited from the Maintenance Reserve Ledger on the immediately succeeding Payment Date subject to and in accordance with the relevant mechanics of the Maintenance Reserve Ledger; plus

(ix) 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

(x) Net Swap Receipts under the Swap Agreements and any other amounts included in the Available Distribution Amount pursuant to clause 9.3 (*Swap Agreement*) of the Trust Agreement; plus

(xi) 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

(xii) any Negative Buffer Release Amount, until a Reserve Trigger Event has occurred and the Buffer Release Reserve has been funded; less

(xiii) 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 Lease Collections under limb (i) of the definition of Available Distribution Amount.

Distribution Account	A Distribution Account of the Issuer is maintained with the Account Bank into which the Servicer remits and will remit Lease Collections.
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 the 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.

THE 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 Final Maturity Date.
Ratings	The Senior Schuldschein Loans are rated, to the extent rated [AAA (sf)] by Morningstar DBRS and [Aaa (sf)] by Moody's, whilst the Junior Schuldschein Loans have not been rated. 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 Instruments and the Subordinated Loan (together the "**Funding**") consist of the following:
Purchased Vehicles and associated Lease Receivables	Under the Master Hire Purchase Agreement, the Issuer agreed to hire purchase from the Seller the Purchased Vehicles and associated Lease Receivables with related security. During the Revolving Period the Seller has the right to sell and transfer at its option on each Additional Purchase Date Additional Leased Vehicles with any related security under the Master Hire Purchase Agreement (the "**Master Hire Purchase Agreement**"). The Lease Receivables will include payments by Lessees for the use of the vehicles under the terms of the Lease Agreements originated by, *inter alios*, the Seller and Volkswagen dealers as agents and to a lesser extent also by certain other third parties. Under the Lease Receivables, the Lessees make monthly payments to amortise, over the life of the Lease Agreement, the difference between the purchase price of the vehicle and such vehicle's predetermined calculation of value at the expiration of the Lease Agreement. Pursuant to the Master Hire Purchase Agreement the Seller represents and warrants to the Issuer and the Security Trustee as of each Purchase Date with respect to the Leased Assets sold by it on such Purchase Date or, as the case may be, relating to the Portfolio including such Leased Assets as of such Purchase Date that each Leased Vehicle together with the associated Lease Receivables and Lease Agreements comprised in the relevant Portfolio satisfy certain criteria.
Cash Collateral Account	The outstanding balance of the Cash Collateral Account on each Payment Date shall be (i) during the Revolving Period, an amount equal to [1.35] 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 as of 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 Loan	The Subordinated Lender has granted the Subordinated Loan in a total initial nominal amount of EUR 58,846,956.82 to the Issuer on the Closing Date. 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 180,000,000 *provided that* the Subordinated Lender shall be required to grant additional advances to the extent required to increase the loan amount by the

	Subordinated Loan Increase Amount. 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 Receivables Balance exceeded the sum of the nominal amount of the Instruments and the nominal amount of the Subordinated Loan to provide overcollateralisation to the Instruments. During the Revolving Period, additional overcollateralisation is expected to be provided to the Instruments.
Maintenance Reserve Advance	The Maintenance Reserve Advance serves to provide credit enhancement to cover potential Maintenance Costs relating to any associated Lease Agreement. The purpose of the Maintenance Reserve Advance is to ensure that the Issuer will continue to be able to pay any amounts to be paid to third party garages and service providers (including any VAT thereon) for the provision of the Maintenance Services in relation to the Purchased Vehicles including any costs relating to an amendment of the vehicle registration (*kentekenbewijzen*) of the Purchased Vehicles and any insurance costs (collectively, "**Maintenance Costs**") relating to the Lease Agreements if and to the extent Maintenance Costs will not be paid by the Maintenance Coordinator.
Maintenance Reserve Ledger	The Reserve Funding Provider will within thirty (30) calendar days upon the occurrence of a Reserve Trigger Event which is outstanding or an Insolvency Event relating to the Maintenance Coordinator, advance the Maintenance Reserve Advance up to the Required Maintenance Reserve Amount to the Issuer pursuant to the terms of the Reserve Funding Agreement, following which the Issuer will credit such Required Maintenance Reserve Amount to a ledger (the "**Maintenance Reserve Ledger**"). If and to the extent the Maintenance Coordinator does not cover any Maintenance Costs, an amount equal to such unpaid Maintenance Costs, if and to the extent standing to the credit of the Maintenance Reserve Ledger will form part of the Available Distribution Amount and will, subject to and in accordance with the relevant Order of Priority, be applied towards payment of such Maintenance Costs. If and to the extent the Maintenance Reserve Amount will be applied toward the payment of any Maintenance Costs which are not settled by the Maintenance Coordinator, a corresponding amount shall be debited from the Maintenance Reserve Ledger.
Buffer Release Reserve	. The 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.. For the avoidance of doubt, the Seller shall be obliged to pay the Negative Buffer Release Amount until the Buffer Release Reserve has been funded and can be applied in accordance with the Order of Priority, as set out in clause 16.2(a) (*Order of Priority*) of the Trust Agreement.
Buffer Release Reserve Ledger	The Reserve Funding Provider will within thirty (30) calendar days upon the occurrence of a Reserve Trigger Event which is outstanding, fund the Buffer Release Reserve up to the Required

Buffer Release Reserve Amount to the Issuer pursuant to the terms of the Reserve Funding Agreement, following which the Issuer will credit such Required Buffer Release Reserve Amount to a ledger (the " **Buffer Release Reserve Ledger**").

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 sixth of the Order of Priority, as set out in clause 16.2(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 be obliged to pay an amount equal to the Negative Buffer Release Amount to the Issuer until the Buffer Release Reserve Ledger can be used under the Available Distribution Amount. 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 items *first* to *sixth* of the Order of Priority, as set out in clause 16.2(a) (*Order of Priority*) of the Trust Agreement.

IMPORTANT PROGRAMME DOCUMENTS AND PROGRAMME FEATURES

Master Hire Purchase Agreement

Pursuant to the provisions of the agreement for the purchase of Purchased Vehicles and associated Lease Receivables entered into by the Seller and the Issuer (the "**Master Hire Purchase Agreement**"), the Issuer has acquired from the Seller on the Initial Issue Date the Initial Leased Vehicles and associated Lease Receivables.

During the Revolving Period, the Seller may at its discretion sell Additional Leased Vehicles to the Issuer on each Payment Date (each an "**Additional Purchase Date**") at the terms and conditions described in the Master Hire Purchase Agreement.

The Master Hire Purchase Agreement is governed by Dutch law.

Early Settlement	Pursuant to the provisions of the Master Hire Purchase Agreement, the Issuer is, in certain circumstances, entitled to demand termination of the relevant Hire Purchase Contract and repayment of the associated Issuer Advance. These circumstances include, *inter alia*, the breach of an Asset Warranty or a Corporate Warranty. Each repayment of an Issuer Advance may lead to earlier payments of the Notes than would be the case in the event of Collections of the Purchased Vehicles and Realisation Proceeds in accordance with the relevant Master Hire Purchase Agreement as set forth in more detail in "**RISK FACTORS - Risk of Early Repayment**". The Issuer is entitled to sell and transfer to a securitisation vehicle nominated by the Seller any or all Purchased Vehicles and, where applicable, transfer the related Hire Purchase Contracts by means of transfer of contract (*contractsoverneming*), provided a confirmation by the Rating Agencies that the sale will not in and of itself result in a downgrade, withdrawal or qualification of the rating assigned to the Rated Instruments after the Term Takeout. There are several requirements for the purchase price to be paid by the purchaser set out in the Master Hire Purchase Agreement. 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 16.2(b) of the Trust Agreement. The selection of Term Takeout vehicles will be made on a random basis (taking into account, however, the representations and warranties of the Seller as set out in clause 10.1 (*Representations and Warranties relating to the Leased Assets*) of the Master Hire Purchase Agreement). 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. See "TRUST AGREEMENT".
Clean-Up Call Option	Under the Master Hire Purchase Agreement, after expiration of the Revolving Period, the Seller may at its option, exercise a Clean-Up Call Option and terminate all (but not only part of the) Hire Purchase Contracts and repay all Issuer Advances on any Payment Date on which the Aggregate Discounted Receivables Balance is less than 10 per cent. of the Aggregate Discounted Receivables 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	The Seller will be appointed as servicer with respect to the relevant Leased Vehicles sold or to be sold by it to the Issuer. Pursuant to the terms of the Servicing Agreement, the Servicer will act as servicing agent for the Issuer and provide Lease Services and Realisation Services to the Issuer in relation to the Initial Portfolio and any Additional Portfolio, including the collection of payments under the associated Lease Agreements and certain other administration services (including, but not limited to, the provision of certain cash administration, recovery and repossession services).

Pursuant to the Servicing Agreement, the Maintenance Coordinator will agree in favour of the Issuer to perform or procure the performance of the Maintenance Services owed by the Seller to the Lessees under the Lease Agreements in the Portfolio that stipulate that maintenance and certain other services will be provided to the relevant Lessees under and in accordance with the terms of such Lease Agreements.

In consideration of the performance of the Maintenance Services, the Maintenance Coordinator will receive a fee (the "**Senior Maintenance Coordinator Fee**") to be paid by the Issuer to the Maintenance Coordinator in accordance with the Order of Priority. Upon the occurrence of an Event of Default with respect to the Maintenance Coordinator or a Maintenance Coordinator Replacement Event, the replacement Maintenance Coordinator will receive the Replacement Maintenance Coordinator Fee. Both the Senior Maintenance Coordinator Fee and the Replacement Maintenance Coordinator Fee will be payable by the Issuer subject to and in accordance with the applicable Order of Priority.

The Servicing Agreement is governed by Dutch law.

Reserve Funding Agreement

The Issuer, the Reserve Funding Provider and the Security Trustee have entered into a Reserve Funding Agreement pursuant to which the Reserve Funding Provider agrees to make available to the Issuer the Maintenance Reserve Advance and the Required Buffer Release Reserve Amount in accordance with the terms of the Reserve Funding Agreement.

Pursuant to the Reserve Funding Agreement, the Reserve Funding Provider agrees to (i) make available to the Issuer at all times within thirty (30) calendar days following the occurrence of a Reserve Trigger Event which is continuing or an Insolvency Event in relation to the Maintenance Coordinator, the Maintenance Reserve Advance in an amount such that the balance on the Maintenance Reserve Ledger is equal to the Required Maintenance Reserve Amount, which amount will be paid by the Reserve Funding Provider to the Cash Collateral Account and on the same day be credited by or on behalf of the Issuer to the Maintenance Reserve Ledger, and (ii) at all times within thirty (30) calendar days following the occurrence of a Reserve Trigger Event which is continuing, 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 by the Reserve Funding Provider 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 Calculation Date, the amount standing to the credit of the Maintenance Reserve Ledger falls short of the Required Maintenance Reserve Amount for the immediately succeeding Payment Date, the Reserve Funding Provider will advance to the Issuer an amount (if such amount is greater than zero) equal to such shortfall on such Payment Date.

The Reserve Funding Agreement is governed by Dutch law.

Trust Agreement

The Issuer has entered into the Trust Agreement with, *inter alios*, the Security Trustee, the Foundation, the Seller, the Servicer, the Maintenance Coordinator, the Lenders and the Note Purchasers,

under which the Issuer has instructed the Security Trustee to act as trustee for the Noteholders, the Lenders and the other Programme Creditors, in accordance with and subject to the terms and conditions of the Trust Agreement and has entitled the Security Trustee to demand from the Issuer:

– that the Issuer shall duly and punctually pay and discharge all monies and liabilities that are or at any time will be due and payable to the Security Trustee or any Programme Creditor under or in connection with the Instruments and any other Programme Document to which it is a party; and

– that the Issuer shall comply with and perform all its other obligations and liabilities under the Instruments and any other Programme Document to which it is a party.

The Security Trustee shall be entitled to enforce the obligations of the Issuer under the Instruments and the Conditions as if the same were set out and contained in the Trust Agreement.

To provide collateral for the Secured Obligations, the Issuer pledges to the Security Trustee the Purchased Vehicles and the associated Lease Receivables, all its claims and other rights arising from the Programme Documents and all its 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 in the name of the Issuer in the future under or in connection with the Account Agreement.

As part of the Security, the Seller has also pledged the Purchased Vehicles it owns to the Security Trustee under the Sellers Vehicles Pledge Agreements.

The Trust Agreement is governed by German law.

Account Agreement

Under the terms of the Account Agreement, the Issuer will hold the Cash Collateral Account, the Distribution Account, the Accumulation Account, the Monthly Collateral Account and the Counterparty Downgrade Collateral Account with the Account Bank. Should the Account Bank cease to have the Account Bank Required Ratings, the Account Bank shall within sixty (60) days (i) procure transfer of the accounts held with it to an Eligible Collateral Bank which is to be appointed by the Issuer once selected by the Account Bank, or (ii) find an irrevocable and unconditional guarantor providing the guarantee from an entity with Account Bank Required Rating, or (iii) take any other action in order to maintain the rating of the Rated Instruments or to restore the rating of the Rated Instruments.

The Account Agreement is governed by German law.

Subordinated Loan Agreement

Pursuant to the Subordinated Loan Agreement, the Subordinated Lender has agreed to make available to the Issuer the Subordinated Loan to provide funds for the acquisition of the Leased Vehicles and associated Lease Receivables pursuant to and in accordance with the Programme Documents to provide credit enhancement for the outstanding Notes and to grant the Issuer Facility to the Seller.

	The Subordinated Loan Agreement is governed by German law.
Issuer Facility Agreement	The Issuer, the Seller and the Security Trustee have entered into the Issuer Facility Agreement pursuant to which the Issuer will make available to the Seller Issuer Advances in respect of each Purchased Vehicle together with the associated Lease Receivables, each for an amount equal to the Present Value of the aggregate Purchase Price payable in respect of the respective Purchased Vehicle as calculated as at the relevant Cut-Off Date. The Issuer Facility Agreement is governed by Dutch law.
Swap Agreements	The Issuer has entered, or will enter into one or more Swap Agreements. Each Swap Agreement will hedge in respect of a particular Series of Notes the interest rate risk deriving from fixed rate interest payments owed by the Lessees to the Issuer under the Purchased Receivables and floating rate interest payments owed by the Issuer under the relevant Instruments. Each Swap Agreement is governed by English law.
Management Agreements	The Issuer has entered into the Issuer Management Agreement, the Foundation has entered into the Foundation Management Agreement and the Security Trustee has entered into the Trustee Management Agreement, pursuant to which the Directors shall perform certain management services for the Issuer, the Foundation and the Security Trustee. Each Management Agreement is governed by Dutch law.
Deposit Agreement	The Seller and the Issuer have appointed Amsterdamsch Trustee's Kantoor B.V., as Data Protection Trustee under the provisions of the Deposit Agreement and have made the Portfolio Decryption Key (which is used for the identification of the names and addresses of the Lessees in respect of the Purchased Vehicles) 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. The Data Protection Trustee will instruct the Lessees and, if applicable, any insurance company, to make all payments in respect of the relevant Purchased Vehicle directly to the Distribution Account or such other account as the Issuer or the Security Trustee may designate for such purpose, to the extent the Servicer fails to comply with its notification obligations pursuant to clause 22.1of the Servicing Agreement and/or clause 12.1 of the Master Hire Purchase Agreement. The Deposit Agreement is governed by German law.
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 below 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. These risk factors represent the principal risks inherent in investing in the Notes only.

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 Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. These factors are contingencies which may or may not occur, and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the risks described herein are the principal risks inherent in the Programme for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other unknown reasons. Although the Issuer believes that the various structural elements described in this document mitigate some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

I. RISK FACTORS WHICH ARE SPECIFIC AND MATERIAL TO THE ISSUER

The Issuer is structured to be an insolvency-remote vehicle. Each of the Programme Documents to which the Issuer is a party is subject to limited recourse provisions and non-petition covenants in favour of the Issuer. The Issuer has granted security over most of its assets pursuant to the Security Documents. Reliance is therefore placed on the pledges, assignments and other security interests granted by the Issuer under all of the Security Documents and the contractual non-petition undertakings given by the Programme Creditors. However, the Issuer is not exempt from insolvency proceedings. In particular, in circumstances where the Issuer would owe any amounts to a Lessee after it has acquired legal title to a Purchased Vehicle, such as a Lease Incidental Debt that may be owed by the Issuer to the relevant Lessee in respect of such Purchased Vehicle, the Issuer will not have the benefit of limited recourse undertakings and non-petition undertakings, since these have not been made by the Lessees.

The Issuer is incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands and has its official seat (*statutaire zetel*) in Amsterdam and is likely to have its centre of main interests (within the meaning of the EU Insolvency Regulation) in The Netherlands and, consequently, may be subject to insolvency laws and proceedings in The Netherlands, subject to certain exceptions as provided for in the EU Insolvency Regulation.

There are two primary insolvency regimes under Dutch law. The first, moratorium of payments (*surseance van betaling*), is intended to facilitate the reorganisation of a debtor's indebtedness and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate assets and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are set forth in the Dutch Bankruptcy Act (*Faillissementswet*). In practice, a moratorium of payments often results in bankruptcy.

If the Issuer becomes subject to an insolvency regime, this could result in the Issuer not having enough funds available to it to meet its obligations under the Notes.

II. RISKS RELATED TO THE NATURE OF THE NOTES AND THE SCHULDSCHEIN LOANS

Liability and Limited Recourse under the Notes, the Schuldschein Loans and the Subordinated Loan

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 Lease Receivables and under the Programme Documents. The Available Distribution Amount may not be sufficient to pay amounts accrued

under the Notes or the Schuldschein Loans, which may result in an Interest Shortfall, however, only an Interest Shortfall on the Class A Notes or the Senior Schuldschein Loans when the same becomes due and payable, and such default continues for a period of five (5) Business Days will constitute a Foreclosure Event. Neither the Notes nor the Schuldschein Loans shall give rise to any payment obligation in addition to the foregoing. If the Security Trustee enforces the claims under the Notes or the Schuldschein Loans, or respectively the Parallel Debt, such enforcement will be limited to the assets which were pledged, respectively transferred, to the Security Trustee 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 none of any Noteholder, any Lender or the Security Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders and the 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 Security and any other assets of the Issuer. The Issuer is in any case a special purpose company with no assets other than the Portfolio and its rights under the Programme Documents to which it is a party. This could result in the Issuer not having enough funds available to it to meet its obligations under the Notes or the Schuldschein Loans.

Subordination of Notes

Holders 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 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 or 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 or the Junior Schuldschein Loans 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, 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 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.

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 Programme Parties 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 Purchased Receivables, to realise the Purchased Vehicles and to forward these amounts to the Issuer and on the maintenance of the level of interest rate protection offered by the Swap Agreements. In the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected. No assurances can be given that the Issuer will be able to find any replacement providers on a timely basis or at all. In this regard, see further the risk factor "***Risk of change of Servicer***" below.

Change of law

The Lease Agreements underlying the Purchased Vehicles and associated Lease Receivables, the Trust Agreement, the Master Hire Purchase Agreement, the other Programme Documents and the issue and structure of the Notes as well as the ratings which are to be assigned to the Notes are based on the laws in effect as of the date of this Base Prospectus and as applied by the courts and other competent authorities in the relevant jurisdictions. No assurance can be given as to the impact of any possible change of law or its interpretation or judicial 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.

No gross up of payments

Save for what is discussed in the risk factor "**Conditional withholding tax on interest in The Netherlands**", under the existing laws of The Netherlands all payments of interest and principal by the Issuer under the Notes can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

The tax treatment may change before the maturity or termination date of Notes, due to changes in tax law or in the interpretation of tax law or otherwise. The Notes will not provide for gross-up of payments in the event that the payments on the Notes become subject to withholding taxes (including a withholding under FATCA), so that in case the Issuer would have to withhold payments due under the Notes for tax reasons, the Noteholders would receive reduced payments only which may lead to a lower return on the Notes.

Modification of Notes 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 Margin pursuant to Condition 8(c) may only be modified pursuant to a contractual agreement which requires the consent of the Issuer, all Noteholders and of VWPFS. If no such consent can be obtained the Noteholders will bear the risk that the applicable Margin pursuant to Condition 8(c) might be of economic disadvantage for them.

Ratings of the Class A Notes

The Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies. Rating organisations other than the Rating Agencies may seek to rate the Class A Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of the Class A 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 the Class A Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement to the Notes. Any withdrawal or downgrade of the ratings assigned to the Class A Notes could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Class A Notes in the secondary market.

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 the Swap Counterparty fails to pay any amounts when due under a Swap Agreement, the Collections from Purchased Receivables and the General Cash Collateral Amount may be insufficient to make the required payments on the respective Instrument and the Noteholders and the 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. The 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 Purchased Receivables and the General Cash Collateral Amount may be insufficient to make the required payments on the Instruments and the Noteholders and the Lenders may experience delays and/or reductions in the interest and principal payments under the Instruments.

The 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 Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), 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 Counterparty's 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 U.S. (although the scope of any such proceedings may be limited if the relevant non-U.S. 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 judgment or order was recognised by the English courts, such actions may adversely affect the rights of the Noteholders and/or 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.

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

In respect of the Programme Documents that are governed by German law, as a general principle of German law, a continuing obligation (*Dauerschuldverhältnis*) may always be terminated for good cause (*Kündigung aus wichtigem Grund*) and such right cannot be 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 governed by German law.

Eurosystem Eligibility

The Notes are currently not Eurosystem eligible. However, the Class A Notes are intended to be held in a manner which would allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper, but does not necessarily mean that the Class A Notes in the future will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem eligible collateral**") at any or all times during their life. Such recognition will depend upon such satisfaction of all of the other 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). is not expected that the Class A Notes and the Class B Notes will satisfy the Eurosystem eligibility criteria.

Neither the Issuer, the Lead Manager nor the Arranger gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any prospective investor in the Class A Notes should consult its professional advisers with respect to whether or not the Class A Notes may constitute Eurosystem eligible collateral at any point of time during the life of the Class A Notes.

III. RISKS RELATED TO THE PURCHASED RECEIVABLES AND PURCHASED VEHICLES

Hire Purchase of the Leased Vehicles – Risk that hire purchase of Leased Vehicles is not perfected

Pursuant to the Master Hire Purchase Agreement the Issuer will purchase Leased Vehicles from the Seller by means of a Hire Purchase Contract within the meaning of article 7:84 paragraph 3 under b or, with respect to a Hire Purchase Contract entered into prior to 1 January 2017, article 7A:1576h of the Dutch Civil Code to be entered into in respect of each relevant Leased Vehicle with the Seller. Under a hire purchase contract the parties agree that the purchase price for the relevant asset is paid in regular instalments and that unconditional legal ownership to the asset does not transfer at the time of delivery of the asset to the hire purchaser, but only upon fulfilment of the condition precedent that the purchase price shall have been paid in full (i.e. upon payment of the final instalment). Upon payment in full, the Issuer will automatically by operation of law become the unconditional legal owner of such Purchased Vehicle, even when in the meantime an Insolvency Event with respect to the Seller has occurred.

Pursuant to article 7:84 paragraph 3 under b and article 7:9(3) (or, with respect to a Hire Purchase Contract entered into prior to 1 January 2017, article 7A:1576h and article 7A:1576l) of the Dutch Civil Code delivery (*aflevering*) of assets which are being hire purchased requires that the seller provides control (*macht*) over the relevant assets to the hire purchaser. Under the laws of The Netherlands different views have been expressed as to what would be required as a minimum to provide control over a leased vehicle to a hire purchaser. However, the Issuer has been advised that upon due completion and execution of any Combined Transfer Deed in relation to a Leased Vehicle and, to the extent not already done so, notification as set out

below, such Combined Transfer Deed results in a valid hire purchase (*huurkoop*) of such Leased Vehicles as a matter of the laws of The Netherlands in accordance with its terms. Pursuant to the Master Hire Purchase Agreement such control (*macht*) will be provided by means of a statement to that effect by and between the Seller and the Issuer and, to the extent not already done so, notification will be given to the relevant Lessees whereby each Lessee will be informed, among other things, that the Lessee will have to adhere to any instructions which will as from the date of the relevant notification be sent to the Lessee by or on behalf of the Seller, also acting on behalf of the Issuer. The details as to which Leased Vehicles leased by the relevant Lessee are subject to the hire purchase will be made available to the Lessee upon request. If for whatever reason delivery of the Leased Vehicle would not occur pursuant to a Combined Transfer Deed it would not result in a valid hire purchase of a Leased Vehicle as a matter of the laws of The Netherlands in accordance with its terms, which will not be valid and the Issuer will not become the legal owner of the Purchased Vehicles and may not be entitled to the Lease Collections and Vehicle Realisation Proceeds, which may in turn result in losses on the Notes.

Adverse rights of third parties in relation to the Purchased Vehicles

Pursuant to the Master Hire Purchase Agreement the Issuer will purchase Leased Vehicles from the Seller from time to time by means of a Hire Purchase Contract within the meaning of article 7:84 paragraph 3 under b or, with respect to a Hire Purchase Contract entered into prior to 1 January 2017, article 7A:1576h of the Dutch Civil Code to be entered into in respect of each Leased Vehicle with the Seller. Pursuant to each Hire Purchase Contract, delivery (*levering*) of the relevant Purchased Vehicle occurs by the Seller providing the control (*macht*) of such Purchased Vehicle to the Issuer on the associated Purchase Date. In addition notification will be given to the relevant Lessees whereby each Lessee will be informed, *among other things*, that the Lessee will have to adhere to any instructions which will as from the date of the relevant notification be sent to the Lessee by or on behalf of the Seller, also acting on behalf of the Issuer. The details as to which Leased Vehicles leased by the relevant Lessee are subject to the hire purchase will be made available to the Lessee upon request.

Statutory protection is available under the laws of The Netherlands to any person with a prior proprietary right (*oorspronkelijk rechthebbende of anterieur beperkt gerechtigde) or privileged receivable (geprivilegieerde schuldeiser*) in respect of the relevant Purchased Vehicle if at the time of notification to the relevant Lessee the Issuer knew or should have known of their entitlement.

Pursuant to the Master Hire Purchase Agreement, the Seller will give the Asset Warranties in relation to the Leased Assets. The Asset Warranties include the requirement that there is no person or entity with a prior proprietary right (*oorspronkelijk rechthebbende*) or privileged receivable (*gepriviligeerde schuldeiser*) in respect of each Leased Asset, subject to any Adverse Claims under the BOVAG General Conditions.

A breach of such Asset Warranties could potentially lead to the Issuer receiving less Vehicle Realisation Proceeds than expected or the Issuer not having become the owner of the relevant Purchased Vehicle and consequently only having a claim for damages vis-à-vis the Seller.

BOVAG possessory liens and third party encumbrances of third parties

Retention of title

The purchase contracts pursuant to which the Seller purchases from the relevant car dealer the Vehicles that will become subject to a Lease Agreement usually are subject to the BOVAG General Conditions which contain a provision under which the car dealer retains title to the Vehicle until the purchaser has fully paid the purchase price thereof and/or has complied with other obligations vis-à-vis the car dealer. Such retention of title provisions are used by the relevant car dealer in connection with the acquisition of Vehicles and the repair and maintenance of such Vehicles. For as long as such provision is effective in relation to a Vehicle, the Seller acquires conditional title (*eigendom onder opschortende voorwaarde*) to such Vehicle only (subject to the condition precedent of full payment of the relevant amounts). Where under an agreement it is intended that the Seller retains ownership of a vehicle (over which the buyer is given control) until an obligation owed by the buyer has been performed, the seller is presumed to have undertaken itself to transfer the vehicle to the buyer under a condition precedent of performance of that obligation.

The consequence of such retention of title is that, depending on the exact wording of the relevant retention of title clause in the purchase agreement entered into between the Seller and the car dealer, the Seller will

only become the unconditional legal owner of the Vehicle after payment of the purchase price in full. Once the Seller has paid the purchase price to the car dealer, it will in principle acquire legal title to the Vehicle.

It is understood that the Seller customarily pays the purchase price owed by it to a car dealer within five (5) business days after delivery of the Vehicle, which would typically represent the largest claim by a car dealer on the Seller. However, a car dealer may also perform other services for the Seller pursuant to (*in het kader van*) the sale and purchase agreement between the car dealer and the Seller, such as maintenance and repair work, which if invoices in respect thereof remain unpaid could lead to the car dealer retaining title to a Vehicle possessed by it. It is understood that such unpaid amounts generally are very limited and it would be uncommon for a car dealer to retain title as a result of this. However, if such unpaid amounts would nevertheless be material and a dealer would retain title as described above, the Seller would not become the unconditional legal owner of the Vehicle and therefore cannot transfer title of such Vehicle to the Issuer under a Combined Transfer Deed.

Pursuant to each Hire Purchase Contract, the Seller purports to transfer to the Issuer full title to the relevant Purchased Vehicle, but subject to the condition precedent of payment of the Final Purchase Instalment. However, if title to such Purchased Vehicle is retained by the relevant car dealer, the Seller cannot transfer full, but at the most conditional, title, in any case subject to the same condition precedent of payment of the Final Purchase Instalment. In such case, there is a risk that the relevant car dealer with a retention of title will claim back the Vehicle from the Issuer if any amounts due by the Seller remain unpaid.

Negative disposal/pledge

In addition, the BOVAG General Conditions provide that for as long as title to the relevant Vehicle is retained by the car dealer as abovementioned, the client of such dealer (the Seller) may not pledge or grant any other right in respect of such Vehicle to any third party. Pursuant to the Master Hire Purchase Agreement, the Seller will warrant and represent that the entry by the Seller into and the execution of the relevant Programme Documents and the performance by the Seller of its obligations under the relevant Programme Documents do not and will not conflict with or constitute a breach or infringement of any of the terms of, or constitute a default by, the Seller under, any agreement, indenture, contract, mortgage, deed or other instrument to which the Seller is a party or which is binding on it or any of its assets, where such conflict, breach, infringement or default could reasonably be expected to damage materially the ability of the Seller to perform its obligations under the relevant Programme Documents. See further the section headed "Credit Risk of the Parties".

Possessory lien

The right for a possessory lien (*retentierecht*) is a statutory remedy that is available to certain types of creditors allowing such creditors to refuse to surrender possession of goods as long as the debtor has failed to pay the debt he owes to such creditor. The BOVAG General Conditions (and the Dutch Civil Code) provide for a possessory lien (*retentierecht*) of the car dealer for all assets (i.e. leased vehicles) which the car dealer holds for or on behalf of the client (the Seller). The possessory lien applies for as long as both the car dealer holds such assets and any amounts due by the client (the Seller) for assets or services rendered by the car dealer have not been paid. An Insolvency Event relating to the debtor does not affect a possessory lien.

If, for example, a Leased Vehicle is brought to a car dealer for repair the car dealer is entitled to hold the Vehicle until the dealer is paid for the services rendered by such car dealer. Whether the Servicer acting on behalf of the Issuer is obliged to pay the car dealer or the Lessee depends on the type of Lease Agreement entered into with the Lessee. The BOVAG General Conditions that often apply in respect of repair activities performed by car dealers contain a clause dealing with the possessory lien. Such clause is included in the BOVAG General Conditions as well in the BOVAG Private General Conditions. The BOVAG Private General Conditions and the BOVAG General Conditions provide for a possessory lien (*retentierecht*) of a mechanic. In case any repair work has been carried out by the mechanic, the mechanic has the right to remain in possession of the vehicle concerned, if and for as long as (i) any amounts due by the client for services rendered by the mechanic in relation to a vehicle have not been paid or paid in full, (ii) any amounts due by the client with respect to services rendered by the mechanic in relation to the same vehicle have not been paid or paid in full or (iii) any other claims arising from the contractual relationship with a supplier/ mechanic have not been repaid or paid in full by the client. The mechanic cannot invoke a possessory lien for the vehicle concerned, if the client has provided adequate (substitute) collateral/ security, for example by means of a deposit with the BOVAG Disputes Committee (*Geschillencommissie Voertuigen van de Stichting*

Geschillencommissies). See further the section headed "*BOVAG*; possessory liens and third party encumbrances of third parties" which applies mutatis mutandis.

Furthermore, as another example, in lower case law it has been held that pursuant to article 3:291(2) of the Dutch Civil Code, the user of a Vehicle subject to a lease concluded between its employer and a third party (i.e. the lease company) will have a possessory lien on such Vehicle in the event that the employer fails to comply with its obligations under the relevant employment agreement. However, there are several lower judgments of more recent dates than the judgment referred to above, where it was decided that an employee who did invoke a possessory lien against the relevant lease company in respect of the leased car under his control, because the relevant employer failed to comply with its obligations under the employment agreement, was not entitled to do so. There is currently no conclusive case law from which it can be concluded whether employees have the right to retain the relevant Leased Vehicles in case of a breach by the relevant employer of its obligations under the relevant employment agreement. See further the section headed "Credit Risk of the Parties".

Pledge

The BOVAG General Conditions provide for a pledge to the car dealer of any asset (i.e. Leased Vehicles) which the client (the Seller) brings within the control of such car dealer, for example for the purpose of repair or maintenance. Any such right of pledge terminates as soon as the relevant Vehicle leaves the control of the car dealer. However, the BOVAG General Conditions permit the car dealer, while the relevant Vehicle is in its control, to convert its possessory right of pledge into a non-possessory right of pledge, by offering the BOVAG General Conditions together with the car dealer's agreement with the Seller in respect of the relevant Vehicle, for registration to the Dutch tax authorities (*Belastingdienst*). Such right of pledge covers all future claims the car dealer may acquire against the Seller. The car dealer is only entitled to enforce the right of pledge in the event that the Seller does not make the payments due to the car dealer. As stated above the amounts owed by the Seller to a car dealer generally are limited to payments to be made in respect of repairs and maintenance services. However, if such payments are material and the car dealer exercises its right of pledge, this may lead to the Issuer receiving less Vehicle Realisation Proceeds than expected and consequently only having a claim for damages vis-à-vis the Seller.

BOVAG Business Conditions in Car Work and BOVAG Private Conditions in Car Body Work

The BOVAG Business Conditions in Car Work and BOVAG Private Conditions in Car Body Work may be used in connection with the repair and maintenance of Vehicles. The BOVAG Business Conditions in Car Work and BOVAG Private Conditions in Car Body Work contain provisions with respect to the right for a possessory lien similar to those contained in the BOVAG General Conditions listed above.

Third party encumbrances

It is possible that a car dealer or previous owner of a Vehicle has encumbered such Vehicle with a right in rem (*zakelijk recht*), such as a right of pledge in favour of a financier of the Vehicle, or has retained title thereto. Such encumbrance or retention of title would usually have been released prior to the relevant Vehicle being delivered (*geleverd*) to the Seller, but the possibility cannot be excluded that such encumbrance or retention of title still exists at the time of delivery to the Issuer. Even if such encumbrance or retention of title still exists, delivery to the Seller would in principle still be valid under the laws of The Netherlands, assuming that the Seller was acting in good faith.

On the basis of the above, the category of Purchased Vehicles that are subject to retention of title at any point in time should be limited. The position in respect of that category is as follows. Pursuant to each Hire Purchase Contract, the Seller purports to transfer to the Issuer full title to the relevant Purchased Vehicle, but subject to the condition precedent of payment of the Final Purchase Instalment. However, if title to such Purchased Vehicle is retained by the relevant car dealer, the Seller cannot transfer full, but at the most conditional, title, in any case subject to the same condition precedent of payment of the Final Purchase Instalment.

Transfer of the Leased Vehicles and associated Lease Agreements – Risk that Lessees may not accept the Issuer's (conditional) assumptions of obligations under the Leases

As a result of the transfer of unconditional legal ownership of a Purchased Vehicle upon payment in full of the Purchase Price for such Purchased Vehicle under the relevant Hire Purchase Contract, all rights and

obligations of the Seller under the associated Lease Agreement which will become due and payable after such transfer will automatically and at the same time pass to the Issuer. No further action by either the Seller or the Issuer is required in this respect. The automatic transfer of the rights and obligations under the associated Lease Agreement is a result of the fact that article 7:226 of the Dutch Civil Code applies, since under the laws of The Netherlands operational lease agreements qualify as rental agreements (*huurovereenkomsten*) within the meaning of article 7:201 of the Dutch Civil Code. Each Hire Purchase Contract between the Seller, the Issuer and the Security Trustee allows for the immediate payment by or on behalf of the Issuer of all remaining Purchase Instalments payable thereunder upon the occurrence of certain events, including, without limitation, the insolvency of the Seller. Upon such prepayment in full of all remaining Purchase Instalments, the Issuer becomes the unconditional legal owner of the relevant Purchased Vehicle, even when in the meantime an Insolvency Event in relation to the Seller has occurred.

Under the laws of The Netherlands, the transferee of leased property will in fact replace the transferor as a party to the relevant lease agreement and will therefore be bound by all terms and conditions of such contract, provided however that pursuant to article 7:226(3) of the Dutch Civil Code, the transferee will only be bound to the terms and conditions of the relevant contract to the extent such terms and conditions directly relate to the use of the leased property against a consideration payable by the lessee. If and to the extent that for any Purchased Vehicle, any right or obligation under the associated Lease does not qualify as being "directly connected to the granting of quiet enjoyment against payment of lease instalments" (*onmiddellijk verband houdt met het doen hebben van het gebruik van de zaak tegen een door de huurder te betalen tegenprestatie*), as referred to in article 7:226(3) of the Dutch Civil Code, and therefore will not transfer to the Issuer by operation of law upon the transfer to the Issuer of full title to the relevant Purchased Vehicle, then the Issuer has agreed in the Master Hire Purchase Agreement with the Seller and the Security Trustee to assume and bear the risks of any such obligations. If the Lessee would not accept the assumption of the obligations it would result in the Seller remaining liable vis-à-vis the Lessee for the performance (*nakoming*) of the relevant obligations. Under the laws of The Netherlands, a default by the Seller under the remaining obligations would in principle not entitle the Lessee to suspend its performance (*opschorten*) under, or to dissolve (*ontbinden*), the relevant Lease Agreement, as (i) it is a logical consequence of the above that the remaining obligations which have not transferred by operation of law to the Issuer do not directly concern the Lease Agreement, (ii) in case of a Seller Insolvency Event the Issuer will have offered the Lessee to enter into an agreement on the same terms as apply to the remaining obligations and (iii) the Issuer will be performing any and all other obligations which are directly connected to the granting of quiet enjoyment against payment of lease instalments under the Lease Agreement, with the assistance of the Servicer. If nonetheless a Lessee would be entitled to suspend its performance under a Lease Agreement or dissolve the relevant Lease Agreement, the Issuer may not (timely) receive the relevant Lease Collections, as a consequence of which insufficient amounts may be available to the Issuer to make payment to Noteholders on any Payment Date.

Right to suspend performance and/or dissolve Lease Agreements

According to Dutch law, if one of the parties to a contract does not perform its obligations, then the other party has the right to suspend the performance (*opschortingsrecht*) of its obligations that are related to the obligations that have not been performed. In case of partial or improper performance the suspension is permitted only to the extent that the shortcoming justifies it. These defences would generally be available to a Lessee if the Seller's or the Issuer's, as the case may be, obligations under the relevant Lease Agreement are not performed by or on behalf of the Seller or the Issuer, as the case may be. In addition, if the non-performance results in a default (*verzuim*), for example because the non-performance was not timely remedied by the counterparty following receipt of a default notice (*ingebrekestelling*), then the first party may proceed to dissolve (*ontbinden*) the agreement (e.g. lease agreement), in whole or in part. In the Servicing Agreement, the Servicer undertakes to provide the relevant Services including the performance of all obligations of the owner of the Purchased Vehicles and the lessor under the associated Lease Agreements. If the Servicer fails to fulfil its obligations under the Servicing Agreement as a result of which a Lessee has the right to suspend the performance of its obligations to pay the relevant Lease Instalments, the Issuer may sustain a loss or delays in payments may occur. This may lead to losses under the Notes.

Location of the Vehicles – Risk that Purchased Vehicles are not validly transferred to the Issuer

Under Dutch rules of private international law, the "*lex rei sitae*" (i.e. the law of the jurisdiction where a movable asset (*roerende zaak*) is physically located at the relevant moment in time) governs the transfer of title to, and

the creation of a security right in respect of such asset. This means that in the event a Purchased Vehicle is physically located outside The Netherlands upon the transfer of title to the Issuer, it is uncertain whether or not legal title to such Purchased Vehicle will validly pass on to the Issuer if such transfer is effected in accordance with the laws of The Netherlands.

In the event that according to the law of the jurisdiction in which the Purchased Vehicle is located upon the transfer of title to the Issuer additional requirements need to be fulfilled in order to have a valid transfer of legal title to the Purchased Vehicle, the Issuer will not become the unconditional legal owner of such Purchased Vehicle if such additional requirements have not been fulfilled. The same rules apply to the creation of the right of pledge on the Purchased Vehicles in favour of the Security Trustee. Each Combined Transfer Deed includes a provision which provides that if at the time of the creation of the right of pledge any Purchased Vehicle is located outside The Netherlands, the creation of the right of pledge on such Purchased Vehicle is subject to the condition precedent that such Purchased Vehicle is relocated to The Netherlands. Similarly, each Combined Transfer Deed includes a provision which provides that if at the time the control or full title of any Purchased Vehicle is intended to be transferred to the Issuer pursuant to the Combined Transfer Deed the relevant Purchased Vehicle is located outside The Netherlands, the transfer of control or full title to such Purchased Vehicle is subject to the condition precedent that such Purchased Vehicle is relocated to The Netherlands. If the Purchased Vehicle is not relocated to The Netherlands, the legal title of the Purchased Vehicle will not be transferred to the Issuer.

Limited description of the Purchased Vehicles; no independent investigation

Individual Noteholders will not receive detailed statistics or information in relation to the Purchased Vehicles, because it is expected that the constitution of the Purchased Vehicles may constantly change due to, for instance, the Issuer hire purchasing additional Leased Vehicles from the Seller or the Call Option Buyer repurchasing Purchased Vehicles from the Issuer.

Each of the Issuer and the Security Trustee will rely solely on the accuracy of the representations and warranties relating to the Seller, without the Issuer or the Security Trustee undertaking any investigations, searches or other actions to verify the details of the Purchased Vehicles or to establish the creditworthiness of any Lessee or Seller (or any other Programme Party). The Master Hire Purchase Agreement provides that if a representation or warranty relating to the Seller is breached and such breach is not capable of remedy, or is not remedied to the satisfaction of the Issuer until the end of a Monthly Period which includes the 60th day (or, if the Seller elects, an earlier date) after the date on which the Seller became aware of, or (if earlier) was notified by the Servicer, the Issuer or the Security Trustee of the relevant breach of the Asset Warranties, then (a) if the breach relates to an Asset Warranty, each relevant Hire Purchase Contract affected by such breach shall terminate, as of the Relevant Cut-Off Date, and control of the relevant Purchased Vehicle shall be provided back to the Seller, the related Lease Receivable shall be re-assigned, any Lease Incidental Debt shall be re-assumed, *provided that* any such termination and re-assignment will be conditional on the associated Issuer Advance being fully and finally repaid in accordance with the Issuer Facility Agreement, and the Security Trustee shall terminate (*opzeggen*) its right of pledge on each relevant Purchased Vehicle and associated Lease Receivable; or (b) if the breach relates to any representation or warranty other than an Asset Warranty, the Seller shall indemnify the Issuer and the Security Trustee (together with its directors, officers and employees) against any losses (including the difference between the amounts received if no breach had occurred and the amounts received following such breach), liabilities, costs, expenses, claims, actions, damages or demands sustained or to be sustained by the Issuer and/or the Security Trustee (together, "**Losses**") as a consequence of any such breach, default or termination (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any Losses) which the Issuer and/ or the Security Trustee may incur or which may be made against any of them (i) pertaining to each of the Purchased Vehicles prior to the moment on which the Issuer has become the legal owner of such Purchased Vehicle and (ii) any and all damages incurred or suffered by the Issuer and/or the Security Trustee pertaining to each of the Leased Assets dating from the period prior to the relevant Cut-Off Date. See further the section headed "Credit Risk of the Parties".

In respect of any Breach, Default or Termination, neither the Issuer nor the Security Trustee shall have any other remedy or cause of action in relation to the breach of the relevant Asset Warranty.

Residual value risks

It is envisaged that upon payment to the Seller of all Purchase Instalments under a Hire Purchase Contract, the Issuer acquires full title to the relevant Purchased Vehicle. The residual value risk for the Issuer is the risk that, after it has acquired legal title to a Purchased Vehicle, any Vehicle Realisation Proceeds of such Purchased Vehicle are insufficient to cover the Estimated Residual Value (following the relevant Lease Maturity Date), or as the case may be, the Present Value of any remaining scheduled Lease Interest Component and Lease Principal Component and of the Estimated Residual Value (following the relevant Lease Early Termination Date), of such Purchased Vehicle. Pursuant to the terms of the Servicing Agreement, the Servicer will use commercially reasonable efforts to arrange for the sale of Purchased Vehicles in a manner which maximises the sale price thereof. However, there can be no assurance that the sale proceeds of any such Purchased Vehicles will be sufficient to cover the Estimated Residual Value (following the relevant Lease Maturity Date), or as the case may be, the Present Value of any remaining scheduled Lease Interest Component, Lease Principal Component or the Estimated Residual Value (following the relevant Lease Early Termination Date). Such shortfalls in proceeds to cover the Present Value of any remaining scheduled Lease Interest Component, Lease Principal Component or the Estimated Residual Value could have an adverse effect on the Issuer's ability to make payments under the Notes. See further the section headed "Credit Risk of the Parties".

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 VWPFS and the financial performance of the Purchased Receivables and thereby on the ability of the Issuer to make payments under the Notes.

Risk of early repayment and early repayment fees

Under the terms of certain of the Lease Agreements, the Lessees are entitled to terminate the Lease Agreements early, subject, where applicable, to payments of an early repayment fee or charge. The early repayment fee or charge may not be enforceable in circumstances where such fee or charge is construed as a penalty under the laws of The Netherlands, and may be reduced by a court. In the event that, after the termination of the Revolving Period, the Lease Agreements underlying the Portfolio are prematurely terminated or otherwise settled early, the principal repayment of the Notes may be earlier than expected and, therefore, the yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Lease Receivables. The rate of prepayment of the Lease Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the auto finance market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Lease Receivables will experience. See the paragraph entitled *"Weighted Average Lives of the Notes*".

Risk of late payment of monthly Instalments

Whilst each Lease Agreement has due dates for scheduled payments thereunder, there is no assurance that the Lessees under those Lease Agreements will pay in time, or pay at all. Any such failure by the Lessees to make payments under the Lease Agreements would have an adverse effect on the Issuer's ability to make payments under the Notes

Risk of late payment by Servicer

The Servicer has undertaken to transfer or procure the transfer of the Lease Collections and the Vehicle Realisation Proceeds realised by it on each Payment Date subject to and in accordance with the Servicing Agreement (see the section entitled "***Servicing Agreement***").

If the Servicer does not promptly forward all amounts which it has collected from the relevant Lessees or arising out of or in connection with the realisation of the Purchased Vehicles to the Distribution Account in accordance with the Programme Documents, insufficient amounts may be available to the Issuer to make payments to Noteholders on any Payment Date.

Furthermore, no assurance can be given that, upon an Insolvency Event relating to the Servicer, no commingling risk will arise, as the proceeds arising out of or in connection with the Lease Receivables and the Vehicle Realisation Proceeds will first be paid by, respectively, the Lessees and the third party purchasers to the Servicer.

Performance of realisation services by the Servicer

The ability of the Issuer to meet its obligations under the Notes will depend on the performance of the duties of the Servicer. No assurance can be given that the Servicer will be successful in selling the Purchased Vehicles in accordance with the Servicing Agreement. This would reduce the amounts available to the Issuer to make payments in respect of the Notes.

Commingling risk

Volkswagen Pon Financial Services B.V. in its capacity as Servicer is entitled to commingle Lease Collections and Vehicle Realisation Proceeds with its own funds during each Monthly Period in accordance with the following procedure:

If the Monthly Remittance Condition is satisfied, Volkswagen Pon Financial Services B.V. in its capacity as Servicer is entitled to commingle Lease Collections and Vehicle Realisation Proceeds collected by it 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, Volkswagen Pon Financial Services B.V. in its capacity as Servicer is entitled to commingle Lease Collections and Vehicle Realisation Proceeds collected by it 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, Lease Collections, Vehicle Realisation Proceeds and other amounts collected by the Servicer 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 Volkswagen Pon Financial Services B.V. at its own risk and for its own benefit until the relevant Payment Date. If Volkswagen Pon Financial Services B.V. is 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 the Servicer is replaced following a Servicer Replacement Event, there may be losses or delays in processing payments or losses on the Portfolio due to a disruption in servicing during a transfer to a substitute Servicer. Any such delay or losses during such transfer period could have an adverse effect on the ability of the Issuer to make payments in respect of the Notes. There is no guarantee that any new servicer can provide servicing at the same level as the Servicer.

Credit and Collection Procedures

The Servicer, will carry out the administration, collection and enforcement of the Portfolio in accordance with the Servicing Agreement and its Credit and Collection Procedures (see the section entitled "**Servicing Agreement**"). The Noteholders are relying on the business judgment and practices of the Servicer as they exist from time to time, in its capacity as Servicer, including enforcing claims against Lessees. Such procedures may change over time and no assurance can be given that such changes will not have an adverse effect on the Issuer's ability to make payments on the Notes.

Pursuant to the Servicing Agreement, the Servicer shall not amend, modify or supplement the Credit and Collection Procedures and no additional and/or alternative policies or procedures and/or standard documents may be adopted in relation to the applicable Credit and Collection Procedures unless such amendment, variation, modification or supplement (a) is a Permitted Variation and could not reasonably be expected to have a Material Adverse Effect on the Issuer or (b) if is not a Permitted Variation, has been notified to the Issuer, the Security Trustee and the Rating Agencies, where the Issuer and the Security Trustee do not object within thirty (30) Business Days of prior notice to such amendment, variation or supplement and provided that each Rating Agency has (i) provided a Rating Agency Confirmation or (ii) by the fifteenth (15) day after it was notified of such matter has not indicated (x) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (y) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of the relevant matter.

Further, under the Servicing Agreement the Servicer shall be entitled from time to time to make (i) such amendments, variations, modifications or supplements to the Lease Agreements as would be acceptable to a reasonably prudent lessor of Vehicles in the Netherlands without obtaining prior written consent of the Issuer, the Security Trustee or any Rating Agency, provided that each such amendment, variation, modification or supplement qualifies as a Permitted Variation and (ii) any other amendment, modification, variation or supplement (not being a Permitted Variation) to any relevant Lease Agreement provided that (a) it gives thirty (30) Business Days' notice which states that the relevant amendment is not a Permitted Variation and will be implemented if the Issuer and the Security Trustee do not object within thirty (30) Business Days to the Issuer and the Security Trustee and none of them objects to such amendment, variation, modification or supplement within such notice period and each Rating Agency either has (i) provided a Rating Agency Confirmation in respect of the relevant matter or (ii) by the fifteenth (15) day after it was notified of such matter has not indicated (x) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (y) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of the relevant matter; or (b) the Seller terminates the Hire Purchase Contract in respect of the Purchased Vehicle to which the relevant Lease Agreement relates and repays the associated Issuer Advance subject to and in accordance with the Master Hire Purchase Agreement prior to such amendment, modification, variation or supplement.

There can, however, be no assurance that market practice in respect of Credit and Collection Procedures, Lease Agreements and/or the demands of prospective Lessees over the life of the Notes will not subject the Issuer to more onerous or less favourable covenants on its part or that lease obligations under such Lease Agreements will not significantly diminish which, in any such event, may have a Material Adverse Effect on the Issuer.

Risks relating to private leases

Although there are currently no specific Dutch financial regulatory requirements in respect of operational private leases (as opposed to financial private leases), legal and regulatory changes could occur affecting the treatment of such private leases under Dutch law. Currently, consumers do not have the same level of protection in case of certain forms of private leases as opposed to consumer credit, while, according to the relevant Dutch regulator, the Netherlands Authority for Financial Markets (the "**AFM**"), consumers run similar risks.

On 18 October 2023, Directive (EU) 2023/2225 on consumer credits ("**CCD II**") was adopted. CCD II repeals Directive 2008/48/EC ("**CCD I**"), and must be transposed into the laws of EU Member States by 20 November 2025, with national implementing measures entering into force by 20 November 2026. CCD II broadens the scope of consumer credit regulation and introduces, among other things, additional requirements regarding creditworthiness assessments. Nevertheless, CCD II is not expected to result in substantial modifications to the regulatory framework for operational private leases.

A key change, however, is that under article 2(2)(g) CCD II, the directive will also apply to rental or lease agreements (including operational lease agreements) that include an option to purchase the leased asset (whether in the agreement itself or in a separate agreement).

In line with this development, on 15 April 2025 the Dutch Ministry of Finance launched a consultation on the Dutch implementation Act (*Implementatiewet*) introducing CCD II. Following such consultation, on 2 April 2026 the Dutch legislator submitted to the Dutch House of Representatives a legislative proposal (*voorstel van wet*) together with an accompanying explanatory memorandum (*memorie van toelichting*), confirming its

intention to amend, among other things, article 1:20(c) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht* – "**DFSA**"), to extend the scope of the DFSA to cover:

1. rental or lease agreements that expressly provide for a written option to purchase the leased asset; and

2. rental or lease agreements where the parties have the (unwritten) intention that ownership of the leased asset will be transferred to the consumer at the end of the lease.

Although the latter type of agreement is not expressly brought within scope by CCD II itself, the Dutch legislator intends to align the regulatory treatment with agreements that do contain a written purchase option, thereby ensuring an equivalent level of consumer protection. Hire-purchase agreements (*huurkoopovereenkomsten*), under which ownership of the asset is transferred automatically at the end of the contract term, were already within scope, as such agreements are not considered “lease agreements” and are therefore not excluded under article 1:20 of the DFSA.

Because lease agreements with a purchase option will no longer be excluded from the scope of the DFSA, it is expected that certain providers of such products may become subject to a licensing requirement. It is expected that this will apply to the Seller as Private Lease Agreements may contain an option for the Lessee to purchase the relevant Leased Vehicle.

If the legislative proposal of the Dutch legislator is adopted in its current form, private leases (including operational leases) that (i) include a written purchase option or (ii) are entered into with the intention that ownership of the asset will be transferred to the consumer at the end of the lease, would qualify as “credit agreements” under Dutch law. In such cases, the Seller and/or the Issuer would be obliged to comply with the applicable (regulatory) requirements under Dutch law. This could result in unexpected costs and may require changes to the Seller's business model.

Pursuant to the legislative proposal, existing agreements will generally remain subject to the current legal regime, while the new rules based on CCD II will apply to agreements entered into after the implementation legislation comes into force. Certain existing indefinite-term agreements will be subject to a specific transitional regime from 20 November 2026.

As a consequence of this revised treatment of private leases under Dutch law, the Seller will be required to hold a licence for offering credit (*aanbieden van krediet*) to consumers, which license was obtained by the Seller on 6 May 2025.

By acquiring receivables arising under private leases that qualify as hire purchase or otherwise as "credit agreement" as described above, a special purpose vehicle which services (*beheert*) and administers (*uitvoert*) such receivables is deemed to provide consumer credit, which is a licenced activity under the DFSA. As the Private Lease Agreements are offered to consumers, the Issuer must have a license (assuming that the revised treatment of private leases under Dutch law will take effect in its current form). However, an exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the credit and the administration thereof to an entity holding a licence under the DFSA. The Issuer has outsourced the servicing and administration of the Leased Assets to the Seller as Servicer which is a licensed credit offeror and intermediary under the DFSA, which enables the Issuer to benefit from the exemption. If the Servicing Agreement is terminated, the Issuer will have to outsource the servicing and administration activities in respect of the Private Lease Agreements to an entity which is adequately licenced under the DFSA or, alternatively, will need to apply for and hold a licence itself. It is, however, unlikely that the Issuer, being a special purpose vehicle, can obtain such a license. If the Issuer would not be successful in finding and/or contracting a third party replacement servicer to service and administer the Leased Assets in respect of the Private Lease Agreements, the Issuer may have to sell the relevant Lease Receivables, which could lead to losses under the Notes.

Reliance on realisation; sale in the open market

To the extent the Servicer has the duty to realise the Purchased Vehicles in the open market, the Servicer will carry out such realisation of the Purchased Vehicles in accordance with the Servicing Agreement. Accordingly, the Noteholders are relying on the business judgment, the practices and the capabilities of the Servicer when realising the Purchased Vehicles (see the section entitled "*Servicing Agreement*"). The ability

of the Issuer to meet its obligations under the Notes will depend on the performance of the duties of the Servicer.

Although the different distribution channels for used vehicles offer flexibility, and therefore increase the customer base of the Servicer for such used vehicles, there is no guarantee that each of such distribution channels in itself results in the best-achievable price for such used vehicles. Partly, used vehicles will be sold by trade auctions that are limited to professional resellers only. Sales to professional sellers will generally result in a lower resale price (i.e. wholesale prices) than sales to a non-professional individual (i.e. retail prices).

Monies paid by the Servicer to the Seller will be paid into any collection accounts of the Seller and only transferred to the Issuer on each Payment Date.

Termination of Lease Agreements – Risk of early termination upon insolvency

Insolvency relating to the Lessor

A possible Insolvency Event in relation to the Seller as Lessor under a Lease Agreement in itself would not be a ground for a Lessee to dissolve such agreement (without being obliged to pay any damages), unless the parties have agreed otherwise. Pursuant to the Eligibility Criteria a Lease Agreement may not permit the Lessee to terminate such Lease Agreement if an Insolvency Event occurs in respect of the Originator, unless the Lessee is required upon such termination to pay a Lease Agreement Early Termination Fee, if any, in respect of such Lease Agreement. However, even if the terms and conditions applicable to the relevant Lease Agreement do not explicitly provide such right to the Lessee, the Lessee is nevertheless entitled to terminate the contract in the event of non-performance by the Lessor of its obligations thereunder if, after having sent a notice of default to the Lessor, the default is not remedied within the period mentioned in such notice and the non-performance as such justifies a termination of the Lease Agreement. Subject to the terms of the relevant Lease Agreement, the Lessee will not be entitled to terminate the Lease Agreement in the event the non-performance is of minor importance. If, however, termination would be permitted such termination would reduce the Lease Receivables owed to the Issuer and reduce the amounts available to make payments in respect of the Notes. In such case, as the Final Purchase Instalment will be paid, the Issuer in its capacity as the unconditional legal owner of the Purchased Vehicle will have the benefit of the Vehicle Realisation Proceeds in respect of the relevant Purchased Vehicle.

Insolvency relating to the Lessee

There are two primary insolvency regimes under Dutch law. The first, moratorium of payments (*surseance van betaling*), aims to facilitate (by means of an agreement between the debtor and its creditors) the reorganisation of debts whilst allowing the debtor to continue its business on a going concern basis. The second, bankruptcy (*faillissement*), is primarily designed to liquidate assets and distribute the proceeds of the assets of a debtor to its creditors. Both insolvency regimes are based on the Dutch Bankruptcy Act (*Faillissementswet*). In practice, a moratorium of payments often ends in a bankruptcy. The two regimes apply to companies and natural persons alike (even though a moratorium of payments can only be applied to natural persons having a business or acting as an independent professional (*zelfstandig beroep of bedrijf uitoefenen*).

Moreover, natural persons may be subject to debt rescheduling proceedings on the basis of the Natural Persons' Debt Rescheduling Act (*Wet Schuldsanering Natuurlijke Personen*). The aim of the Natural Persons' Debt Rescheduling Act is to create the possibility for a debtor to be freed from the burden of debts and to get a clean slate after having cooperated (with a court appointed administrator) during a certain time period to maximize the amount of money that can be distributed to the joint creditors to repay the debts. In general, the most important risk under any of these proceedings is that a Lessee does not pay the amounts due under the Lease Agreements (in full or in part), regardless of whether they originated before or during the bankruptcy/ moratorium of payments/ debt rescheduling proceedings.

If a Lessee, for example, has been declared bankrupt (*failliet verklaard*) or granted moratorium of payments (*surseance van betaling verleend*), there is a risk that an Insolvency Official pursuant to the Dutch Bankruptcy Act terminates any lease agreement (*huurovereenkomst*) to which such Lessee is a party, taking into account a notice period of up to three months. Each Lease Agreement provides that if the relevant Lessee has been declared bankrupt (*failliet verklaard*) or granted moratorium of payments (*surseance van betaling verleend*), or if certain other events relating to such Lessee occur (for example a default (*verzuim*) in the payment of

Lease Receivables), the relevant Lessor may terminate the Lease Agreement and the Lessee is obliged to indemnify such Lessor. However, if the termination occurs by the Insolvency Official on the basis of the Dutch Bankruptcy Act, in principle a three (3) month notice period would apply, setting aside the contractual provisions pertaining to termination. Therefore, there is a risk that termination by an Insolvency Official of a Lessee on the basis of the Dutch Bankruptcy Act precedes termination by the Lessor on the basis of the relevant Lease Agreement. Lease Receivables qualify as an estate debt (*boedelschuld*) as of the day the lessee is subjected to Insolvency Proceedings. Claims that can be considered as an estate debt have to be satisfied in priority to insolvency claims that have arisen before the opening of the relevant Insolvency Proceeding and do not need to be submitted in the claims validation procedure.

In case a contractual termination by the Lessor (as opposed to a termination by the Insolvency Official on the basis of the Dutch Bankruptcy Act) occurs and the Lessee is requested to indemnify the relevant Lessor pursuant to the relevant Lease Agreement, the Lessee in principle has the defences available to it that are generally available to debtors under the laws of The Netherlands. If the indemnification qualifies as a penalty (*boete*), these defences include the right to request the court to mitigate such penalty if fairness so clearly dictates. However, even if such circumstances apply, the relevant Lessor would still be entitled to any indemnification to which it is entitled by law and the owner of the relevant Purchased Vehicle would still have the benefit of such ownership.

On 1 January 2021, the Act on Court Confirmation of Extrajudicial Restructuring Plans (*Wet homologatie onderhands akkoord*, "**WHOA**") has entered into force. Under the WHOA a proceeding is available for companies in financial distress, where the debtor stays in possession and can offer a composition plan to its creditors (including secured creditors and shareholders) which is, subject to certain safeguards for creditors' being met, binding on them and changes their rights provided all conditions are met.

A judge can, *inter alia*, refuse to accept a composition plan if an affected creditor who did not vote in favour of such composition plan and who will be worse off than in case of an insolvency so requests. If a proposal has been made or if the debtor undertakes to make a proposal within two (2) months from the date it deposits a statement with the court that it has started to make such proposal, a judge may during such proceedings grant a stay on enforcement of a maximum of four (4) months, with a possible extension of four (4) months. During such period, *inter alia*, a pledgee of claims may not collect nor notify the borrowers in case of an undisclosed pledge. A debtor may offer its creditors a composition plan which may also entail changes to the rights of any of its creditor. As a result thereof, it may well be that claims of creditors against the Issuer can be compromised as a result of a composition if the relevant majority of creditors within a class vote in favour of such a composition.

The WHOA can provide for restructurings that stretch beyond Dutch borders. Although the WHOA seems inappropriate to be applied to the Issuer with a view to the structure of the transaction and the security created under the Pledge Agreements, the WHOA when applied to the Issuer, the Seller, other Programme Parties (not qualifying as a bank or insurer) or Lessees, could affect the rights of the Security Trustee under the Security or the Issuer under the Programme Documents, and this could adversely affect the timely payment of the Notes and the performance of the Notes and lead to losses under the Notes.

Risk that Lessees may be entitled to set-off Lease Receivables against their claims *vis-à-vis* the Lessor

Under the laws of The Netherlands (article 6:127 of the Dutch Civil Code), a debtor has a right of set-off (*verrekenen*) if (a) it has a claim which corresponds to its debt to the same counterparty and if (b) it is entitled to pay its debt as well as to enforce payment of its claims. The parties to a contract may deviate from the Dutch Civil Code rules concerning set-off. In the event that the counterparty of the debtor has been declared bankrupt (*failliet verklaard*) or granted moratorium of payments (*surseance van betaling verleend*), a debtor has such right of set-off if both the debt and the claim came into existence prior to the bankruptcy or similar proceedings, or arose from acts effected with the bankrupt party prior to such bankruptcy or similar proceedings. According to case law neither the debt nor the claim needs to be due and payable for the set-off to be effective (articles 53 and 234 of the Dutch Bankruptcy Act (*Faillissementswet*)).

Notwithstanding the transfer of Lease Receivables to the Issuer, the Lessees may be entitled to set off the relevant Lease Receivable against a claim they may have vis-à-vis the Lessor (if any). In the absence of contractual provisions expanding statutory set-off possibilities, mutuality of claims is one of the requirements for set-off to be allowed: the parties, mutually, have to be each other's creditor and debtor.

Following a transfer of a Lease Receivable by the Seller to the Issuer and notification thereof to the relevant Lessee, such Lessor is no longer the creditor of the relevant Lease Receivable. However, for as long as the transfer has not been notified to the relevant Lessee, the Lessee remains entitled to set off the Lease Receivable against any claim it may have vis-à-vis the Seller (if any) as if no transfer had taken place. The Lessees will be notified that upon request they will be provided with the details of the Lease Receivables that have been transferred to the Issuer. However, the Issuer has been advised that this may not constitute a notification for the purpose of negating set-off. As such, until further notification to a Lessee of the transfer of the relevant Lease Receivable, the relevant Lessee may remain entitled to set off as if no transfer of the Lease Receivable had occurred. Upon the occurrence of a Seller Insolvency Event, if so requested by the Issuer or, following the occurrence of a notification event as referred to in the Lease Receivables Pledge Agreements, if so requested by the Security Trustee, the Lessees shall receive such further notification. After notification or (deemed) knowledge of the transfer, the relevant Lessee can still invoke set-off pursuant to article 6:130 of the Dutch Civil Code. On the basis of such article a Lessee can invoke set-off against the Issuer if the Lessee's claim (if any) vis-à-vis the Seller stems from the same legal relationship as the Lease Receivable or became due and payable before the notification of the undisclosed assignment or the (deemed) knowledge referred to above. In addition, on the basis of an analogous interpretation of article 6:130 of the Dutch Civil Code, a Lessee will be entitled to invoke set-off against the Issuer if prior to the notification or (deemed) knowledge of the transfer, the Lessee was either entitled to invoke set-off against the Seller (e.g. on the basis of article 53 or 234 of the Dutch Bankruptcy Act) or had a justified expectation that it would be entitled to such set-off against the Seller.

Certain general terms and conditions applicable to the Lease Agreements exclude or limit the statutory right of set-off of the relevant Lessee. However, a waiver of set-off could be voided pursuant to Dutch contract law and may therefore not be enforceable.

Risk that employees of Seller claim that their employment terms have been transferred to the Issuer by operation of law

The transfer of the Purchased Vehicles together with the associated Lease Receivables pursuant to the Master Hire Purchase Agreement could constitute a transfer of undertaking within the meaning of both European law (Council Directive 77/187/EC, as amended by Council Directives 98/50/EC and 2001/23/EC) and the laws of The Netherlands (articles 7:662 to 7:666 of the Dutch Civil Code), but only if the transfer of the relevant Purchased Vehicles together with the associated Lease Receivables qualifies as a transfer of (part of) an ‘economic entity' (*onderneming*) which retains its identity after the transfer. In that case the dedicated employees of the Seller who work for the transferred (part of an) undertaking could successfully claim that they have transferred to the Issuer by operation of law. In case of a transfer of undertaking the Issuer would be obligated to honor all existing rights and obligations arising from the employment agreements between the Seller and its employees at the time of the transfer.

In this context an ‘economic entity’ is an organised grouping of resources aimed at pursuing an economic activity, regardless of whether that activity is central or ancillary. The Purchased Vehicles together with the associated Lease Receivables form a substantial part of the Seller's business and as such may qualify as an economic entity. However, the transfer of Purchased Vehicles together with the associated Lease Receivables will only qualify as "a transfer of (a part of) an ‘‘economic entity" (*overgang van (een onderdeel van) een onderneming*), if such economic entity has retained its identity after such transfers pursuant to the Master Hire Purchase Agreement. In determining whether the identity of the economic entity is retained after a transfer, all facts and circumstances in relation to the transfer must be assessed.

Pursuant to the Master Hire Purchase Agreement, it has been agreed that the obligations pursuant to the associated Lease Agreements will not pass to the Issuer until payment of the Final Purchase Instalment and based on the Servicing Agreement the obligations pursuant to and services related to the associated Lease Agreements will continue to be performed by the Servicer. Therefore, the Seller will in principle continue its business activities. The services will only be performed by a substitute servicer upon the appointment of Volkswagen Pon Financial Services B.V. as Servicer being terminated. Also, the Issuer will not employ any employees. Nevertheless, recent case law shows that even when no or not all operational resources are being transferred to a purchaser, it should be assessed on the basis of all factual circumstances whether or not an economic entity retains its identity after the relevant transfer which, if this is the case, can lead to the transfer being qualified as a transfer of undertaking.

Given the factual circumstances of the Transaction as described in the paragraph above, it can be argued that the economic entity will not retain its identity in light of the transaction at hand and thus the transaction will most likely not qualify as a transfer of an undertaking. This substantially reduces the risk of employees of the Seller successfully claiming that their employment terms have transferred from the Seller to the Issuer by operation of law for as long as the Servicing Agreement is in place.

If this risk would materialise this would have an adverse effect on the Issuer's ability to make payments under the Notes.

Risk that security rights granted by Issuer in favour of Security Trustee may not always be effective or enforceable

General

Under or pursuant to the Security Documents, various Dutch law rights of pledge will be granted by the Issuer to the Security Trustee. A Dutch right of pledge can serve as security for monetary claims (*geldvorderingen*) only and can only be enforced upon default (*verzuim*) in the obligations secured thereby. Foreclosure on pledged property is to be carried out in accordance with the applicable provisions and limitations of the Dutch Civil Code and the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*).

The Issuer is a special purpose entity. It has been set up as a bankruptcy-remote entity, mainly in two ways. First of all, non-petition wording has been included in the relevant Programme Documents. Notwithstanding such wording, it is possible that a Dutch court would deal with a petition for bankruptcy (*faillissement*), even if such petition was presented in breach of a non-petition covenant. However, secondly, recourse by the Noteholders and the Programme Parties to the Issuer has been limited to the Secured Assets. It is therefore unlikely that there will be an Insolvency Event with respect to the Issuer. Should there nevertheless be an Insolvency Event with respect to the Issuer, the Security Trustee as pledgee can exercise the rights afforded by the laws of The Netherlands to pledgees as if there was no bankruptcy (*faillissement*) or moratorium of payments (*surseance van betaling*). However, the Issuer's insolvency would affect the position of the Security Trustee as pledgee in some respects under the laws of The Netherlands.

Limitations on security over future receivables

Under the relevant Pledge Agreements, the Issuer will pledge all of its present and future receivables. This will include a pledge over all Lease Receivables. Under The laws of The Netherlands an undisclosed right of pledge (*stil pandrecht*) can be established over future rights, *provided that* such rights directly result from an existing legal relationship (*rechtstreeks zullen worden verkregen uit een bestaande rechtsverhouding*). However, the right of pledge over a future right will only be perfected at the time such right comes into existence *provided that*, at that time, the pledgor is authorised to dispose over or encumber such right (*beschikkingsbevoegd*). Therefore, if a future right directly resulting from an existing legal relationship comes into existence after the Issuer has been declared bankrupt or granted a moratorium of payments, such right will not be subject to the security right created by the relevant Security Document and will, in those circumstances, become part of the insolvent estate of the Issuer, free from encumbrances (*onbezwaard*).

Pledge of Lease Receivables

The Issuer has created an undisclosed right of pledge in favour of the Security Trustee over any and all Lease Receivables resulting from the Lease Agreements, including, but not limited to, the Lease Interest Components, Lease Principal Components and Lease Servicing Components due under such Lease Agreements by the Lessees. As long as no notification of this right of pledge is given to the Lessees, the Security Trustee shall not be entitled (i) to collect such Lease Receivables or (ii) to any Lease Receivables paid to the Issuer prior to notification. The Lease Receivables Pledge Agreements contain the events upon the occurrence of which notification will be made to the Lessees.

Lease receivables are deemed to be future receivables which only come into existence after the lessor has complied with its obligations under the lease agreement (see the paragraph "Limitations on security over future receivables" above). In respect of the Lease Receivables Pledge Agreements this means that any Lease Receivables that will only come into existence or will only be acquired by the Issuer after it is declared bankrupt or granted a moratorium of payments will not be subject to the right of pledge created thereon and

these Lease Receivables will fall into the insolvent estate of the Issuer. The Security Trustee will therefore not have any security right or any right of preference in respect of the proceeds of these Lease Receivables.

Risk relating to non-possessory pledge of Leased Vehicles

Pursuant to the Sellers Vehicles Pledge Agreements and the Issuer Vehicles Pledge Agreements, the Seller and the Issuer, respectively, will create and/or will create in advance (*bij voorbaat*) a non-possessory (*bezitloos*) right of pledge on the Purchased Vehicles in favour of the Security Trustee. This means that the pledge has not been disclosed to the Lessees. Pursuant to the laws of The Netherlands a non-possessory right of pledge will rank junior to any new possessory pledge (*vuistpand*) of a third party acting in good faith. It should be noted that the Seller and the Issuer will covenant that it shall not dispose of or encumber the Purchased Vehicles other than in accordance with the Programme Documents. Upon a sale of the Purchased Vehicles for consideration to a third party who is acting in good faith, and such Leased Vehicles having been transferred by the Seller or the Issuer to the third party, the Security Trustee's non-possessory right of pledge will terminate.

The right of pledge on the Purchased Vehicles granted by the Seller to the Security Trustee under the Sellers Vehicles Pledge Agreements will secure the payment obligations of the Issuer under the Secured Obligations. Under the laws of The Netherlands there is uncertainty as to whether the granting of security on assets by a company in order to secure the obligations of a third party that is not a direct or an indirect subsidiary of such company, is or can be regarded to be in furtherance of the objects of that company, and consequently, whether such security may be voidable or unenforceable on the basis of article 2:7 of the Dutch Civil Code. Said provision gives a company the right to invoke the nullity of a legal act performed by it if (i) as a result of such legal act, the company's objects were exceeded, and (ii) the other party was aware or, without personal investigation, should have been aware thereof. In determining whether the granting of such security is in furtherance of the objects of the company, it is important to take into account (a) the wording of the objects clause in the articles of association of the company; and (b) whether it is in the interest of the company, i.e. whether the company derives any commercial benefit from the overall transaction in respect of which such security was granted. With regard to (a) it is noted that the objects clause in the articles of association of the Seller expressly includes the granting of security for obligations of other parties (including, but not limited, to third parties which are not a direct or indirect subsidiary of the Seller). With regard to (b) it is noted that the Seller is expected to derive benefit from the Programme in respect of which said right of pledge will be vested, since the transactions envisaged by the Programme Documents enable the Issuer to enter into the Master Hire Purchase Agreement under which the Seller will receive the Purchase Price for the Purchased Vehicles.

As to the risk that the right of pledge on a Vehicle is not validly created due to the fact that the Vehicle at the time of creation of the right of pledge was located outside The Netherlands, see below under "*Location of the Vehicles– Risk that Purchased Vehicles are not validly transferred to the Issuer*". See further the paragraphs "*BOVAG; possessory liens and third party encumbrances of third parties*" which apply *mutatis mutandis*.

Rights over Purchased Vehicles ranking senior to the security rights

Possessory liens (*retentierechten*) over the Purchased Vehicles such as those envisaged by the BOVAG will as a matter of the laws of The Netherlands in principle rank senior to the right of pledge of the Security Trustee.

Limitations in respect of foreclosure

Under the laws of The Netherlands, a holder of a Dutch security right can exercise the rights afforded by law to it as if there was no bankruptcy (*faillissement*) or moratorium of payments (*surseance van betaling*) of the security provider. However, a bankruptcy or moratorium of payments of a Dutch security provider would limit the rights of the security holder in some respects, the most important limitations of which are the following:

(i) notification of an undisclosed right of pledge can be validly given to the debtors after the pledgor has been declared bankrupt or a moratorium of payment has been declared in respect of the pledgor, *provided that* such debtors have not, prior to due receipt of such notice, initiated payment of the relevant pledged receivables;

(ii) if, in respect of the pledge of receivables, the debtors of such receivables have validly discharged their debts by making payments to the Insolvency Official in the relevant company's bankruptcy rather

than to the pledgee, the Security Trustee as pledgee will have a highly preferred claim in respect of the monies so paid, but will not be able to enforce its rights as if there were no bankruptcy and the Security Trustee as pledgee will have to share in the bankruptcy costs (i.e., because a *pro rata* share of such costs will be payable out of the proceeds, the net proceeds received will be less) and will only receive such net proceeds at the end of the bankruptcy or at the occasion of the intermediary payments (*tussentijdse uitkeringen*);

(iii) a moratorium (*afkoelingsperiode*) of up to four months may be imposed during each type of insolvency proceedings by court order. If such a moratorium is imposed, enforcement of a right of pledge (without the court's consent) is prevented during such period; and

(iv) pursuant to article 58 paragraph 1 of the Dutch Bankruptcy Act an Insolvency Official can force the Security Trustee to enforce its security interest within a reasonable time, failing which the Insolvency Official will be entitled to sell the pledged rights and receivables and distribute the proceeds to the Security Trustee.

Parallel Debt

It is intended that the Issuer and the Seller grant rights of pledge to the Security Trustee for the benefit of the Programme Creditors. However, under German and Dutch law there is no concept of trust and it is generally assumed that under German and Dutch law a right of pledge cannot be validly created in favour of a person who is not the creditor of the claim that the right of pledge purports to secure. Under German and Dutch law, a 'parallel debt' structure (such as the Parallel Debt created under the Trust Agreement) can be used to give a trustee its own, separate, independent claim on identical terms as the relevant creditors. It is noted that there is no statutory law or case law available on the validity and enforceability of a claim such as the Parallel Debt or the security provided for such debts. However, the Issuer has been advised that there are no reasons why a parallel debt such as the Parallel Debt will not create a claim of the pledgee (the Security Trustee) thereunder which can be validly secured by security rights such as the security rights created pursuant to the Security Documents. If the Parallel Debt will not create a claim of the Security Trustee the security rights purported to be granted to the Security Trustee may not be valid.

Any payments in respect of the Parallel Debt and any proceeds of the Security (in each case to the extent received by the Security Trustee) are in the case of an Insolvency of the Security Trustee not separated from the Security Trustee's other assets, so the Programme Creditors accept a credit risk on the Security Trustee. However, the Security Trustee is a special purpose entity and is therefore unlikely that there will be an Insolvency Event with respect to the Security Trustee.

Remaining lease rights and obligations

As of the relevant Cut-Off Date, the risk and benefit relating to a Purchased Vehicle will be for the account of the Issuer. The obligations of the Seller in respect of the Purchased Vehicle will remain with the Seller until such time as the Issuer acquires full title to the relevant Purchased Vehicle. The same applies to any rights of the Seller under the Lease Agreements associated with the Purchased Vehicles that are not capable of being assigned and do not qualify as proceeds.

Insurance

In relation to each Purchased Vehicle, at least two types of insurance are relevant: car body and third party liability insurance.

Certain Purchased Vehicles are not subject to car body insurance, in which cases the Seller takes the risk of car body damage in its own books. As between the Lessee and the Lessor, unless a specific car body insurance has been agreed, the risk of car body insurance in principle lies with the lessor/owner of the Vehicle. The Lease Servicing Component generally includes a component for car body insurance or for the Seller bearing the risk of car body damages.

In relation to the third party liability insurance the applicable insurance policy in many cases provides that in the case of a change of ownership of the relevant Vehicle (or termination of the Lease Agreement), the insurance policy will in principle terminate. Pursuant to the Master Hire Purchase Agreement, full title to a Purchased Vehicle is envisaged to pass to the Issuer upon payment of all relevant Purchase Instalments.

This would mean that the Issuer will become responsible to enter into the relevant insurances, which may result in additional obligations for the Issuer, which in turn may result in losses on the Notes.

Conflicts of Interest

Volkswagen Pon Financial Services B.V. is acting in a number of capacities in connection with the Programme. Volkswagen Pon Financial Services B.V. 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. Volkswagen Pon Financial Services B.V. 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.

Volkswagen Pon Financial Services B.V. may hold and/or service claims against Lessees other than the Purchased Receivables. The interests or obligations of Volkswagen Pon Financial Services B.V. in its respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

Volkswagen Pon Financial Services B.V. may freely engage in other commercial relationships with other parties. In such relationship, Volkswagen Pon Financial Services B.V. is not obliged to take into account the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise.

No active and liquid secondary market for Leased Vehicles and associated Lease Receivables

The ability of the Issuer to redeem all the Notes in full whilst any of the Portfolio remains outstanding, may depend on whether the Lease Receivables and the Purchased Vehicles can be sold, otherwise realised or refinanced by the Issuer or the Security Trustee so as to obtain a sufficient amount available for the distribution to enable the Issuer to redeem the Notes. There is not yet an active and liquid secondary market for lease receivables in The Netherlands. No assurance can be given that the Issuer or the Security Trustee (for example, in circumstances where it would be required to enforce the Security) is able to sell, otherwise realise or refinance the Purchased Vehicles together with the associated Lease Receivables on appropriate terms should it be necessary for it to do so at the levels anticipated when setting the Estimated Residual Value.

The Call Option Buyer is entitled to repurchase a Purchased Vehicle to the extent such Purchased Vehicle is not associated to a Defaulted Receivable together with the associated Lease Receivables on the relevant Lease Termination Date, *provided that* if an Insolvency Event has occurred with respect to a Lessee the Call Option Buyer may only exercise its Repurchase Option with respect to all (but not some of the) Purchased Vehicles relating to such Lessee and the Seller can be requested to do so to the extent the Issuer exercises its Put Option. If the Call Option Buyer elects not to repurchase the Purchased Vehicles together with the associated Lease Receivables in accordance with the Master Hire Purchase Agreement or the Issuer elects not to exercise its Put Option, the Purchased Vehicles will be sold by the Servicer in the open market on behalf of and for the account of the Issuer. There is no guarantee that there will be a market for the sale of such Purchased Vehicles, which are in a used condition, or that such market will not deteriorate in the future.

Noteholders should also be aware that there may be a very limited market for certain of the Purchased Vehicles (particularly those manufactured for certain specialised industrial roles or processes or certain public-utility vehicles) and there is no guarantee that there will be a market for the sale of such Purchased Vehicles, which are of a specialised nature and will be in a used condition, or that such market will not deteriorate in the future.

Further, any deterioration in the economic condition of the areas in which the final users of the Purchased Vehicles are located, or any deterioration in the economic conditions of other areas, may have an adverse effect on the ability to sell the Purchased Vehicles, which could in turn increase the risk of receiving a sale price in respect of the Purchased Vehicles at the Lease Maturity Date which is below the expected sale price.

A concentration of customers in such areas may, therefore, result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon as a result of such uncovered losses incurred in respect of the expected sale proceeds than if such concentration has not been present.

Noteholders should be aware that there has been a downturn in the second-hand car market in The Netherlands which has started to improve to a certain extent. To the extent that such improvement will only last temporarily or new deteriorations occur, this could have an adverse effect on the amount received by the Issuer in respect of the residual value of the Purchased Vehicles.

Furthermore, Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles sets new CO2 standards which require average emissions of new cars to come down by 55% by 2030, and new vans by 50% by 2030 and zero CO2 emission as of 2035. Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 is likely to already have an adverse impact on the residual values of Leased Vehicles with combustion engines. Such impact may result in lower proceeds in case of a sale of or enforcement on Leased Vehicles and, therefore may impact the Issuer's ability to make payments under the Notes.

Changing characteristics of the Portfolio during the Revolving Period

During the Revolving Period, if the Seller offers to the Issuer to enter into Hire Purchase Contracts with respect to any Additional Leased Vehicles under the Master Hire Purchase Agreement, the Issuer shall (i) hire purchase Additional Leased Vehicles together with the associated Lease Receivables subject to and in accordance with the Master Hire Purchase Agreement and (ii) apply the Available Distribution Amount, subject to and in accordance with the Order of Priority, towards the making of any Additional Issuer Advances subject to and in accordance with the Issuer Facility Agreement. The hire purchase of Additional Leased Vehicles together with the associated Lease Receivables during the Revolving Period may change the characteristics of the Portfolio after the Closing Date and the characteristics of the Portfolio could become different from the characteristics of the Initial Portfolio. These differences could result in faster or slower principal repayments or greater losses on the Notes.

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 German Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*), and the Dutch GDPR Implementation Act (*Uitvoeringswet Algemene verordening gegevensbescherming*) 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*) and the Dutch Privacy Act (*Wet bescherming persoonsgegevens*).

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. In order to take these principles into account, the Seller has appointed the Data Protection Trustee. There is, however, no jurisprudence or publication from a court or other competent authority available confirming the traditional view on the manner and procedures for an assignment of lease receivables to be in compliance with, or the consequences of a violation of, the General Data Protection Regulation or the German Data Protection Amendment and Implementation Act or Dutch GDPR Implementation Act. Therefore, at this point there remains some uncertainty to predict the potential impact on the Programme which, however, may result in the Issuer not receiving sufficient Collections to redeem part or all of the Notes.

Industry concentration of Lessees

Although the Lessees are involved in a range of different industry sectors, there may be a higher concentration of Lessees in a particular industry sector, either as a result of the purchase of Leased Vehicles and the associated Lease Receivables by the Issuer after the Closing Date or otherwise. Deterioration in the economic conditions in such industry sector may adversely affect the ability of the Lessees to make payments under the Lease Agreements and, therefore, could increase the risk of losses on the Lease Agreements. Any such deterioration may reduce the market for any Purchased Vehicles especially where such a Purchased Vehicle is a specialist or industry-specific vehicle. A greater concentration of Lessees in particular industry sectors may, therefore, result in a greater risk that the Noteholders will ultimately not receive the full principal amount

of the Notes and interest thereon as a result of such uncovered losses incurred in respect of the Lease Agreements than if such concentration had not been present.

Potential adverse changes to the value and/or composition of the Portfolio

No assurances can be given that the value associated with a Purchased Vehicle has not depreciated or will not depreciate at a rate greater than the rate at which it was expected to do so on the date of origination of the associated Lease Receivables. If this has happened or happens in the future, or if the used car market in The Netherlands should experience a downturn, then any such scenario could have an adverse effect on the ability of Lessees to repay amounts under the relevant Lease Agreements and/or the likely amount to be recovered upon a sale of the Purchased Vehicles. This could have an adverse effect on the Issuer's ability to make payments on the Notes. The foregoing also applies in case of possible changes to Dutch (tax) law and or ancillary regulations. No assurance can be given as to the impact of any possible change to Dutch (tax) law or administrative practice in The Netherlands on the value associated with a Purchased Vehicle after the date of this Base Prospectus.

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, providing 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, in its capacity as originator, to retain a material net economic interest with respect to the Programme, following the issuance of Notes as contemplated by Article 6(3)(c) of the Securitisation Regulation, the Seller will retain, for the life of the Programme, such net economic interest through an interest in randomly selected exposures. Such interest in randomly selected exposures has been and will be equivalent to no less than 5 per cent. of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the Programme, on an ongoing basis *provided that* the level of retention may reduce over time in compliance with Article 10 (2) of the Commission Delegated Regulation (EU) 2023/2175 of 7 July 2023. The Seller in its capacity as servicer will service all of the retained exposures, the securitised exposures and comparable exposures held on its balance sheet in accordance with its customary practices in effect from time to time.

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 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, VWPFS as designated reporting entity under Article 7 of the Securitisation Regulation will prepare Monthly Servicer Reports wherein relevant information with regard to the Purchased Receivables 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.

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.

The European Commission has adopted technical standards to be made pursuant to Article 6(7) 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 is not 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 and simple, transparent and standardised securitisation

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 25 November 2019, 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 ESMA's register. 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, from 1 November 2024, the UK Securitisation Regulation was revoked and replaced with a new recast regime comprised of (i) the Securitisation Regulations 2024 (SI 2024/102), as amended ("**SR 2024**"); as well as (ii) the Securitisation Part of the Prudential Regulation Authority (PRA) Rulebook (the "**PRA Securitisation Rules**"); and (iii) 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 Financial Services and Markets Act 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. These are expected to lead to changes to the UK Securitisation Framework. Therefore, at this stage, not all the details are known on the implementation of the UK Securitisation Framework.

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)(c), VWPFS, in its capacity as originator, commits to retain a material net economic interest with respect to this Programme in compliance with Article 6(3)(c) 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)(c), 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 Porgramme 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 Notes, (ii) how changes in accordance with the Benchmarks Regulation may impact the determination of EURIBOR for the purposes of the Notes and the Swap Agreements, (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 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 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 Security 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 Notes resulting in the Noteholders receiving the same yield that he would have received had EURIBOR been applied for the remaining life of the 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 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 Notes will be determined in reliance on the ordinary fallback mechanism set forth in the Conditions, pursuant to which the Interest Determination Agent, in consultation with the Issuer, 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 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 Notes, particularly because EURIBOR immediately prior to its definite disappearance might be subject to high volatility.

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 changes to the p-factor, for 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 a 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. 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 is not 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 TAXATION

The Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account

Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard ("**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements 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.

The Netherlands has enacted legislation in order to implement CRS and DAC II into Dutch law, under which Dutch FIs, will be obliged to make a single return in respect of CRS and DAC II. The Issuer is expected to be such a Dutch FI for the purposes of CRS and DAC II. For the purposes of complying with its obligations under CRS and DAC II, the Issuer shall be entitled to require Noteholders to provide any information regarding their own tax status 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 Dutch tax authorities (*Belastingdienst*). The information will be provided to the Dutch tax authorities (*Belastingdienst*) 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 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 Dutch 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.

Conditional withholding tax on interest in The Netherlands

The Netherlands may levy a withholding tax on (deemed) interest payments pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*). This withholding tax generally applies to interest payments made by an entity tax resident in The Netherlands, like the Issuer, to an affiliated entity and if certain other conditions are met. The rate of such tax is equal to the applicable headline corporate income tax rate (25.8% in 2026).

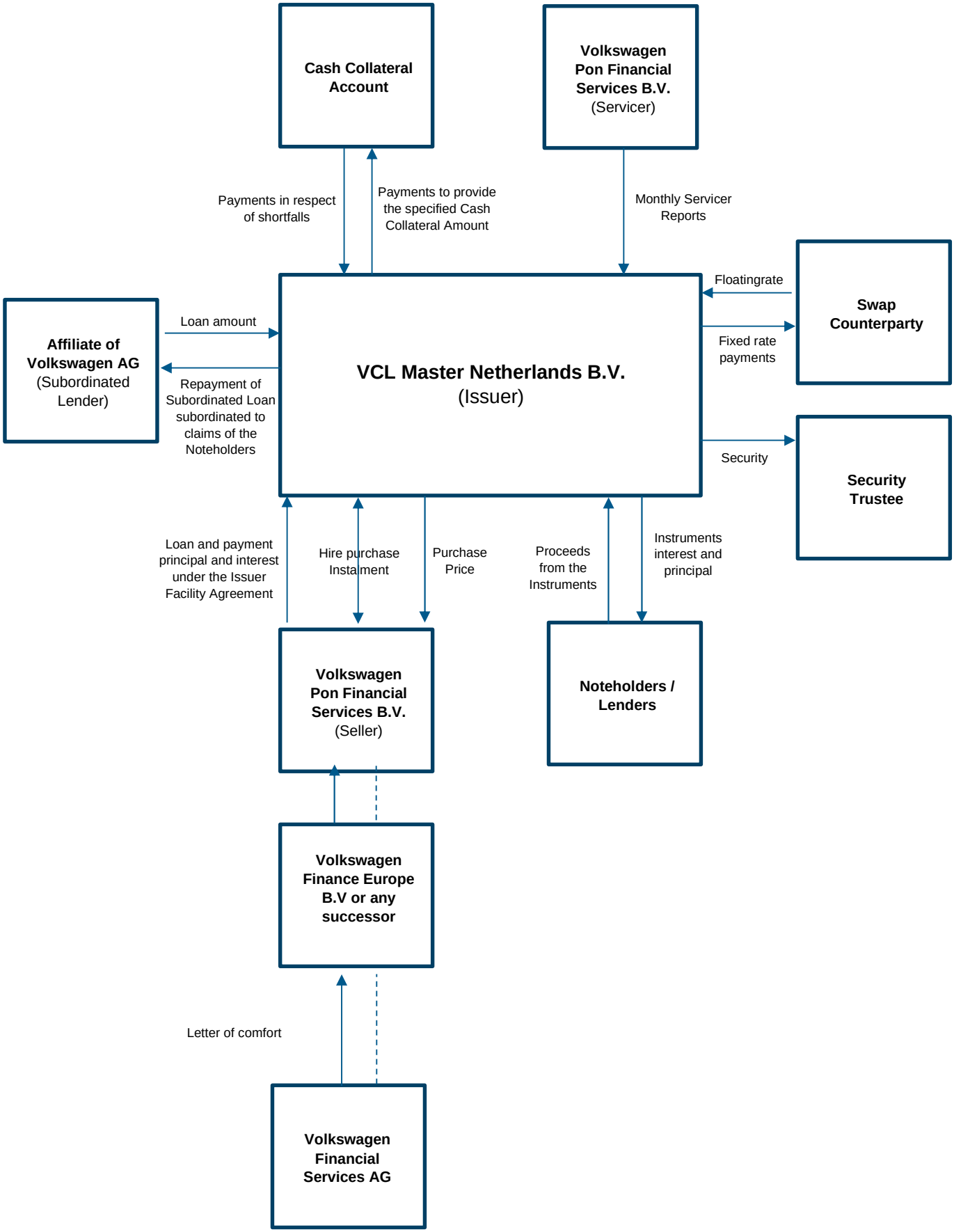
Should this conditional withholding tax on interest fall due, this may have an adverse effect on the Issuer and the holders of Notes and their financial position. If withholding or deduction is required under the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), the Issuer or the Principal Paying Agent (as the case may be) will make the required withholding or deduction of such taxes for the account of the holder of Notes and shall not be obliged to pay any additional amounts to holders of Notes in respect of such withholding or deduction. As a result, investors may receive less interest than expected and the return on their Notes could be significantly adversely affected.

In practice, the Issuer may not always be able to assess whether withholding tax must be withheld for the account of a holder of Notes. The legislative history is unclear on the Issuer's responsibilities to determine the absence of affiliation (one of the requirements) in respect of notes issued in the market, like the Notes.

U.S. Foreign Account Tax Compliance Act

When dealing with cases with a U.S. connection the regulations of the Foreign Account Tax Compliance Act ("**FATCA**") could apply. Under the FATCA regime and the corresponding local regulations in Luxembourg, Germany and The Netherlands specific financial and non-financial institutions are required to exchange tax relevant information with 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 U.S. 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 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.

STRUCTURE DIAGRAM



OVERVIEW

Revolving Period	The period from (and including) the Initial Issue Date and ending on (and including) 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 Class A Notes	AAA (sf) by Morningstar DBRS Aaa (sf) by Moody's
Expected Ratings on Initial Issue Date and any Further Issue Date for all Series of Class B Notes	The Class B Notes are not rated.
	Morningstar DBRS is established in the European Union. Moody's is established in the European Union. According to the press release from European Securities Markets Authority ("**ESMA**") dated 31 October 2011, Morningstar DBRS and Moody's 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 Notes by Morningstar DBRS and Moody's will be endorsed by DBRS Ratings Limited and Moody's Investors Service Ltd., as applicable, being rating agencies which are registered with the Financial Conduct Authority.
Form	Global registered notes under the NSS
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	"P-1" from Moody's	"A2" from Moody's **and** "A" from Morningstar DBRS ***or***

	Morningstar DBRS Critical Obligations Rating of "A (high)"
Eligible Swap Counterparty	"A3" from Moody's **and** "A" from Morningstar DBRS ***or*** Morningstar DBRS Critical Obligations Rating of "A"

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 Notes and the borrowings under the Schuldschein Loans shall be used to acquire a portfolio of Purchased Vehicles and related Lease Receivables from Volkswagen Pon Financial Services B.V.

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

(a) in relation to the Purchased Vehicles, shortfalls that may occur as part of the realisation process; and

(b) in relation to the related Lease 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, 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 Security Trustee will have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when, in the opinion of the Security 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.

Post-funding situation

The Issuer has instructed the Security Trustee to act for the Noteholders and the other Programme Creditors pursuant to the terms of the Trust Agreement.

The Issuer has entered into the Servicing Agreement with Volkswagen Pon Financial Services B.V. and Stichting Security Trustee VCL Master Netherlands.

In order to comply with Data Protection Rules, the Seller will make the Encrypted List 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 during the Revolving Period, the borrowings under the Schuldschein Loans and the borrowings under the Subordinated Loan Agreement have been and will be used to purchase Leased Vehicles and related Lease Receivables from the Seller, to advance Issuer Advances to the Seller, to pay costs related to the issue of the Notes and the Schuldschein Loans and to endow the Cash Collateral Account with the sum of the Cash Collateral Amount, 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 the Seller whatsoever will arise from the Notes.

Denomination

The issue in the aggregate Nominal Instrument Amount of up to EUR 1,500,000,000 consists of registered and transferable Notes with a Nominal Instrument Amount of EUR 100,000 each and Schuldschein Loans, ranking equally among themselves as set out below. Prior to the occurrence of an Enforcement Event, the Class A Notes will (i) with respect to payments of interest rank equally with the Senior Schuldschein Loans but senior to the Class B Notes and the Junior Schuldschein Loans and will rank *pari passu* amongst themselves, and (ii) with respect to payments of principal, will rank senior to the Class B Notes and the Junior Schuldschein Loans and will rank *pari passu* amongst themselves, but payments of interest under the Class B Notes and the Junior Schuldschein Loans will rank senior to payments of principal under the Class A Notes and the Senior Schuldschein Loans. After the occurrence of an Enforcement Event, the Class A Notes and the Senior Schuldschein Loans will rank senior to the Class B Notes and the Junior Schuldschein Loans with respect to payments of interest and principal and will rank *pari passu* amongst themselves. Irrespective of the occurrence of an Enforcement Event, the Class A Notes will rank equally with the Senior Schuldschein Loans but senior to the Class B Notes and the Junior Schuldschein Loans and the Subordinated Loan. With respect to interest and principal, each of the Class B Notes and the Junior Schuldschein Loans rank *pari passu* amongst themselves. The Class B Notes and the Junior Schuldschein Loans rank senior to the Subordinated Loan.

The foregoing is in each case subject to the Order of Priority.

Registered Global Notes

Each Series of Notes will be issued in registered form and represented by a global registered note (the "**Global Note**") without coupons as described in further detail in Condition 1(b) of the terms and conditions applicable to such Series.

Each Global Note shall be deposited with a Common Safekeeper for Clearstream, Luxembourg and Euroclear and be held in book-entry form only in a manner which will allow Eurosystem eligibility. Each Global Note will bear the personal signature of any director of the sole managing director of the Issuer and will be authenticated by one or more employees of the Registrar and will be effectuated by the Common Safekeeper. The interests in the Notes are transferable according to applicable rules and regulations of Clearstream, Luxembourg and Euroclear.

The Issuer will cause a register to be kept at the specified office of the Registrar (the "**Register**") on which will be entered the names and addresses of the Noteholders (as specified below) for each Series of Notes 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 respective Global Note itself will pass by assignment and registration in the Registers. The Global Note representing a Series of Notes will be issued in the name of a nominee of the Common Safekeeper (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 (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 will be conclusive and binding for all purposes save in the case of manifest error) will 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 Registers, *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. The Global Note 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 to, 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 9(f) not later than twenty (20) calendar days prior to the then current revolving period expiration date applicable to such Series of Notes (each a "**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 Final Maturity Date for a period specified in the notice. 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 tenth (10th) calendar 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**"), *provided that* whenever with respect to a Series of Notes the relevant Instrument Revolving Period Expiration Date is extended, the relevant Scheduled Repayment Date shall be extended automatically for the same period as the relevant Instrument Revolving Period Expiration Date applicable to such Series.

Notwithstanding Condition 8(d) of the 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 final maturity date of such Series of Notes as set out in the relevant Final Terms (each a "**Final Maturity Date**") *provided that* whenever with respect to a Series of Notes the relevant Instrument Revolving Period Expiration Date is extended, the relevant Final 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 nominal 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 nominal 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 shall, on any Payment Date be an amount equal to the sum of the following amounts:

(i) amounts received as Lease Collections under the Master Hire Purchase Agreement and the Servicing Agreement, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus

(ii) amounts of interest paid or principal repaid, other than by way of set-off, under the Issuer Facility Agreement; plus

(iii) any Vehicle Realisation Proceeds; plus

(iv) any Lease Incidental Shortfall payments received from the Seller; plus

(v) any interest accrued on the Distribution Account and the Accumulation Account; plus

(vi) payments from the Cash Collateral Account as provided for in clause 6 (*Cash Collateral Account*) of the Trust Agreement; plus

(vii) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus

(viii) any amount to be debited from the Maintenance Reserve Ledger on the immediately succeeding Payment Date subject to and in accordance with the relevant mechanics of the Maintenance Reserve Ledger; plus

(ix) 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

(x) Net Swap Receipts under the Swap Agreements and any other amounts included in the Available Distribution Amount pursuant to clause 9 (*Swap Agreement*) of the Trust Agreement; plus

(xi) 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

(xii) any Negative Buffer Release Amount, until a Reserve Trigger Event has occurred and the Buffer Release Reserve has been funded; but less

(xiii) 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 Lease Collections 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 the Available Distribution Amount is sufficient 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 the Available Distribution Amount is sufficient and in accordance with the Order of Priority 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. 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 Receivables Balance, subject to certain specified increases in those percentages in case a Credit Enhancement Increase Condition is in effect.

Order of Priority

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

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

first, to the payment of (i) firstly, amounts due and payable in respect of taxes owing by the Issuer (other than Dutch corporate income tax in relation to the Issuer Profit Amount referred to under (ii) of this item) and (ii) secondly, amounts equal to the Issuer Profit Amount;

second, until the earlier of (i) the occurrence of a Seller Event of Default and (ii) a Maintenance Coordinator Replacement Event, in or towards satisfaction of the Senior Maintenance Coordinator Fee to the Maintenance Coordinator;

third, *pari passu* and on a *pro rata* basis, amounts due and payable by the Issuer (i) to the Directors in accordance with the Director Fee Letter, (ii) to the Servicer as Servicer Fee, (iii) to the replacement Maintenance Coordinator under the Servicing Agreement the Replacement Maintenance Coordinator Fee, if any (excluding the Senior Maintenance Coordinator Fee), (iv) to the Rating Agencies as fees for the monitoring, (v) to the Process Agent and the English Process Agent under the process agency agreements, (vi) to the Account Bank under the Account Agreement, (vii) to the Agents under the Agency Agreement, (viii) to the Data Protection Trustee under the Deposit Agreement, (ix) as costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange (x) as auditors' fees and legal counsel fees of the Issuer and the Security Trustee, (xi) in respect of any administration costs and expenses of the Issuer, and (xii) to any other third parties providing services to the Issuer incurred in the Issuer's business, including any Maintenance Costs;

fourth, *pari passu* and on a *pro rata* basis, 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 as a result of the respective Swap Counterparty’s rating downgrade);

fifth, *pari passu* and *pro rata* to each other 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 *pro rata* as to each other on all Senior Instruments;

sixth, *pari passu* and *pro rata* to each other 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 *pro rata* as to each other on all Junior Instruments;

seventh, to the Cash Collateral Account, until the Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;

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

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

tenth, *pari passu* and on a *pro rata* basis by the Issuer to the Swap Counterparties, any payments under the respective Swap Agreements other than those made under item fourth above;

eleventh, *pro rata* to each other in or towards payment to amounts due and payable in respect of (a) interest accrued on the Subordinated Loan during the immediately preceding Interest Accrual Period plus (b) Interest Shortfalls (if any) on the Subordinated Loan;

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

thirteenth, to the Seller all remaining excess 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 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, *provided further that* for any Payment Date on which Further Instruments are issued or advanced, the credit balance of the Cash Collateral Account shall exceed the Specified General Cash Collateral Account Balance by an amount attributable to the increase in the aggregate outstanding principal amount of the Notes following the issue of Further Instruments:

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, to the Seller all remaining excess by way of a final success fee.

Investment earnings on deposits in the Cash Collateral Account shall be remitted to the Seller on a yearly basis.

(c) Following the occurrence of an Enforcement Event, distributions will be made by the Security 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, to the payment of (i) firstly, amounts due and payable in respect of taxes owing by the Issuer (other than Dutch corporate income tax in relation to the Issuer Profit Amount referred to under (ii) of this item) and (ii) secondly, amounts equal to the Issuer Profit Amount;

second, until the earlier of the occurrence of (i) a Seller Event of Default and (ii) a Maintenance Coordinator Replacement Event, in or towards satisfaction of the Senior Maintenance Coordinator Fee to the Maintenance Coordinator;

third, pari passu and pro rata, amounts due and payable by the Issuer (i) to the Directors in accordance with the Director Fee Letter, (ii) to the Servicer as Servicer Fee, (iii) to the replacement Maintenance Coordinator under the Servicing Agreement the Replacement Maintenance Coordinator Fee, if any (excluding the Senior Maintenance Coordinator Fee), (iv) to the Rating Agencies as fees for the monitoring, (v) to the Process Agent and English Process Agent under the process agency agreements, (vi) to the Account Bank under the Account Agreement, (vii) to the Agents under the Agency Agreement, (viii) to the Data Protection Trustee under the Deposit Agreement, (ix) as costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange (x) as auditors' fees and legal counsel fees of the Issuer and Security Trustee, (xi) in respect of any administration costs and expenses of the Issuer, and (xii) to any other third parties providing services to the Issuer incurred in the Issuer's business, including any Maintenance Costs;

fourth, *pari passu* and on a *pro rata* basis, 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 as a result of the respective Swap Counterparty’s downgrade);

fifth, *pari passu* and *pro rata* to each other 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 *pro rata* as to each other on all Senior Instruments;

sixth, *pari passu* and *pro rata* to the holders of the Senior Instruments in respect of principal until the Senior Instruments are redeemed in full;

seventh, *pari passu* and *pro rata* to each other 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 *pro rata* as to each other on all Junior Instruments;

eighth, *pari passu* and *pro rata* to the holders of the Junior Instruments in respect of principal until the Junior Instruments are redeemed in full;

ninth, *pari passu* and on a *pro rata* basis by the Issuer to the Swap Counterparties, any payments under the respective Swap Agreements other than those made under item fourth above;

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

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

twelfth, to the Seller all remaining excess by way of a final success fee.

(d) However, any proceeds (excluding any interest accrued) arising from a Term Takeout shall not be distributed according to the above Orders of Priority but shall be distributed:

first, pari passu and on a *pro rata basis* to the holders of the then outstanding Senior Instruments, *provided that* amounts distributed to a specific Senior Instrument exceeding the amount required to redeem such Senior Instrument in full shall be distributed to the other Senior Instruments, whereas in case of Non- Instruments, any redemption payments shall be made in a way to redeem a certain number of Instruments in their principal amount of Euro 100,000, until the Redeemable Amount of all then outstanding Senior Instruments has been redeemed in full;

second, pari passu to the holders of the then outstanding Junior Instruments, *provided that* amounts distributed to a specific Junior Instrument exceeding the amount required to redeem such Junior Instrument in full shall be distributed to the other Junior Instruments, whereas in case of Non-Amortising Instruments, any redemption payments shall be made in a way to redeem a certain number of Instruments g Junior Instruments has been redeemed in full;

third to the Subordinated Lender; and

fourth to the Seller by way of an additional success fee.

Cash Collateral Account

On each Payment Date which is also an Issue Date, Volkswagen Pon Financial Services B.V. 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 this account 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 Cash Collateral Account Bank shall within sixty (60) calendar days (i) procure transfer of the Cash Collateral Account held with the Cash Collateral Account Bank to an Eligible Collateral Bank which is to be appointed by the Issuer once selected by the Cash Collateral Account Bank, or (ii) find an irrevocable and unconditional guarantor providing the guarantee from an entity with Account Bank Required Rating, or (iii) take any other action in order to maintain the rating of the Notes or to restore the rating of the Notes.

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 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. The 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 19.2 of the Master Hire 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 *sixth* of the Order of Priority, as set out in clause 16.2(a) (Order of Priority) of the Trust Agreement.

On each Payment Date prior to the occurrence of a Enforcement Event, after the payment of interest on the Notes and certain other amounts payable by the Issuer, the Available Distribution Amount remaining after item *sixth* of the Order of Priority will be credited to the Cash Collateral Account pursuant to item *seventh* of the Order of Priority until the Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance. On each Payment Date the Cash Collateral Amount shall be used to (i) cover any shortfalls in the amounts payable under the first to *sixth* item (inclusive) of the Order of Priority in clauses 16.2(a) (*Order of Priority*) of the Trust Agreement, (ii) pay the amounts due and payable under clause 16.2(b) (*Order of Priority*) of the Trust Agreement and (iii) pay on the latest occurring Final Maturity Date of any Series of Notes all amounts payable pursuant to clause 16.2(a) (*Order of Priority*), also including the *eighth*, *ninth*, *eleventh* and *twelfth* item of the Order of Priority, as set out in clause 16.2(a) (*Order of Priority*) of the Trust Agreement.

On each Payment Date, any amount of the 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.

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 Reserve Funding Provider (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 Conditions of the Notes, the Issuer undertakes to hold, administer and collect or realise (or procure realisation of) in accordance with the Conditions of the Notes, the Purchased Vehicles and the associated Lease Receivables and ancillary rights arising from Lease Agreements which the Seller has concluded with private individuals and commercial Lessees.

Duties of the Seller

The Seller shall deliver to the Issuer at all times upon demand and to the extent available to the Seller the following documents insofar as such documents are required for the assertion of the rights transferred under the Master Hire Purchase Agreement:

(i) the documents concerning the execution of the Lease Agreement;

(ii) the respective original vehicle registration certificate;

(iii) to the extent allowed by applicable law, any information concerning the Lessee, especially regarding financial standing, which is available to the Seller;

(iv) proof of the Seller's unrestricted title to the Purchased Vehicles through presentation of the invoice with the provision for passage of title and the proof of payment; and

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

In accordance with the Deposit Agreement, the Seller is obliged to make the Portfolio Decryption Key (which is used for the decryption of the encrypted list of the names and addresses of the respective Lessees for each contract number relating to a Lease Agreement) available to the Data Protection Trustee. The Issuer is

obliged to keep confidential all information about the Lessees and the business of the Seller obtained in connection with the execution of the Master Hire 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 the Seller has expressly or tacitly permitted, (iii) if the Issuer is legally obligated to disclose information, and (iv) if the disclosure of information by the Issuer is necessary for asserting rights arising from the Instruments or the agreements concluded in connection with the issue of or advanced under the Instruments.

Clean-Up Call

After expiration of the Revolving Period, the Seller may at its option (but without any obligation to do so) exercise the Clean-Up Call Option and terminate all (but not only part of the) Hire Purchase Contracts and repay all Issuer Advances on any Payment Date on which the Aggregate Discounted Receivables Balance is less than 10 (ten) per cent. of the Aggregate Discounted Receivables Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, *provided that* the Issuer has the necessary funds to redeem, all (but not only part of) the Instruments at their principal amount outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Instruments.

Principal Paying Agent

The Issuer will make payments to the Noteholders and Lenders through the Principal Paying Agent. Payments shall be made from the accounts of the Issuer with U.S. Bank Europe DAC 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. U.S. Bank Europe DAC is an independent credit institution and is not affiliated to the Seller or the Issuer and may be substituted as provided for in Condition 9(h).

Security, Security Trustee and Enforcement

Trust Agreement

For the benefit of the Programme Creditors, the Issuer has appointed the Security Trustee pursuant to the Trust Agreement. The Instruments are secured indirectly, through the Security Trustee, by the Issuer having entered into the Trust Agreement on the Signing Date with the Foundation, the Seller and the Security Trustee, acting as security trustee for itself, the Servicer, the Directors, the Cash Administrator, the Account Bank, the Lead Manager, the Arranger, the Swap Counterparties, the Subordinated Lender, the Principal Paying Agent, the Registrar the Interest Determination Agent, the Calculation Agent, the Seller, the Lenders and the Noteholders (together the "**Programme Creditors**"). The Trust Agreement is governed by German law.

In the Trust Agreement the Issuer has agreed, and to the extent necessary will agree in advance, to pay to the Security Trustee an amount equal to the aggregate of all its liabilities to all the Programme Creditors from time to time due in accordance with the terms and conditions of the relevant Programme Documents, including, without limitation, the Instruments (the "**Principal Obligations**"), which payment undertaking and the obligations and liabilities resulting therefrom is herein referred to as the "**Parallel Debt**". The Parallel Debt is secured by the Security Documents as further described below. The Principal Obligations do not include the Issuer's obligations pursuant to the Parallel Debt. In this respect the Issuer and the Security Trustee acknowledge that (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Security Trustee which are separate and independent from and without prejudice to the Principal Obligations of the Issuer to any Programme Creditor, and (ii) the Parallel Debt represents the Security Trustee's own claim to receive payment of the Parallel Debt from the Issuer, *provided that* the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Programme Creditors, including, but not limited to, the Noteholders and the Lenders. The total amount due and payable by the Issuer under the Parallel Debt shall be decreased to the extent that the Issuer shall have paid any amounts to any Programme Creditor to reduce the Principal Obligations and the total amount due and payable by the Issuer under the Principal Obligations shall be decreased to the extent that the Issuer shall have paid any amounts to the Security Trustee under the Parallel Debt.

Pursuant to the Trust Agreement:

(a) the Issuer will grant:

(i) Security consisting of an assignment and/or transfer of all its claims and other rights arising from the German Programme Documents (with the exception of claims and other rights arising from the Trust Agreement, but including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and a Pledge over the Accounts; and

(ii) Dutch law security under the Issuer Rights Pledge Agreements, the Issuer Vehicles Pledge Agreements and the Lease Receivables Pledge Agreements (collectively, the "**Pledge Agreements**");

(iii) English law security under the Security Assignment Deed over, *inter alia*, the Issuer's rights under the Swap Agreements; and

(b) the Seller will grant Dutch law security under the Sellers Vehicles Pledge Agreements.

The documents listed under (a) and (b) above shall collectively be referred to as the "**Security Documents**" and the security rights created therein, the "**Security**".

In the Trust Agreement, the Issuer has assigned or transferred, as applicable, to the Security Trustee 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 subject to German law the Issuer has entered or may enter into in connection with the Instruments and the Subordinated Loan Agreement.

The Trust Agreement establishes the right and duty of the Security Trustee – to the extent necessary – to hold the securities assigned to it (with respect to the rights and claims assigned or transferred to the Security Trustee for security purposes, administer or realise the Security for the benefit of the Programme Creditors and to perform only those other duties which are necessarily incidental thereto). The Programme Creditors are entitled, subject to the provisions of the Trust Agreement, to demand from the Security Trustee the fulfilment of its duties as specified under the Conditions. The Security Trustee is not obligated to monitor the fulfilment of the duties of the Issuer under the Instruments, the Conditions, the Subordinated Loan Agreement 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.

Subject to the terms of the Security Documents the Security can be realised pursuant to clause 12 (*Enforcement and Proceedings*) of the Trust Agreement if (i) an Insolvency Event occurs with respect to the Issuer; (ii) the Issuer defaults in the payment of any interest on the most senior Instrument when the same become due and payable, and such default shall continue for a period of five Business Days; or (iii) the Issuer defaults in the payment of principal of any Instrument on the respective Final Maturity Date and in case an Interest Shortfall occurs, however, only an Interest Shortfall on the Senior Instruments when the same becomes due and payable, and such default continues for a period of five (5) Business Days will constitute a Foreclosure Event. 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.

Dutch law security

Issuer Vehicles Pledge Agreement

The Issuer and the Security Trustee have entered into a first ranking pledge agreement (the "**First Ranking Issuer Vehicles Pledge Agreement**") and a second ranking pledge agreement (the "**Second Ranking Issuer Vehicles Pledge Agreement**" and together with the First Ranking Issuer Vehicles Pledge Agreement, the " **Issuer Vehicles Pledge Agreements**") pursuant to which the Issuer has created, or has created in advance (*bij voorbaat*), as the case may be, a first priority and second priority non-possessory right of pledge (*bezitloos pandrecht, eerste in rang*) over the Purchased Vehicles owned by it. The rights of pledge to be created pursuant to the Issuer Vehicles Pledge Agreements will be granted in favour of the Security Trustee for the benefit of the Programme Creditors to secure and provide for the payment of the Secured Obligations. Upon the occurrence of a default of the Issuer with respect to the Secured Obligations, the Security Trustee

is entitled to foreclose on the Purchased Vehicles or part thereof over which a right of pledge is created pursuant to the Issuer Vehicles Pledge Agreements and to apply all monies received or recovered by the Security Trustee towards satisfaction of the Secured Obligations subject to and in accordance with the provisions of the Trust Agreement. The Issuer Vehicles Pledge Agreements are governed by Dutch Law.

Sellers Vehicles Pledge Agreement

The Seller, the Issuer and the Security Trustee have entered into a first ranking pledge agreement (the "**First Ranking Sellers Vehicles Pledge Agreement**") and a second ranking pledge agreement (the "**Second Ranking Sellers Vehicles Pledge Agreement**" and together with the First Ranking Sellers Vehicles Pledge Agreement, the " **Sellers Vehicles Pledge Agreements**") pursuant to which the Seller has created, or has created in advance (*bij voorbaat*), as the case may be, a first priority and second priority non-possessory right of pledge (*bezitloos pandrecht, eerste in rang*) over the Purchased Vehicles owned by it. The rights of pledge created pursuant to the Sellers Vehicles Pledge Agreements will be granted in favour of the Security Trustee for the benefit of the Programme Creditors to secure and provide for the payment of the Secured Obligations. Upon the occurrence of a default with respect to the Secured Obligations, the Security Trustee is entitled to foreclose on the Purchased Vehicles or part thereof over which a right of pledge is created pursuant to the Sellers Vehicles Pledge Agreements and to apply all monies received or recovered by the Security Trustee towards satisfaction of the Secured Obligations subject to and in accordance with the provisions of the Trust Agreement. The Sellers Vehicles Pledge Agreements are governed by Dutch law.

Lease Receivables Pledge Agreement

The Issuer and the Security Trustee have entered into a first ranking pledge agreement (the "**First Ranking Lease Receivables Pledge Agreement**") and a second ranking pledge agreement (the "**Second Ranking Lease Receivables Pledge Agreement**" and together with the First Ranking Lease Receivables Pledge Agreement, the "**Lease Receivables Pledge Agreements**") pursuant to which the Issuer has created, or has created in advance (*bij voorbaat*), as the case may be, an undisclosed first priority and second priority right of pledge (*stil pandrecht, eerste in rang*) over all of the Issuer's rights (*vorderingen*) within the meaning of article 3:239 of the Dutch Civil Code against the Lessees under or in connection with the Lease Agreements relating to the Purchased Vehicles. The rights of pledge created pursuant to the Lease Receivables Pledge Agreements have been granted in favour of the Security Trustee for the benefit of the Programme Creditors to secure and provide for the payment of the Secured Obligations. The pledge over the Lease Receivables provided in the Lease Receivables Pledge Agreements will not be notified to the Lessees except in the case of certain notification events. These notification events will, to a large extent, be similar to a Seller Event of Default as described in the Master Hire Purchase Agreement. Prior to notification of the pledge to the Lessees, the pledge is an undisclosed right of pledge (*stil pandrecht*) within the meaning of article 3:239 of the Dutch Civil Code. Upon notification the Security Trustee becomes entitled to collect the claims which become due and payable by the Lessees under the Lease Agreements. Upon the occurrence of a default of the Issuer with respect to the Secured Obligations, provided notice of the right of pledge has been given to the respective Lessees, the Security Trustee is entitled to foreclose the rights of pledge created pursuant to the Lease Receivables Pledge Agreements and to apply all monies received or recovered by the Security Trustee towards satisfaction of the Secured Obligations subject to and in accordance with the provisions of the Trust Agreement. The Lease Receivables Pledge Agreements are governed by the Dutch law.

Issuer Rights Pledge Agreement

The Issuer, the Security Trustee, the Seller, the Issuer Facility Borrower, the Servicer, the Maintenance Coordinator and the Call Option Buyer have entered into a first ranking pledge agreement (the "**First Ranking Issuer Rights Pledge Agreement**") and a second ranking pledge agreement (the "**Second Ranking Issuer Rights Pledge Agreement**" and together with the First Ranking Issuer Rights Pledge Agreement, the "**Issuer Rights Pledge Agreements**") pursuant to which the Issuer has created a disclosed first priority and second priority right of pledge (*openbaar pandrecht, eerste in rang*) over any and all existing and future rights and claims that are and will be owed to the Issuer (the "**Issuer Rights**") under (i) the Master Hire Purchase Agreement, (ii) the Servicing Agreement and (iii) the Issuer Facility Agreement. The rights of pledge created or to be created pursuant to the Issuer Rights Pledge Agreements shall be granted in favour of the Security Trustee for the benefit of the Programme Creditors and secure and provide for the payment of the Secured Obligations. Since the rights of pledge created pursuant to the Issuer Rights Pledge Agreements have been notified to the relevant obligors (i.e. the Seller, the Issuer Facility Borrower, the Servicer, the Maintenance Coordinator and the Call Option Buyer) the Security Trustee will be entitled to collect the claims pledged

thereunder in accordance with article 3:246 of the Dutch Civil Code. However, under the Issuer Rights Pledge Agreements the Issuer and the Security Trustee have agreed that the Issuer will nevertheless remain authorised to collect the pledged claims and exercise the rights subject to the pledge, until further notice has been given by the Security Trustee. The authorisation to collect and exercise may be terminated by the Security Trustee, *inter alia*, upon the Issuer being in default with respect to one or more of the Secured Obligations or when it is likely in the opinion of the Security Trustee that the Issuer will be in default with respect to one or more of the Secured Obligations. Upon the occurrence of a default of the Issuer with respect to the Secured Obligations, provided notice of termination of the authorisation to collect and exercise has been given, the Security Trustee shall be entitled to foreclose the relevant rights of pledge and to apply any monies received or recovered by the Security Trustee under the Issuer Rights Pledge Agreements towards satisfaction of the Secured Obligations. The Security Trustee will apply the amounts received by it in accordance with the provisions of the Trust Agreement. The Issuer Rights Pledge Agreements are governed by Dutch law.

German law security

Under the Trust Agreement, as amended from time to time, the Issuer assigns to the Security Trustee for security purposes (*Sicherungsabtretung*) all its claims and other rights arising from the German Programme Documents (with the exception of claims and other rights arising from the Trust Agreement, but including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future German law contracts the Issuer has entered or may enter into in connection with the Instruments, the Subordinated Loan Agreement, the Agency Agreement or the Programme Agreement.

Furthermore, the Issuer will pledge to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement as well as all present and future claims under each of the Accounts.

The Trust Agreement is governed by German law.

English law security

On the Renewal Date, the Issuer and the Security Trustee will enter into a security assignment deed (the "**Security Assignment Deed**") pursuant to which the Issuer will charge or assign, as applicable, to the Security Trustee all its claims and other rights arising from the Swap Agreements. The Security Assignment Deed will be governed by English law.

Replacement of Issuer

Subject to certain conditions as set out in Condition 11 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 respective Noteholders 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 will 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.

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) (a) 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). Any notice referred to under (ii) (b) above shall be deemed to have been given upon confirmation of receipt by the respective Noteholder.

Amendments to the Programme Documents

Any amendment, restatement or variation of a Programme Document is valid only:

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

(b) 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 by the party requesting such amendment to the Security Trustee and the Rating Agencies in writing and the Issuer has received the written consent to such amendment from the Security Trustee and the Programme Creditors that are materially and adversely affected.

Furthermore, the Issuer will be entitled to amend any term or provision of any Programme Document, with the consent of Volkswagen Pon Financial Services B.V. and the Security Trustee, but without the consent of any Noteholder, any Lender, 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 authorised under the Securitisation Regulation. Any such amendment shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email.

Applicable Law, Place of Performance and Place of Jurisdiction

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

Place of performance and venue is Frankfurt am Main, Germany.

For any litigation in connection with the Conditions of the Notes, which will be initiated against the Issuer in a court of Germany, the Issuer has appointed the German Process Agent to accept service of process.

SERVICER, MAINTENANCE COORDINATOR AND SERVICING AGREEMENT

On or prior to the Signing Date, the Issuer, the Security Trustee, the Servicer and the Maintenance Coordinator have entered into a servicing agreement (the "**Servicing Agreement**") pursuant to which the Servicer and the Maintenance Coordinator will be instructed to carry out certain management, collection and recovery activities in relation to the Purchased Vehicles and associated Lease Receivables to be transferred to the Issuer pursuant to the Master Hire Purchase Agreement in accordance with the credit and collection procedures of the Servicer as amended from time to time in accordance with the terms and conditions of the Servicing Agreement (the "**Credit and Collection Procedures**").

Description of servicing functions

The duties of the Servicer are set out in the Servicing Agreement and the Servicer has agreed, amongst other things, to provide to the Issuer and the Security Trustee the following Lease Services and Realisation Services:

SERVICES

The Servicer shall, without limitation, provide (or in the case of the Maintenance Services, coordinate the provision of) the following services in respect of the Leased Vehicles, which can be updated from time to time by the parties to the Servicing Agreement:

PART A - "Lease Services"

(a) the collection of Lessee (or guarantor) payments through preferred payment methods;

(b) the determination of Lease Servicing Components;

(c) on identification of overdue Lessee (or guarantor) payments in respect of Lease Receivables and residual value claims undertake debt collection recovery activities to minimise debt exposure, including but not limited to the following actions:

  (i) use outsourced collection agencies to perform debt recovery activities;

  (ii) in the event of being unable to obtain payment from the Lessee (or guarantor), where allowed within contract rules ensure that the Lessee's Purchased Vehicle is recovered and taken to auction for sale;

  (iii) in the event of notification of a Lessee insolvency maximise the recovery of debt;

  (iv) in the event of notification that a Lessee has "gone away", take actions to re-establish contact and manage collection of outstanding debt;

  (v) in the event of notification of a Lessee's death or serious illness, manage outstanding debt payment appropriately;

(d) allow for Lessees to make offers for full and final settlement and ensure that if such offers are acceptable ensure collection of payment through preferred payment methods;

(e) once all debt recovery activities have been fully exhausted and all avenues for recovery of overdue payments from Lessees have been attempted, minimise total loss on debt through the selling of debt (on behalf of the Issuer) on to third parties;

(f) assess shortfall of payments due before the value of the recovered asset has been obtained and terminate Lessee's account and issue default notices;

(g) keep a record of Lessees that default;

(h) handle Lessees' payment queries and complaints;

(i) review the debt profile of Lessees with overdue payments and adopt different debt collection strategies depending on the level and status of the Lessee's account;

(j) fulfil statutory and regulatory reporting requirements in terms by performing the necessary accounting actions to recognise debt as a financial loss; and

(k) take all other action and do all other things which it would be reasonable to expect an entity which coordinates collection of payments and enforcing obligations under Lease Agreements for itself or others or acts as servicer, vehicle owner or lessor with respect to comparable automotive Lease Agreements.

PART B - "Maintenance Services"

The Servicer shall, without limitation, provide (or coordinate the provision of) the following services, which can be updated from time to time by the parties to the Servicing Agreement:

(a) the administration of any fines imposed by the police or any statutory bodies on the relevant Lessee;

(b) the administration of fuel card services through a nominated fuel agency as required under the relevant Lease Agreement;

(c) the administration of any road taxes relating to the relevant Lease Agreement;

(d) the provision of accident and repair management services, including the supply of breakdown and recovery services as required under the relevant Lease Agreement:

(e) the provision of an accident claims management service as required under the relevant Lease Agreement:

(f) arrange any replacement vehicles under certain circumstances set out in the relevant Lease Agreement;

(g) process all purchase invoices from service providers;

(h) coordinate the provision of maintenance and repair of vehicles as required under the relevant Lease Agreement;

(i) process all payments related to invoices to service providers;

(j) coordinate the provision of replacement tyres (including summer and winter tyres) as required under the relevant Lease Agreement;

(k) the supply of services to the Lessee as required under the relevant Lease Agreement; and

(l) general administration:

    (i) keep Purchased Vehicles Records for the Issuer in relation to the Maintenance Services and Purchased Vehicles related thereto comprised in the Portfolio;

    (ii) keep, in respect of the Maintenance Services, records for all taxation purposes including VAT; and

    (iii) assist, in respect of the Maintenance Services, the auditors of the Issuer and provide information to them upon reasonable request.

PART C - "Realisation Services"

In relation to (i) any Defaulted Receivables or (ii) where the Call Option Buyer has elected not to exercise the Repurchase Option or (iii) the Issuer has elected not to exercise the Put Option, in each case after the relevant Purchased Vehicle has been returned to the Seller or the Issuer as owner of the relevant Purchased Vehicle and/or repossessed by the Servicer or is otherwise held to its order or in its control, without limitation, it:

(a) promptly in each case after the relevant Purchased Vehicle is in its possession or control, sell any Purchased Vehicle (i) which is associated to a Defaulted Receivable or (ii) in respect of which the Call Option Buyer has elected not to exercise its Repurchase Option when such option was available pursuant to the Master Hire Purchase Agreement or (iii) in respect of which the Issuer has elected not to exercise its Put Option when such option was available pursuant to the Master Hire Purchase Agreement, it being understood that the Servicer shall only sell the relevant Purchased Vehicles at such time if this would not result in a breach of the terms of the Lease Agreement associated to such Purchased Vehicle;

(b) keep, in relation to the Realisation Services, records and books of account for the Issuer in relation to the realised Purchased Vehicles relating to the Lease Agreements comprised in the Portfolio;

(c) keep, in relation to the Realisation Services, records for all taxation purposes (including VAT);

(d) deliver, where necessary, the sold Purchased Vehicle to the purchaser thereof or, as the case may be, relevant auction site or other site at the request of the third party purchaser;

(e) file claims with the relevant transporters on behalf of the Issuer for damage in transit and the delivery claims related to the Purchased Vehicles to be sold;

(f) arrange for any registration and filings to be made in The Netherlands which are required in The Netherlands to fully evidence the transfer of ownership of the sold Purchased Vehicles (including any relevant driver and vehicle licensing agency forms);

(g) realise, sell or procure to realise or sell the relevant Purchased Vehicles related to any Lease Agreement comprised in the Portfolio, by sale in accordance with the Servicer's Realisation Procedure Rules and in accordance with the terms of the Servicing Agreement (for the avoidance of doubt, only if this would not result in a breach of the terms of the Lease Agreement associated to such Purchased Vehicle); and

(h) collect, or procure to have collected, any Vehicle Realisation Proceeds relating to the sale of Purchased Vehicles and to pay such amounts to the Issuer in accordance with the terms of the Servicing Agreement.

In accordance with the terms of the Servicing Agreement, the Servicer shall: (a) comply in all material aspects with the Credit and Collection Procedures; and (b) at all times devote or procure that there is devoted to the performance of its obligations, exercise of its discretions and its exercise of the rights of the Issuer and where so permitted by the Security Trustee in respect of the Purchased Vehicles and associated Lease Receivables at least (i) the same amount of time and attention and (ii) the same level of skill, care and diligence in the performance of those obligations and discretions as it would if it were providing the Services in respect of assets which it beneficially owned and, in any event, will act as prudent lessor of Vehicles (as if it was the beneficial owner thereof) and will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions under the Servicing Agreement and consider the interests of the Issuer and the Security Trustee (acting on behalf of the Programme Creditors) at all times whilst carrying out the services under the Servicing Agreement but the Servicer shall not be required to do or cause to be done anything which they are prevented from doing by any regulatory direction or any requirement of law.

In addition, the Servicer shall service and administer the Leased Assets forming part of the Portfolio in compliance with the Lease Agreements, the Master Hire Purchase Agreement and certain general covenants of the Servicer (including covenants as to the compliance with any applicable laws in rendering the services owed by the Servicer).

Servicer fee

In consideration of its duties pursuant to the Servicing Agreement, the Servicer will receive the Servicer Fee to be paid by the Issuer subject to and in accordance with the relevant Order of Priority.

Lease Collections and distribution

Under the Servicing Agreement the Servicer will procure that all Lease Collections in respect of the Lease Receivables and all Vehicle Realisation Proceeds in respect of a sale of a Purchased Vehicle to the Lessee pursuant to the relevant Lease Agreement collected by it at any time during the immediately preceding Collection Period are paid on each Payment Date directly into the Distribution Account.

Lease Agreement Recalculations

If on any Calculation Date, the associated Lease Agreements are adjusted in such a way that this affects the Purchase Price, the number of Purchase Instalments, the amount of each Regular Purchase Instalment and/or the amount of the Final Purchase Instalment on any day during the immediately preceding Collection Period, then on the immediately succeeding Payment Date, the Purchase Price and the relevant Purchase Instalments and Final Purchase Instalment shall be amended accordingly by (i) the Seller attaching an amended and restated Purchased Vehicles list to the Combined Transfer Deed to be delivered by it on such Calculation Date, including a reference to the date as of which the amendment takes effect, and (ii) the Issuer and the Security Trustee countersigning such Combined Transfer Deed.

Following notice from the Servicer that a reduction in the Purchase Price as of the end of the Collection Period has occurred following a Lease Agreement Recalculation by the Servicer, the Seller shall on the immediately following Payment Date (i) pay to the Issuer an amount equal to the Purchase Instalment Decrease Amount and (ii) provide the Issuer and the Servicer with a list of recalculation of Leased Vehicles and related Lease Receivables.

Following notice from the Servicer that an increase of the Purchase Price as of the end of the Collection Period has occurred following a Lease Agreement Recalculation by the Servicer an amount equal to the Purchase Instalment Increase Amount will result in a *pro rata* increase of the remaining Purchase Instalments payable by the Issuer pursuant to the relevant Hire Purchase Contracts.

Performance by third parties

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

Allocation of Lease Collections

Where two or more Lease Agreements from a Lessee are included in the Portfolio or where Lease Agreements from a Lessee are included in the Portfolio and other lease agreements from the same Lessee are not included in the Portfolio, in a Collection Period amounts received from the Lessee will be applied in the following order:

firstly, to the applicable invoice relating to such payment;

secondly, where payments are not identified as relating to a specific invoice, to the relevant invoice at the direction of the Lessee;

thirdly, where no such allocation is provided by the relevant Lessee within ten (10) Business Days, to the oldest invoice then outstanding until the outstanding balance of such invoice has been reduced to zero and thereafter to the next oldest invoices in order until the outstanding balance of such invoices has been reduced to zero; and

fourthly, *pari passu* and *pro rata* between all outstanding invoices of the Lessee including, for the avoidance of doubt, Lease Receivables sold and assigned to the Issuer and Lease Receivables not sold to the Issuer.

Additionally, the *pro rata* share of the collections received and allocated to the Lease Agreements included in the Portfolio shall first be allocated (i) *pro rata* and *pari passu* between Lease VAT Collections and any other Lease Collections and (ii) thereafter, the Lease Collections (other than Lease VAT Collections) will be allocated in the following order: *firstly*, to Lease Interest Collections, *secondly*, to Lease Principal Collections; and *thirdly*, to Lease Servicing Collections.

Advances of the Servicer and Commingling of Funds

If the Monthly Remittance Condition is not satisfied, the Servicer 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, the Servicer shall advance the Monthly Collateral to the Distribution Account on the relevant Monthly Collateral Payment Date falling in such month.

If it is demonstrated in the Monthly Servicer Report for a Monthly Period that the Monthly Collateral which has been transferred by Volkswagen Pon Financial Services B.V. for the relevant Monthly Period exceeds the Lease Collections and Vehicle Realisation Proceeds for such Monthly Period, the Issuer will on the then following Payment Date release such excess of the Monthly Collateral over the Lease Collections and the Vehicle Realisation Proceeds received for such Monthly Period to the Seller outside the Order of Priority, unless at such time the Seller is in default with delivering the Available Distribution Amount for such Payment Date.

Irrespective of its obligation to advance the Monthly Collateral the Servicer will still remain being obliged to transfer Lease Collections and Vehicle Realisation Proceeds 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 Volkswagen Pon Financial Services B.V. as Servicer has complied with its obligation to remit the Monthly Collateral to the Distribution Account, Volkswagen Pon Financial Services B.V. is entitled to hold, use and invest at its own risk the amount collected under the Purchased Receivables and other amounts collected by it during each Monthly Period without segregating such funds from its other funds, and Volkswagen Pon Financial Services B.V. will be required to make a single transfer of Lease Collections, Vehicle Realisation Proceeds and other amounts collected by it to the Distribution Account on the following Payment Date. Otherwise, Lease Collections, Vehicle Realisation Proceeds 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 Volkswagen Pon Financial Services B.V. for the relevant Monthly Period exceeds the Lease Collections, Vehicle Realisation Proceeds and other amounts collected by it for such Monthly Period or whether the Lease Collections, Vehicle Realisation Proceeds and other amounts collected by it for the relevant Monthly Period exceed the Monthly Collateral for such Monthly Period.

On any Payment Date Volkswagen Pon Financial Services B.V.'s obligation to pay such Lease Collections, Vehicle Realisation Proceeds and other amounts received by Volkswagen Pon Financial Services B.V. 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 Volkswagen Pon Financial Services B.V. for the relevant Monthly Period on the respective Monthly Collateral Payment Date exceeds the Lease Collections, Vehicle Realisation Proceeds and other amounts received by Volkswagen Pon Financial Services B.V. for such Monthly Period, such excess shall be released to Volkswagen Pon Financial Services B.V. outside the Order of Priority on the relevant Payment Date or (b) that the Lease Collections, Vehicle Realisation Proceeds and other amounts received by the Servicer for such Monthly Period exceed the Monthly Collateral which has been transferred by Volkswagen Pon Financial Services B.V. 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 Volkswagen Pon Financial Services B.V. 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.

Monthly Servicer Report

On or prior to the Servicer Report Performance Date, the Servicer shall pursuant to the Servicing Agreement, prepare and deliver via facsimile, email, CD-ROM or any other agreed electronic means a report applicable to the relevant Collection Period (each a "**Monthly Servicer Report**") to the Issuer, the Maintenance Coordinator, the Principal Paying Agent, the Account Bank, the Cash Administrator, the Noteholders, the

Calculation Agent, the Swap Counterparty, the Security Trustee, the Subordinated Lender and each Rating Agency.

If the information given in the Monthly Servicer Report is not sufficient for the Issuer, the Maintenance Coordinator, the Principal Paying Agent, the Calculation Agent, the Swap Counterparty, any Rating Agency, the Subordinated Lender or the Security Trustee, the Servicer shall give such assistance as reasonably requested in order for such parties to perform their respective roles or duties under the Programme Documents.

Additionally, VWPFS in its capacity as originator 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 competent authorities, as referred to in Article 29 of the Securitisation Regulation and to potential Noteholders 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.

Termination and Replacement of the Servicer

After the occurrence of a Servicer Replacement Event, the Issuer and the Security Trustee, acting jointly, may at once or at any time thereafter while such Servicer Replacement Event continues by notice in writing to the Servicer terminate the Servicing Agreement, with effect from a date (not earlier than the date of the notice) specified in the notice provided that the effective date of such termination shall be no earlier than that a replacement servicer has taken over the services performed by the Servicer on terms substantially similar to the existing Servicing Agreement.

Realisation

The Servicer will undertake to use its best efforts to sell, on behalf of and for the account of the Issuer, the Purchased Vehicles where the Call Option Buyer has not exercised the Repurchase Option or the Issuer has not exercised its Put Option, in each case after the Purchased Vehicle has been returned to the Servicer in accordance with the Servicing Agreement. The Servicer shall only sell the related Purchased Vehicles at such time if this would not result in a breach of the relevant Lease Agreement.

Recovery of Lease Instalments

Under the Servicing Agreement the Servicer shall take all reasonable steps to recover all sums due by the Lessees under or in connection with the relevant Lease Agreements.

The Servicer will, in relation to any default by a Lessee under the relevant Lease Agreement, comply in all material respects with the applicable Credit and Collection Procedures, or, to the extent that the Credit and Collection Procedures are not applicable due to the nature of the default in question, take such action as a reasonably prudent lessor of Vehicles in the Netherlands would do in respect of such default, provided that:

a) the Servicer shall only become obliged to comply with the applicable Credit and Collection Procedures (to the extent applicable) or to take action as aforesaid after the occurrence of any default by a Lessee; and

b) it is acknowledged by the Issuer and the Security Trustee that the Servicer may exercise such discretion as would be exercised by a reasonably prudent lessor of Vehicles in the Netherlands in applying recovery procedures in respect of any relevant Lease Agreement or taking action as aforesaid.

Where the Servicer has undertaken any of the applicable Credit and Collection Procedures or taken any other action as referred to in the paragraph above in respect of any relevant Lease Agreement and the Servicer, the Servicer shall, subject to the relevant terms of the Servicing Agreement, have authority, but not in any way an obligation, to:

a) grant rebates, extensions, payment holidays or adjustments in respect of a relevant Lease Receivable comprised in a Portfolio;

b) waive the Lease Instalments outstanding (if any) under the relevant Lease Agreement, together with any prepayment charges, late payment fees or any other fee that may be collected in the ordinary course of the servicing of a Lease Receivable in a Portfolio in part or in full; and

c) agree to settlements, compromises, variations or restructurings with the Lessees or any other Person in respect of a relevant Lease Agreements.

Reporting

The Servicer will include certain pre-agreed information regarding the Purchased Vehicles in the Monthly Servicer Report. Such information shall (a) cover the Collection Period immediately preceding the relevant Calculation Date and (b) in any event include (i) a cash flow report, (ii) the stratification tables and (iii) the list of Purchased Vehicles.

The Servicer will agree and covenant to the Issuer to also provide the Issuer and the Security Trustee with any information the Issuer or the Security Trustee may reasonably request.

Reporting under the Swap Agreement

The Servicer undertakes to the Issuer that no less than once per year (and in accordance with the European Market Infrastructure Regulation, as amended from time to time, ("**EMIR**"), commencing on the date of the Swap Agreement, it shall procure on behalf of the Issuer the performance with the Swap Counterparties of 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) under the Swap Agreements.

Description of functions of the Maintenance Coordinator

The Maintenance Coordinator shall, at all times during the term of the Servicing Agreement, devote or procure that there is devotion to the performance of its obligations, exercise of its discretions and its exercise of the rights of the Issuer and following the occurrence of a Foreclosure Event, the Security Trustee in respect of the Maintenance Services at least the same (i) amount of time, (ii) attention and (iii) level of skill, care and diligence in the performance of those obligations and discretions and the exercise of those rights as it would if it were providing the Maintenance Services in respect of assets which it beneficially owned, and, in any event, will act as reasonably prudent maintenance coordinator of Vehicles and will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions hereunder at all times whilst coordinating the Maintenance Services hereunder, but the Maintenance Coordinator shall not be required to do or cause to be done anything which it is prevented from doing by any regulatory direction or any relevant requirement of law and shall comply in all material respects with the Maintenance Procedures.

Senior Maintenance Coordinator Fee / Maintenance Coordinator Fee

In consideration of the performance of the Maintenance Services, the Issuer shall pay to the Maintenance Coordinator for its services under the Servicing Agreement the Senior Maintenance Coordinator Fee including any applicable VAT (if any), which Senior Maintenance Coordinator Fee shall be payable on each Payment Date with respect to the immediately preceding Collection Period, subject to and in accordance with the relevant Order of Priority.

Upon the occurrence of the Maintenance Coordinator Replacement Event, the Issuer shall pay to the replacement Maintenance Coordinator for its services under the Servicing Agreement the Replacement Maintenance Coordinator Fee including any applicable VAT (if any).

Termination and Replacement of the Maintenance Coordinator

After the occurrence of the Maintenance Coordinator Replacement Event or an Event of Default in respect of the Maintenance Coordinator, the Issuer and the Security Trustee acting jointly, or the Security Trustee acting solely may at once or at any time subsequently by notice in writing to the Maintenance Coordinator terminate the appointment of the Maintenance Coordinator with effect from a date (not earlier than the date of the notice)

specified in the notice, *provided that* the Maintenance Coordinator shall not be released from its obligations under the relevant provisions of the Servicing Agreement until a replacement Maintenance Coordinator has been appointed and such replacement Maintenance Coordinator acts as Maintenance Coordinator.

RESERVE FUNDING AGREEMENT

On the Signing Date, the Issuer, the Security Trustee and the Reserve Funding Provider have entered into a reserve funding agreement (the "**Reserve Funding Agreement**") pursuant to which the Reserve Funding Provider agrees to make available to the Issuer Maintenance Reserve Advances and to fund the Buffer Release Reserve in accordance with the terms of the Reserve Funding Agreement.

Maintenance Reserve Advances

Pursuant to the Reserve Funding Agreement, the Reserve Funding Provider agrees to make available to the Issuer at all times within thirty (30) calendar days following the occurrence of a Reserve Trigger Event which is continuing or an Insolvency Event in relation to the Maintenance Coordinator, the Maintenance Reserve Advance in an amount such that the balance on the Maintenance Reserve Ledger is equal to the Required Maintenance Reserve Amount, which amount will be paid by the Reserve Funding Provider to the Cash Collateral Account and on the same day be credited by or on behalf of the Issuer to the Maintenance Reserve Ledger.

Further Maintenance Reserve Advances

If on any Calculation Date, the amount standing to the credit of the Maintenance Reserve Ledger falls short of the Required Maintenance Reserve Amount for the immediately succeeding Payment Date, the Reserve Funding Provider will advance to the Issuer an amount (if such amount is greater than zero) equal to such shortfall on such Payment Date (a "**Further Maintenance Reserve Advance**").

Each Further Maintenance Reserve Advance will be paid to the Cash Collateral Account and on the same day credited by or on behalf of the Issuer to the Maintenance Reserve Ledger.

Repayment of Maintenance Reserve Advances

If on any Payment Date prior to the service of an Enforcement Notice, the balance deposited on the Maintenance Reserve Ledger exceeds the actual Required Maintenance Reserve Amount, such excess shall be applied to repayment of the Maintenance Reserve Advance in equal parts (whereby such excess shall not form part of the Available Distribution Amount).

Buffer Release Reserve

Pursuant to the Reserve Funding Agreement, the Reserve Funding Provider 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 Advance 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 Reserve Funding Provider 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.

Repayment of the Buffer Release Reserve

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 to the Reserve Funding Provider (whereby such excess shall not form part of the Available Distribution Amount).

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 acting as Custodian.

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 AGREEMENTS AND SWAP COUNTERPARTIES

The Issuer will enter into a Swap Agreement with respect to each Series of Notes and each Schuldschein Loan 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 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 outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of [●] 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 Senior Instruments, calculated on the basis of EURIBOR plus [0.62] 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 Junior Instruments the Issuer will undertake to pay to the respective Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of such Junior Instruments outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of [●] 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, calculated on the basis of EURIBOR plus [1.22] 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 the each Swap Agreement relating to the Senior Instruments 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. 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 (3) 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 relevant Swap Agreement; or

    (ii) obtains a guarantee from a guarantor, having the same minimum ratings as an Eligible Swap Counterparty; 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 Receivables and the General Cash Collateral Amount may be insufficient to make the required payments on the Instruments and the Noteholders and the 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 Security 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 Security Trustee and all other rights, powers and discretions granted to or conferred upon the Security Trustee under the Security Assignment Deed shall be held by the Security 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 the Netherlands (the "**Netherlands IGA**"). Under the Netherlands IGA, as currently drafted, a financial institution that is treated as resident in Netherlands and that complies with the requirements of the Netherlands 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.

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.

HIRE PURCHASE OF LEASED VEHICLES

The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement

Initial Hire Purchase

Under the Master Hire Purchase Agreement, the Issuer will from time to time hire purchase Leased Vehicles from the Seller which meet the Eligibility Criteria, pursuant to a hire purchase agreement (*overeenkomst van huurkoop*) within the meaning of article 7:84 paragraph 3 under b or, with respect to a hire purchase agreement entered into prior to 1 January 2017, article 7A:1576h of the Dutch Civil Code (each such agreement a "**Hire Purchase Contract**"). Each Hire Purchase Contract forms part of the relevant Combined Transfer Deed. In addition, in the relevant Combined Transfer Deed, the Seller assigns its rights and claims under or in connection with each of the associated Lease Agreements to the Issuer by means of a deed of assignment, as included in the Combined Transfer Deed, within the meaning of article 3:94 of the Dutch Civil Code (forming part of the relevant Combined Transfer Deed) which deed will be registered with the competent Dutch tax authorities (*Belastingdienst*) as soon as possible but in any event within three (3) Business Days after the relevant Purchase Date. In addition the Seller will send a notification to the relevant Lessee immediately after execution of the relevant Combined Transfer Deed, but at the latest within ten (10) Business Days after the relevant Purchase Date (it being understood that each Lessee that has already been notified of an earlier hire purchase of Leased Vehicles and assignment of Lease Receivables, will not receive any additional notification).

Delivery (*levering*) of the relevant Purchased Vehicle occurs by the Seller providing the control (*macht*) of such Purchased Vehicle to the Issuer on the relevant Purchase Date. To this effect the Seller shall execute a declaration incorporated in the relevant Combined Transfer Deed to confirm that it transfers control over the relevant Purchased Vehicle to the Issuer on the associated Purchase Date. In addition notification will be given to the relevant Lessees whereby each Lessee will be informed, among other things, that the Lessee will have to adhere to any instructions which will as from the date of the relevant notification be sent to the Lessee by or on behalf of the Seller, also acting on behalf of the Issuer. The details as to which Leased Vehicles leased by the relevant Lessee are subject to the hire purchase will be made available to the Lessee upon request. Until the occurrence of a Lease Termination Date, the Issuer's control of each Purchased Vehicle will be indirect (*middellijk*). In other words, until the occurrence of a Lease Termination Date, the Issuer will exercise its control through the relevant Lessee.

On the Closing Date, the Issuer and the Security Trustee have entered into Hire Purchase Contracts with the Seller each relating to Leased Vehicles forming part of the Initial Portfolio, by means of the execution of the relevant Combined Transfer Deed.

As of 1 January 2017, new legislation applies to hire purchase agreements entered into as of such date. With respect to Hire Purchase Contracts entered into prior to 1 January 2017, most of the provisions in the Dutch Civil Code on hire purchase agreements (as such provisions applied until 1 January 2017) are (and will continue to be) mandatory. One of these mandatory rules is the requirement to state in the hire purchase agreement (i) the relevant purchase price, (ii) a regular payment scheme of instalments, and (iii) conditions regarding the retention and transfer of legal title. The Master Hire Purchase Agreement complies with the above requirements. The change in legislation does not affect the terms agreed in the Master Hire Purchase Agreement.

Additional Hire Purchase

As from the Closing Date and as long as the Revolving Period has not expired or terminated, the Seller may offer to the Issuer to enter into a Hire Purchase Contract with respect to any Additional Leased Vehicle by delivery of a duly executed and completed Combined Transfer Deed, which shall constitute an irrevocable offer by the Seller to sell to the Issuer on the first following Payment Date additional Leased Vehicles by way of hire purchase (*huurkoop*) within the meaning of article 7:84 paragraph 3 under b or, with respect to a hire purchase agreement entered into prior to 1 January 2017, article 7A:1576h of the Dutch Civil Code. The Issuer shall, subject to conformity with the Eligibility Criteria, *provided that* sufficient funds are or will be available to the Issuer under the relevant Programme Documents and subject to the other terms and conditions of the Master Hire Purchase Agreement, be obliged to accept such offer by way of counter-execution of the relevant Combined Transfer Deed, which shall include a separate Hire Purchase Contract in respect of each Additional Leased Vehicle, to which is attached an updated Electronic File and an updated

Encrypted List relating to the respective Combined Transfer Deed, such agreement to be effective as from the relevant Purchase Date. Furthermore, the Combined Transfer Deed shall provide for an assignment by the Seller of all Lease Receivables under or in connection with the associated Lease Agreement within the meaning of article 3:94 of the Dutch Civil Code which deed will be registered with the competent Dutch tax authorities (*Belastingdienst*) as soon as possible but in any event within three (3) Business Days after the relevant Purchase Date. In addition the Seller will send a notification to the relevant Lessee immediately after execution of the relevant Combined Transfer Deed, but at the latest within ten (10) Business Days after the relevant Purchase Date (it being understood that each Lessee that has already been notified of an earlier hire purchase of Leased Vehicles and assignment of Lease Receivables, will not receive any additional notification).

The Seller shall provide the Issuer with (i) an Electronic File attached to the respective Combined Transfer Deed where the information about the leases does not relate to any Personal Data and is only distinguishable by lease contract numbers and (ii) an Encrypted List attached to the respective Combined Transfer Deed with the Personal Data (name, address of the Lessees and the vehicle registration number) of the Lessees which may be read only with the Portfolio Decryption Key and which is necessary for the identification of the Lessees.

Risks, benefit, proceeds and assignment

As of the relevant Cut-Off Date, the risk and benefit relating to a Purchased Vehicle will be for the account of the Issuer. The obligations of the Seller in respect of a Purchased Vehicle will remain with the Seller until such time as the Issuer acquires full title (*eigendom*) to the relevant Purchased Vehicle. The Issuer will appoint the Servicer to perform such obligations and exercise such rights with respect to the Leased Vehicles and the Lease Agreements subject to and in accordance with the Servicing Agreement.

Pursuant to article 7:226 of the Dutch Civil Code the Issuer will only be entitled to the receivables which become due and payable under the Lease Agreements after it has become the unconditional legal owner of the Purchased Vehicles. To ensure that the Issuer will be entitled to such receivables prior to the Issuer being the unconditional legal owner of the Purchased Vehicles, it is agreed in the Master Hire Purchase Agreement for each Purchased Vehicle that all associated Lease Receivables will qualify as proceeds (*vruchten*) of such Purchased Vehicle as referred to in article 7:14 and for an analogous application of article 5:17 or, with respect to a Hire Purchase Contract entered into prior to 1 January 2017, article 7A:1576n of the Dutch Civil Code, with the intent that the Issuer will by operation of law be entitled to such proceeds from the relevant Purchase Date. The Issuer has been advised that the purchaser under a hire purchase agreement is entitled to all revenues (*vruchten*) generated by the assets subject to the hire purchase agreement, unless agreed otherwise therein. The Issuer has been advised that there are strong arguments for the view that (i) the Lease Receivables due under the associated Lease Agreements qualify as revenues within the meaning of article 7:14 and for an analogous application of article 5:17 or, with respect to a Hire Purchase Contract entered into prior to 1 January 2017, article 7A:1576n of the Dutch Civil Code and (ii) on the basis of article 7:14 and an analogous application of article 5:17 or, with respect to a Hire Purchase Contract entered into prior to 1 January 2017, article 7A:1576n of the Dutch Civil Code and the terms of the Master Hire Purchase Agreement, the Issuer will be entitled to such Lease Receivables. This would mean that the Issuer, as the purchaser under the Hire Purchase Contracts, will be entitled to receive the Lease Receivables due and payable under the associated Lease Agreements as long as the Hire Purchase Contracts relating to the relevant Purchased Vehicles have not been terminated.

To the extent that the Issuer would not be entitled to the Lease Receivables as revenues (*vruchten*) generated by the assets subject to the hire purchase agreement in the manner described in the preceding paragraph, the Issuer will be entitled to these Lease Receivables as a result of the assignment of any and all Lease Receivables by the Seller to the Issuer. Such assignment will be executed by means of a deed of assignment within the meaning of article 3:94 of the Dutch Civil Code, as included in the Combined Transfer Deed, entered into between the Seller and the Issuer. A notification will be sent to the relevant Lessee and each deed of assignment shall be registered with the competent Dutch tax authorities (*Belastingdienst*). As a result of such registration the Issuer will become the legal owner of such Lease Receivables. The Issuer has agreed with the Servicer that the Servicer will collect the relevant Lease Receivables on behalf of the Issuer in accordance with the Servicing Agreement.

As a matter of the laws of The Netherlands, the distinction between 'existing' receivables and 'future' receivables is relevant in relation to an assignment or pledge of receivables. If receivables are to be regarded

as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor/pledgor is declared bankrupt or a moratorium of payments with respect to the assignor/pledgor has occurred. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or moratorium of payments of the assignor/pledgor. According to a judgment of the Dutch Supreme Court (*Hoge Raad*) rental instalments that are not yet due and payable are to be considered as future receivables. Given the fact that operational lease agreements qualify as rental agreements under the laws of The Netherlands, amounts payable under the Lease Agreements constitute future receivables to the extent that such amounts become due and payable on a date subsequent to the date of the assignment or pledge thereof. Consequently, an assignment on any Purchase Date of receivables under the Lease Agreements that are not yet due and payable on such date would not be effective to the extent such receivables become due and payable on or after the date on which an Insolvency Event with respect to the Seller has occurred.

To address this, the Issuer will enter into a Hire Purchase Contract with respect to each Purchased Vehicle pursuant to which it will become the unconditional legal owner of a Purchased Vehicle upon payment in full of the Purchase Price, irrespective of whether in the meantime an Insolvency Event has occurred in respect of the Seller.

Full title

By operation of law, full title (*eigendom*) to any Purchased Vehicle shall transfer to the Issuer upon full discharge of the Purchase Price in respect of such Purchased Vehicle, regardless whether an Insolvency Event with respect to the Seller has occurred at such time. If an Insolvency Event in respect of the Seller occurs, an accelerated payment of the Final Purchase Instalment is envisaged to take place. This accelerated payment will be effected by means of a set-off (*verrekening*) of the relevant Purchase Instalments by the Issuer against the accelerated (re)payment obligation of the Seller to the Issuer pursuant to the Issuer Facility Agreement.

In respect of each Purchased Vehicle it is agreed in the Master Hire Purchase Agreement that all rights and obligations under the associated Lease Agreements will qualify as being "directly connected to the granting of quiet enjoyment against payment of lease instalments" (*die onmiddellijk verband houden met het doen hebben van het gebruik van de zaak tegen een door de huurder te betalen tegenprestatie*) as referred to in article 7:226(3) of the Dutch Civil Code. The intention is that, upon the transfer to the Issuer of full title of the relevant Purchased Vehicle, all such rights and obligations transfer to the Issuer by operation of law. The Issuer has agreed in the Master Hire Purchase Agreement with the Seller and the Security Trustee that if and to the extent for any Purchased Vehicle, any right or obligation under the associated Lease Agreement does not qualify as being "directly connected to the granting of quiet enjoyment against payment of lease instalments" (*onmiddellijk verband houdt met het doen hebben van het gebruik van de zaak tegen een door de huurder te betalen tegenprestatie*), as referred to in article 7:226(3) of the Dutch Civil Code, and therefore will not transfer to the Issuer by operation of law upon the transfer to the Issuer of full title to the relevant Purchased Vehicle, the Issuer will assume and bear the risks of any such obligations.

Representations and Warranties

Under or pursuant to the Master Hire Purchase Agreement, the Seller will represent and warrant with respect to the Leased Vehicles to be purchased from it by the Issuer on any Purchase Date and each associated Lease Agreement and Lease Receivable (collectively, the "**Leased Assets**") as of such Purchase Date or, as the case may be, with respect to the Portfolio including such Leased Assets as of such Purchase Date, that the following representations and warranties are true, correct and not misleading in any material respect:

Under or pursuant to the Master Hire Purchase Agreement, the Seller represents and warrants to the Issuer and the Security Trustee with respect to the Leased Vehicles to be purchased by the Issuer on such Purchase Date or, as the case may be, relating to the Portfolio including such Leased Assets as of such Purchase Date, and the associated Lease Agreements and Lease Receivables as of the relevant Purchase Date the representations and warranties set forth below are true, correct and not misleading in any material respect:

1. no restrictions on the transfer of the Leased Assets are in effect and the Leased Assets are capable of being transferred;

2. subject to Adverse Claims under the BOVAG General Conditions, (i) the Seller has full right and title to the Leased Asset, free and clear of any Adverse Claim, and has power to transfer or encumber (*is beschikkingsbevoegd*) the Leased Asset and the Seller has not agreed to transfer or encumber it, whether or not in advance, in whole or in part, in any way whatsoever, (ii) otherwise there is no person or entity with a prior proprietary right (*oorspronkelijk rechthebbende*) or privileged receivable (*gepriviligeerde schuldeiser*) in respect of it, save in accordance with any of the Programme Documents and (iii) there is no default in the performance of any obligation under the sale and purchase agreement relating to the Leased Vehicle;

3. each of the Leased Assets meets the Eligibility Criteria as of the respective Cut-Off Date;

4. the particulars of each Leased Vehicle forming part of any Portfolio included in any Combined Transfer Deed are true and accurate as of the relevant Cut-Off Date in all material respects;

5. it has taken out third party liability insurance (*wettelijke aansprakelijkheidsverzekering*), where it is under a statutory obligation to do so, and passenger insurance (*inzittendenverzekering*) in respect of each of the Purchased Vehicles in line with market practice, unless under the associated Lease Agreement the Lessee is obliged to take out such insurances;

6. each associated Lease Agreement is in full force and effect and constitutes legal, valid and enforceable obligations of the parties thereto and is enforceable against such parties in accordance with the terms of the associated Lease Agreement and there is sufficient written evidence of such Lease Agreement;

7. the obligations expressed to be assumed by it under the Programme Documents are legal and valid obligations binding on it and enforceable against it in accordance with their terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally; and

8. Volkswagen Pon Financial Services B.V. is the lessor under the associated Lease Agreement,

each an "**Asset Warranty**" and together the "**Asset Warranties**".

Under or pursuant to the Master Hire Purchase Agreement, the Seller further represents and warrants, that the Lease Receivables are originated in the ordinary course of its business pursuant to its Credit and Collection Procedures which also apply to receivables resulting from lease agreements which will not be securitised. In particular the Seller warrants and guarantees, that it has in place (i) effective systems to apply its Credit and Collection Procedures 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, the Seller represents and warrants, 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 Leased Assets acquired and transferred by assignment under the terms of the Master Hire Purchase Agreement from the Seller have, at the date of approval of the Base Prospectus, characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. However, the Seller does not warrant the solvency (credit standing) of the relevant Lessee.

Eligibility Criteria

Pursuant to the Master Hire Purchase Agreement, a Leased Asset meets the Eligibility Criteria referred to under item (c) of the Asset Warranties if it meets the following criteria (collectively and individually, "**Eligibility Criteria**") on the relevant Purchase Date:

1. the Leased Vehicle qualifies as passenger vehicle (*personenauto*), a van (*bestelauto*), or a commercial vehicle (*commercieel voertuig*);

2. the Leased Vehicles under the Lease Agreements are existing and registered in The Netherlands in accordance with the requirements under the Road Traffic Act 1994 (*Wegenverkeerswet 1994*);

3. the Leased Vehicle is freely disposable and no third-party's rights prevent such dispositions;

4. the Leased Vehicle is financed by the Seller;

5. each Leased Vehicle has together with its keys (if applicable) and the identification papers been delivered (*ter hand gesteld*) by on or behalf of its supplier or, if applicable, the Seller to the relevant Lessee;

6. the purchase price (including VAT) in respect of each Leased Vehicle has been paid in full to the relevant supplier;

7. the Lease Agreements have been entered into exclusively with Lessees which, if they are corporate entities have their registered office or, if they are individuals have their place of residence in The Netherlands;

8. the Lessee of the Leased Vehicle is not an affiliate or employee of the Seller;

9. according to the Seller's records the Lessee of the Leased Vehicle is not insolvent and no insolvency proceedings have been initiated against the Lessees during the term of the Lease Agreement up to the last day of the month preceding the Closing Date or the Additional Purchase Date, as applicable;

10. each Lease Agreement is governed by the laws of The Netherlands;

11. the Lease Receivables are denominated and payable in EUR;

12. the Lessee has not been granted an option to purchase the Leased Vehicle upon the Lease Maturity Date for a purchase price less than its Estimated Residual Value;

13. the transfer of the Leased Vehicle pursuant to the Combined Transfer Deed will not violate any agreement binding on the Seller;

14. the details of the associated Lease Agreement contained in the data base Purchased Vehicles Records and systems and the particulars of the Lease Receivables associated to the relevant Leased Vehicle are sufficiently distinguishable to easily segregate and identify them for ownership and security purposes on any day;

15. each Lease Agreement has been entered into in the forms and upon terms and conditions which were common in the Dutch auto lease market at the time of origination, which terms and conditions did not materially differ from the terms and conditions applied by a prudent lessor of vehicles in The Netherlands;

16. each Lease Agreement is a legally valid and binding agreement;

17. the Lease Agreements do not qualify as a financial lease, hire purchase (*huurkoop*) or a sale in instalment credit terms (*koop op afbetaling*);

18. the Lease Agreements do not prohibit or restrict the Seller's capability to delegate the supply of certain services in connection with the Lease Agreements to third parties;

19. the Lease Agreements do not permit the Lessees to terminate the Lease Agreements if an Insolvency Event occurs in respect of the Seller, unless the lessee is required upon such termination to pay a Lease Agreement Early Termination Fee in respect of such Lease Agreements;

20. the Lease Agreements are in the standard form as attached to the Master Hire Purchase Agreement as Schedule 6;

21. on the Initial Cut-Off Date or on the respective Additional Cut-Off Date, at least two Lease Instalments have been paid by the relevant Lessee in respect of each Corporate Lease Agreement and at least three Lease Instalments have been paid by the relevant Lessee in respect of each Private Lease Agreement and the Seller has not adjusted the Lease Instalments within three months after the conclusion of a Private Lease Agreement and no Lessee has taken any action for the applicable terms and conditions of the relevant Private Lease Agreement to be declared void and that the Lease Agreements require substantially equal monthly payments to be made within 12-60 months of the date of origination of the Lease Agreement;

22. the Present Value of the residual value on the relevant Lease Agreement is not more than 80% of the sum of (i) the Present Value of all future scheduled Lease Interest Components and Lease Principal Components and (ii) the Present Value of the Estimated Residual Value of the relevant Purchased Vehicle, at the Initial Cut-Off Date or Additional Cut-Off Date, as applicable;

23. the Estimated Residual Value on the relevant Lease Agreement is not more than EUR 80,000;

24. none of the Additional Lease Agreements will mature later than 18 months prior to the latest occurring Final Maturity Date under any of the Instruments;

25. no Lease Receivable was overdue at the last day of the month preceding the Closing Date or the Additional Purchase Date, as applicable;

26. the Lease Receivables have a fixed interest rate;

27. the Lease Receivables are assignable and the Lease Agreements require monthly payments in equal instalments;

28. the Lease Receivables are freely disposable and free from rights of third parties and encumbrances;

29. the Lease Receivables are free of defences, whether pre-emptory or otherwise for the agreed term of the Lease Agreements as well as free from rights of third parties and the Lessees have no set-off claim;

30. the Lease Receivables assigned do not represent a separately conducted business or business segment of the Seller;

31. the Lease Receivables assigned will not include a Lease Receivable:

    a. relating to a Lessee who the Seller considers as unlikely to pay its credit obligations to the Seller and/or to a Lessee who is past due more than 90 days on any material credit obligation to the Seller;

    b. relating to a credit-impaired Lessee or guarantor, who on the basis of information obtained (i) from a Lessee of the Lease Receivables, (ii) in the course of the Seller's servicing of the Lease Receivables, or of the Seller's risk management procedures or (iii) from a third party (including publicly available information):

        i. has 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 Lease Receivable to the Issuer;

        ii. 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 the Seller; or

        iii. 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 the Seller which are not securitised.

32. the purchase of Additional Lease Receivables will not have the result that the Aggregate Discounted Receivables Balance exceeds the following concentration limits with respect to the percentage of the Discounted Receivables Balance generated under Lease Agreements for (i) used vehicles (concentration limit: [15] per cent.), (ii) for Volkswagen Nutzfahrzeuge vehicles (concentration limit: 13 per cent.) and (iii) for vehicles other than Volkswagen Group vehicles (being Volkswagen, Audi, SEAT, Skoda, Cupra, Porsche or Volkswagen Nutzfahrzeuge vehicles) (concentration limit: 30 per cent.);

33. the total amount of Lease Receivables assigned under the Master Hire Purchase Agreement resulting from Lease Agreements with one and the same Lessee will not exceed 0.5 per cent. of the Aggregate Discounted Receivables Balance;

34. the Aggregate Discounted Receivables Balance in EUR resulting from Lease Agreements with a remaining term of less than 12 months is not larger than 30 per cent. of the Aggregate Discounted Receivables Balance;

35. the Aggregate Discounted Receivables Balance in EUR resulting from Lease Agreements with a remaining term of less than 36 months is not larger than 80 per cent. of the Aggregate Discounted Receivables Balance; and

36. the Aggregate Discounted Receivables Balance in EUR resulting from Lease Agreements with a remaining term greater than 36 months is not larger than 70 per cent. of the Aggregate Discounted Receivables Balance.

Purchase Price and Payment of Purchase Instalments

The consideration for the hire purchase of a Purchased Vehicle together with the associated Lease Receivables pursuant to a Hire Purchase Contract entered into on any Purchase Date will be equal to the sum of all Purchase Instalments to be paid for that Purchased Vehicle and will be payable in the applicable number of Regular Purchase Instalments and one Final Purchase Instalment. There will be a Regular Purchase Instalment for each Collection Period that falls, in whole or in part, in the period from the applicable Purchase Date until the earlier of (i) the applicable Lease Early Termination Date and (ii) the applicable Lease Maturity Date. Each Regular Purchase Instalment will be equal to the sum of the Lease Interest Component and the Lease Principal Component for the applicable Collection Period under the relevant Lease Agreement as calculated per the relevant Cut-Off Date in respect of the relevant Lease Agreement, in each case applying the Purchase Price Discount Rate. Each Regular Purchase Instalment which is payable in respect of a Collection Period, will be due on the first Payment Date following such Collection Period. For each Purchased Vehicle, the first Regular Purchase Instalment will apply to the period from the associated Cut-Off Date to the final day of the Collection Period in which the associated Purchase Date falls.

The Final Purchase Instalment for a Purchased Vehicle will equal (A) in the case of a Matured Lease, the Estimated Residual Value of the relevant Purchased Vehicle as calculated by the Servicer in accordance with the standard guidelines upon the entering into of such Lease Agreement or (B) in the case of a Lease Agreement Early Termination, the sum of (i) the Present Value of the Estimated Residual Value of the relevant Purchased Vehicle on such date and (ii) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components, in case of each of (A) and (B) above, applying the Purchase Price Discount Rate, that would have become due and payable under the relevant associated Lease Agreement after the Lease Early Termination Date in the event such Lease Agreement would not have been subject to a Lease Agreement Early Termination. The Final Purchase Instalment will be due on the first Payment Date following the Collection Period within which the relevant Lease Termination Date falls.

In the Master Hire Purchase Agreement it is intended and, to the extent legally possible, agreed that a prepayment by the Issuer of any remaining Purchase Price Instalment in relation to any Purchased Vehicle may only be made subject to and in accordance with the provisions of the Issuer Facility Agreement. In each case, pursuant to the Master Hire Purchase Agreement, upon a prepayment by the Issuer of the remaining Purchase Instalments, the Issuer is entitled to a discount on each remaining Purchase Instalment at the Discount Rate.

Lease Agreement Recalculations

If on any Calculation Date, the associated Lease Agreements are adjusted in such a way that this affects the Purchase Price, the number of Purchase Instalments, the amount of each Regular Purchase Instalment and/or the amount of the Final Purchase Instalment on any day during the immediately preceding Collection Period, then on the immediately succeeding Payment Date, the Purchase Price and the relevant Purchase Instalments and Final Purchase Instalment shall be amended accordingly by (i) the Seller attaching an amended and restated Purchased Vehicles list to the Combined Transfer Deed to be delivered by it on such Calculation Date, including a reference to the date as of which the amendment takes effect, and (ii) the Issuer and the Security Trustee countersigning such Combined Transfer Deed.

Following notice from the Servicer that a reduction in the Purchase Price as of the end of the immediately preceding Collection Period has occurred following a Lease Agreement Recalculation by the Servicer, the Seller shall on the immediately following Payment Date (i) pay to the Issuer an amount equal to the Purchase Instalment Decrease Amount and (ii) provide the Issuer and the Servicer with a list of recalculation of Leased Vehicles and related Lease Receivables.

Following notice from the Servicer that an increase of the Purchase Price as of the end of the immediately preceding Collection Period has occurred following a Lease Agreement Recalculation by the Servicer an amount equal to the Purchase Instalment Increase Amount will result in a pro rata increase of the remaining Purchase Instalments payable by the Issuer pursuant to the relevant Hire Purchase Contracts.

Breach of Asset Warranty, Corporate Warranty or other warranty

Pursuant to the terms of the Master Hire Purchase Agreement, the Seller will be required to terminate the relevant Hire Purchase Contract and repay the associated Issuer Advance if any Breach of an Asset Warranty made by the Seller in relation to that Purchased Vehicle and/or associated Lease Receivable and/or associated Lease Agreement, by reference to the facts and circumstances subsisting at the relevant date on which such Asset Warranty was given and which Breach has not been cured until the end of the monthly period which includes the 60th day (or, if the Seller elects, an earlier date) after the date on which the Seller became aware or (if earlier) was notified by the Servicer, the Issuer or the Security Trustee of the relevant Breach of the Asset Warranties. If such Breach is not capable of remedy, or is not remedied to the satisfaction of the Issuer until the end of the monthly period which includes the 60th day (or, if the Seller elects, an earlier date), after the date on which the Seller became aware or (if earlier) was notified by the Servicer, the Issuer or the Security Trustee of the relevant breach of the Asset Warranties, then the Seller shall, if the Breach relates to an Asset Warranty, terminate (*opzeggen*) the Hire Purchase Contract relating to the relevant Purchased Vehicle on the immediately succeeding Payment Date and be effective as of the relevant Collection Period Cut-Off Date. Termination contemplates, among other things, (i) the control of the relevant Purchased Vehicles being provided back to the Seller, (ii) a (conditional) re-assignment of the relevant Lease Receivables and re- assumption of any Lease Incidental Debt, and (iii) a (conditional) termination of the Security Trustee's right of pledge on the relevant Purchased Vehicle and any associated Lease Receivables on such Payment Date. Each such re-assignment and termination of pledge will be conditional on the associated Issuer Advance being fully and finally repaid in accordance with the Issuer Facility Agreement and on the Seller reimbursing the Issuer and the Security Trustee for any and all reasonable costs, expenses and liabilities incurred by the Issuer and/or the Security Trustee as a result of the termination of the relevant Hire Purchase Contract.

If the event of a Breach of a Corporate Warranty and other warranties under the Master Hire Purchase Agreement (other than an Asset Warranty or Corporate Warranty), the Seller shall, upon receipt of a notice of such Breach, have until the end of a monthly period which includes the 60th day (or, if the Seller elects, an earlier date) after the date on which the Seller became aware or (if earlier) was notified by the Servicer, the Issuer or the Security Trustee of the relevant Breach. If such Breach is not capable of remedy, or is not remedied to the satisfaction of the Issuer until the end of the monthly period which includes the 60th day (or, if the Seller elects, an earlier date) after the date on which the Seller became aware or (if earlier) was notified by the Servicer, the Issuer or the Security Trustee of (a) a breach of an Asset Warranty, each relevant Hire Purchase Contract affected by such Breach shall terminate, as of the Relevant Cut-Off Date, and control of the relevant Purchased Vehicle shall be provided back to the Seller, the related Lease Receivable shall be re-assigned, any Lease Incidental Debt shall be re-assumed, *provided that* any such termination and re-assignment will be conditional on the associated Issuer Advance being fully and finally repaid in accordance with the Issuer Facility Agreement, and the Security Trustee shall terminate (*opzeggen*) its right of pledge on

each relevant Purchased Vehicle and associated Lease Receivable; or (b) the relevant breach (other than in respect of an Asset Warranty), or if the Seller otherwise defaults in the performance of its undertakings or obligations contemplated in the Master Hire Purchase Agreement or the Master Hire Purchase Agreement otherwise terminates as a result of an Insolvency Event in respect of the Seller, the Seller shall indemnify the Issuer and the Security Trustee (together with its directors, officers and employees) against any losses (including the difference between the amounts received if no breach had occurred and the amounts received following such breach), liabilities, costs, expenses, claims, actions, damages or demands sustained or to be sustained by the Issuer and/or the Security Trustee (together, "**Losses**") as a consequence of any such breach, default or termination (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any Losses) which the Issuer and/ or the Security Trustee may incur or which may be made against any of them (i) pertaining to each of the Purchased Vehicles prior to the moment on which the Issuer has become the legal owner of such Purchased Vehicle and (ii) any and all damages incurred or suffered by the Issuer and/or the Security Trustee pertaining to each of the Leased Assets dating from the period prior to the relevant Cut-Off Date.

Repurchase other than due to a breach of an Asset Warranty

The Seller shall also undertake to terminate the relevant Hire Purchase Contract and repay the associated Issuer Advance on the Payment Date immediately succeeding the date on which an amendment of the terms of the relevant Lease Agreement becomes effective, in the event that such amendment is not in accordance with the terms and conditions set out in the Master Hire Purchase Agreement and/or the Servicing Agreement, which include the condition that after such amendment the relevant Lease Agreement, the associated Lease Receivables or the relevant Purchased Vehicle would still meet all the Eligibility Criteria (to the extent applicable). However, the Seller shall not be required to terminate the relevant Hire Purchase Contract and repay the associated Issuer Advance if the relevant amendment is made as part of the Credit and Collection Procedures to be complied with upon a default by the Lessee under the relevant Lease Agreement or if the Credit and Collection Procedures are not applicable due to the nature of the default in question, is made as a reasonably prudent lessor of Vehicles in the Netherlands would do in respect of such default.

If the breach relates to a covenant or undertaking or to a Corporate Warranty the Seller shall pay to the Issuer forthwith on an after tax full indemnity basis the direct losses suffered or incurred (*geleden verlies*) by the Issuer as a result of the breach of the relevant covenant, undertaking or warranty.

Clean-Up Call Option

The Seller will have the right to, at its option, exercise the Clean-Up Call Option and to terminate all, (but not only part of the), Hire Purchase Contracts and repay all Issuer Advances on any Payment Date on which the Aggregate Discounted Receivables Balance is less than 10 per cent. of the Aggregate Discounted Receivables Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, *provided that* the Issuer has the necessary funds to pay all the principal and interest due in respect of the Instruments on the relevant Payment Date and to discharge all other amounts ranking higher and required to be paid by it on the relevant Payment Date.

Sale of Purchased Vehicles to other Securitisation Vehicles (Term Takeout)

The Issuer is entitled to sell and transfer to a securitisation vehicle nominated by the Seller any or all Purchased Vehicles and, where applicable, transfer the related Hire Purchase Contracts by means of transfer of contract (*contractsoverneming*), provided a confirmation has been provided by the Rating Agencies that the sale will not in and of itself result in a downgrade, withdrawal or qualification of the rating assigned to the Rated Instruments after the Term Takeout. There are several requirements for the purchase price to be paid by the purchaser set out in the Master Hire Purchase Agreement. 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 16.5 of the Trust Agreement. The selection of Term Takeout Vehicles will be made on a random basis (taking into account, however, the representations and warranties of the Seller as set out in clause 10.1 (*Representations and Warranties relating to the Leased Assets*) of the Master Hire Purchase Agreement). For the avoidance of doubt, in case of Non-Amortising Instruments any redemption payments will be made in a way to redeem the Instruments assuming a principal amount of EUR 100,000 for each of the Instruments.

Exercise of Repurchase Option

In case of a Matured Lease and upon the occurrence of a Lease Agreement Early Termination the Call Option Buyer will, pursuant to the Master Hire Purchase Agreement, have the right (but not the obligation) to, after having received notice of such termination by the Servicer, purchase the relevant Purchased Vehicle to the extent such Purchased Vehicle is not associated to a Defaulted Receivable on the immediately succeeding Payment Date following the relevant Lease Termination Date against payment of the relevant Option Exercise Price. If an Insolvency Event has occurred with respect to a Lessee the Call Option Buyer may only exercise their Repurchase Option with respect to all (but not some of the) Purchased Vehicles relating to such Lessee.

Furthermore, upon a Lease Termination Date and to the extent the Call Option Buyer does not exercise the relevant Repurchase Option, the Issuer may (but without any obligation to do so) exercise its Put Option, by delivering to the Seller a Combined Transfer Deed, duly executed and completed by the Issuer, which shall constitute an irrevocable offer by the Issuer to sell to the Seller on the immediately succeeding Payment Date following the relevant Lease Termination Date such Purchased Vehicle. The Seller irrevocably accepts and agrees in advance to each such offer for sale of the relevant Purchased Vehicle made by the Issuer to the Seller and for such purpose the Seller undertakes with the Issuer and the Security Trustee to execute the relevant Combined Transfer Deed so delivered to it by the Issuer and pay the relevant Option Exercise Price on or prior to the relevant Payment Date.

In case the Call Option Buyer elects to exercise the Repurchase Option or the Issuer elects to exercise the Put Option, the Issuer shall (a) retransfer the relevant Purchased Vehicle to the Call Option Buyer or the Seller, as applicable, (b) effect a (conditional) re-assignment of the relevant Lease Receivables, (c) retransfer and procure the assumption the Call Option Buyer or the Seller, as applicable, of any Lease Incidental Debt relating to the relevant Purchase Vehicle, and (d) procure that the Security Trustee shall (conditionally) terminate (*opzeggen*) its right of pledge on the relevant Purchased Vehicle and the associated Lease Receivables, all on the relevant Payment Date pertaining and effective as from the relevant Collection Period Cut-Off Date. Each such re-assignment and termination of pledge will be conditional on the associated Issuer Advance being fully and finally repaid in accordance with the Issuer Facility Agreement and on the Seller reimbursing the Issuer and the Security Trustee for any and all reasonable costs, expenses and liabilities incurred by the Issuer and/or the Security Trustee as a result of the termination of the relevant Hire Purchase Contract.

Notification of Lessees

If so requested by the Issuer or the Security Trustee at any time the Servicer on behalf of the Issuer or, following the occurrence of a Foreclosure Event, on behalf of the Security Trustee, will, subject to and in accordance with the terms of the Servicing Agreement:

(a) give notice in the Issuer's name or, following the occurrence of a Foreclosure Event, in the Security Trustee's name, to all or any of the Lessees that the Servicer is no longer authorised to collect any payments pursuant to the Lease Agreements;

(b) direct all Lessees and any relevant third parties to pay amounts outstanding in respect of relevant Purchased Vehicles and the associated Lease Receivables into the Distribution Account or any other account which is specified by the Issuer or, following the occurrence of a Foreclosure Event, by the Security Trustee;

(c) give such other instructions in respect of the relevant Purchased Vehicles and/or the associated Lease Receivables as requested by the Issuer or the Security Trustee, including as provided for in the Master Hire Purchase Agreement or the Pledge Agreements; and/or

(d) take such other action as the Issuer or the Security Trustee or (following consent from the Issuer or the Security Trustee) it reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of the relevant Purchased Vehicles and/or the associated Lease Receivables or to improve, protect, preserve or enforce their rights against the Lessees in respect of the relevant Purchased Vehicles and the associated Lease Receivables.

The Issuer or the Security Trustee (or a third party acting on their behalf) may notify the Lessees. Any costs in connection with a notification of the Lessees shall be borne by the Servicer.

To the extent the Servicer fails to comply with its notification obligations referred to above, the Data Protection Trustee shall, in accordance with clause 3.2 (*Safekeeping of the Portfolio Decryption Key / notification of the Lessees of the assignment of Lease Receivables*) of the Deposit Agreement and substantially in the form set out in Schedule 4 (*Notice to Lessee (re re-directing payments)*) of the Master Hire Purchase Agreement, perform such notifications. For the purpose of such notifications the Issuer shall provide the Data Protection Trustee with the Encrypted List.

Additionally, upon the occurrence of a Seller Event of Default, the Issuer may upon request of the Security Trustee terminate the Master Hire Purchase Agreement in which case the Issuer shall be entitled to prepay all amounts, including but not limited to the Regular Purchase Instalments and the Final Purchase Instalments, that have become or (in the absence of such termination) would have become due and payable to the Seller under or in connection with each Hire Purchase Contract concluded pursuant to the Master Hire Purchase Agreement in respect of the Purchased Vehicles on or after the date of termination of the Hire Purchase Contract. In such event each remaining Purchase Instalment shall be discounted at the Discount Rate.

As a consequence of the Issuer having paid all amounts owed by it under a Hire Purchase Contract it acquires legal title to the relevant Vehicle automatically, without any further act or notice being required and irrespective of the occurrence of an Insolvency Event with respect to the Seller in the meantime.

The Issuer shall be exclusively entitled to set-off (*verrekenen*) any of its obligations pursuant to the Master Hire Purchase Agreement and/or any Hire Purchase Contract against the Seller's obligations under the Issuer Facility Agreement. Such set-off shall automatically occur on each Payment Date save to the extent such set-off is accelerated by or on behalf of the Issuer in accordance with the Master Hire Purchase Agreement and the Issuer Facility Agreement.

ISSUER FACILITY AGREEMENT

On the Signing Date, the Seller (as borrower, the "**Issuer Facility Borrower**"), the Issuer and the Security Trustee have entered into a facility agreement (the "**Issuer Facility Agreement**"). On the Closing Date, the Issuer has made available to the Seller an Initial Issuer Advance in respect of each Purchased Vehicle together with the associated Lease Receivables forming part of the Initial Portfolio, each for an amount equal to the Present Value of the aggregate Purchase Price payable in respect of the Purchased Vehicle as calculated as at the Initial Cut-Off Date.

After the Closing Date, Additional Issuer Advances will be made available during the Revolving Period on each Purchase Date, each in an amount equal to the Present Value of the Purchase Price of such Additional Leased Vehicle calculated as at the relevant Additional Cut-Off Date.

Interest and scheduled principal on the Issuer Advance; scheduled set-off

Interest on each outstanding Issuer Advance (i) shall be payable on (a) each Payment Date, other than the Payment Date on which the relevant Final Purchase Instalment is due, in respect of the immediately preceding Collection Period and (b) the Payment Date on which the relevant Final Purchase Instalment is due, in respect of both the immediately preceding and the then current Collection Period and (ii) shall be equal to the product of (A) the Discount Rate, (B) on the basis of one year having 360 days, with 12 months and each month having 30 days and (C) the amount of the relevant Issuer Advance on the first day of the immediately preceding Collection Period.

Each outstanding Issuer Advance shall be prepaid or repaid, as the case may be:

(a) on each Payment Date on which a Regular Purchase Instalment in respect of the associated Purchase Vehicle is due, for an amount equal to:

  (i) the product of (I) the sum of the Lease Principal Component and the Lease Interest Component of the Regular Purchase Instalment payable in respect of the associated Purchase Vehicle on such Payment Date and (II) one (1) minus the Purchase Price Discount; *minus*

  (ii) the amount of interest payable on such Payment Date in respect of such Issuer Advance; *plus* (if applicable)

(b) on the Payment Date on which the Final Purchase Instalment in respect of the associated Purchase Vehicle is due, for an amount equal to the product of (I) the relevant Final Purchase Instalment and (II) one (1) minus the Purchase Price Discount, and, in the case of a Lease Agreement Early Termination as discounted in accordance with clause 6.4 (*Prepayment*) of the Master Hire Purchase Agreement.

The Issuer Facility Agreement provides that all interest payments and repayments and prepayments of principal in respect of any Issuer Advance, will be made by way of set-off in accordance with the terms and conditions of the Issuer Facility Agreement.

Pursuant to the Issuer Facility Agreement, the Issuer shall have exclusive authority to set-off (i) any Purchase Instalment it owes to the Seller against (ii) any receivable it has vis-à-vis the Seller under or in respect of the associated Issuer Advance. Such set-off shall automatically occur on each Payment Date save to the extent such set-off is accelerated by or on behalf of the Issuer in accordance with the relevant Hire Purchase Contract and the Issuer Facility Agreement.

Increase and decrease of Issuer Advance

Pursuant to the Issuer Facility Agreement, if on a Calculation Date (i) a Purchase Instalment Increase Amount is calculated, the Issuer will make to the Seller an additional advance by which the relevant Issuer Advance will be increased with an amount equal to such Purchase Instalment Increase Amount and/or (ii) a Purchase Instalment Decrease Amount is calculated, the Seller will prepay to the Issuer the relevant Issuer Advance up to an amount equal to such Purchase Instalment Decrease Amount, in either case on the first following Payment Date.

Termination of Hire Purchase Agreement; repayment of Issuer Advance

Pursuant to the Issuer Facility Agreement, each time a Hire Purchase Contract is terminated, the Seller will repay to the Issuer the relevant Issuer Advance in full.

The Issuer shall have exclusive authority to set-off (i) any Purchase Instalment it owes to the Seller against (ii) any receivable it has vis-à-vis the Seller under or in respect of the associated Issuer Advance. Such set-off shall automatically occur on each Payment Date save to the extent such set-off is accelerated by or on behalf of the Issuer in accordance with clause 6.4 (*Prepayment*) of the Master Hire Purchase Agreement or clause 7.3 (*Prepayments relating to Hire Purchase Contract Termination*) or clause 9 (*Acceleration*) of the Issuer Facility Agreement.

Seller Event of Default, prepayment of Purchase Price and illegality

The Issuer Facility Agreement provides that upon the occurrence (and continuation) of a Seller Event of Default, the Issuer shall no longer be obliged to make any Issuer Advance and may (i) declare any Issuer Advances immediately due and payable together with accrued interest thereon and any other sums then owed by the Seller to the Issuer and/or (ii) declare any Issuer Advances to be due and payable on demand of the Issuer.

The Issuer Facility Agreement furthermore provides that upon (i) the occurrence of a Lease Early Termination Date in relation to any Lease Agreement associated with a Purchased Vehicle or (ii) the Issuer expressing a desire to prepay any Purchase Price, the associated Issuer Advance shall be immediately due and payable together with accrued interest thereon.

THE PORTFOLIO

DESCRIPTION OF THE PURCHASED VEHICLES AND THE ASSOCIATED LEASE AGREEMENTS, LEASE RECEIVABLES AND LESSEES AS AT THE CUT-OFF DATE FALLING ON [31 OCTOBER 2026]

The information below has been provided by the Seller and contains data of the pool as relevant for the Notes outstanding as of the date of this Base Prospectus.

The Portfolio information presented in this Base Prospectus is based on a pool as of the Cut-Off Date falling on [31 October 2026].

The data under the heading "The Portfolio" has not been audited in accordance with any auditing standards.

1. *Brand and type of car*

   [●]

2. *Customer Type*

   [●]

3. *Payment Type*

   [●]

4. *Contract Concentration*

   [●]

5. *Largest Customer*

[●]

6. *Outstanding Discounted Balance*

[●]

7. *Outstanding Nominal Balance*

[●]

8. *Original Term*

[●]

9. *Remaining Term*

[●]

10. *Seasoning*

[●]

11. *Type of Car*

[●]

12. *Brand & Model*

[●]

13. *Region*

[●]

14. *Industry Sector*

[●]

15. *Engine Type*

[●]

16. *Residual Value*

[●]

17. *Product Type*

[●]

18. *Risk Retention*

[●]

The Purchased Receivables have not been selected by the Seller with the aim of rendering losses on the Purchased Receivables to the Issuer, measured over the life of the Programme, higher than the losses over the same period on comparable Lease 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. Confirmation of such verification has been provided solely to the Servicer.

Historical Lease Receivables Performance Data

Portfolio Losses (Lease Receivables)

The Seller has extracted data on the historical performance of the entire auto lease portfolio. The tables below show historical data on net losses, for the period from [●] to [●] and been written off by the Seller before [●]. Such data was extracted from the Seller's internal data warehouse which is sourced from its contract management and accounting systems.

The net losses data displayed below are in static format and show the cumulative net losses realised after the specified number of months since origination, for each portfolio of leases originated in a particular month, expressed as a percentage of the original lease balance of that portfolio. Net losses are calculated by deducting recoveries from the outstanding balances of the respective leases up to the Write-Off of the lease (net losses are shown in the month where the Write-Off of the Lease Agreement has been carried out by the Seller). The exposures to which such data relates are substantially similar to those being securitised as they have been originated in accordance with consistent origination procedures, on the basis of similar contractual terms and exposures securitised are selected based on strict eligibility criteria and thus generally perform better than the Seller's managed portfolio as a whole.

Total Portfolio

[●]

Portfolio Delinquencies

The following data indicates, for the auto leasing portfolio of the Seller (originated under the Lease Agreements), and for a given month the number of outstanding lease agreements which are current, 1 to 30 days in arrears, 31 to 60 days in arrears, 61 to 90 days in arrears, 91 to 120 days in arrears, 121 to 150 days in arrears, 151 to 180 days in arrears and more than 180 days in arrears, expressed as a percentage of the total number of outstanding lease agreements of the auto leasing portfolio of such period.

Delinquency Data Volkswagen Pon Financial Services B.V.

[●]

DYNAMIC LOSSES

Weighted Average Lives of the Notes / Assumed Amortisation of the Purchased Receivables and Notes[1]

Weighted Average Lives of the Notes

Weighted average lives of the Notes refers 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 Lease Receivables 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 Purchased Vehicles.

[1] TBD whether to include also SSL. Usually, this is not the case for the VW transactions.

Purchased Vehicles and Associated Lease Receivables

The following table is prepared on the basis of certain assumptions as described under the "Weighted Average Lives of the Notes/ Assumed Amortisation of the Purchased Receivables and Notes - Amortisation Profile of the Purchased Receivables", regarding the weighted average characteristics of the Purchased Receivables and the performance thereof.

Run Out Schedule

The table below assumes, among other things, that the Issuer holds a pool of Purchased Receivables with the following characteristics:

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

(b) no Purchased Vehicles are repurchased by the Seller;

(c) each series of Instruments has the characteristics on [25 November 2026] as set out in the following table:

Instrument	Outstanding Balance	Fixed Rate Under the Swap
Series A 2016-2	EUR 200,000,000	[●]%
Series A 2016-3	EUR 100,000,000	[●]%
Series A 2016-4	EUR 150,000,000	[●]%
Series A 2016-5	EUR 180,000,000	[●]%
Series A 2016-6	EUR 100,000,000	[●]%
Series A 2021-1	EUR 200,000,000	[●]%
Series A 2026-1	EUR [●]	[●]%
Senior SSL 2026-1	EUR [●]	[●]%
Series B 2016-1	EUR 85,800,000	[●]%
Series B 2016-2	EUR 20,000,000	[●]%
Junior SSL 2026-1	EUR [●]	[●]%

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

(e) a Revolving Period of twelve (12) months was assumed;

(f) no Clean-Up Call Option is exercised;

(g) the Purchased Assets are fully performing;

(h) the Discount Rate is to be 4.4207 per cent. and the Monthly Payments are discounted back to [31 October 2026];

(i) third party expenses and servicing fees together are assumed to be 1.03 per cent. of the Aggregate Discounted Receivables Balance;

(j) no Early Amortisation Event has occurred;

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

(l) no extension of the Revolving Period;

(m) each Series of Notes amortises at the end of the Revolving Period;

(n) no swap event of default or termination event occurs and no swap payments are due to the Swap Counterparty other than the Net Swap Payments due under item fourth of the pre-enforcement Order of Priority;

(o) the hypothetical fixed rate to swap the floating rate payments of the Subordinated Loan is assumed to be [●] per cent; and

(p) the Subordinated Loan balance is EUR [●].

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

	Class A			Class B		
CPR	**Weighted Average Life in Years**	**First Principal Payment**	**Expected Maturity**	**Weighted Average Life in Years**	**First Principal Payment**	**Expected Maturity**
0%	[●]	[●]	[●]	[●]	[●]	[●]
5%	[●]	[●]	[●]	[●]	[●]	[●]
10%	[●]	[●]	[●]	[●]	[●]	[●]
13%	[●]	[●]	[●]	[●]	[●]	[●]

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 Volkswagen Pon Financial Services B.V. to the Lead Manager for the purpose of preparing this section of the Base Prospectus in which case Volkswagen Pon Financial Services B.V. 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. 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.

The calculation of the approximate average lives of the Notes as made by the Lead Manager is based on the assumptions selected above. However, it should be noted that the exact average lives of the Notes cannot be predicted as the actual rate at which the Purchased Receivables will be repaid and a number of 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.

Amortisation Profile of the Lease Receivables

The amortisation of the Lease Receivables associated to the Purchased Vehicles 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 and they must therefore be viewed with considerable caution.

Assumed Amortisation of the Notes

[●]

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 and they must therefore be viewed with considerable caution.

BUSINESS AND ORGANISATION OF VOLKSWAGEN PON FINANCIAL SERVICES B.V.

Auto Lease Business in The Netherlands

Overview of the Dutch Lease market

The information provided in this section has been derived from publicly available information on the Dutch car lease market as published by the RAI Data Centre (the "RDC"), the Association of Dutch Car Lease Companies (*Vereniging van Nederlandse Autoleasemaatschappijen*) (the "VNA") and internal VWPFS information. Information on the Dutch economy comes from the Dutch Central Bureau for Statistics (the "CBS"), CPB Netherlands Bureau for Economic Policy Analysis (the “CPB”) and the Dutch Central Bank (the “DNB”).

Introduction

After four years of strong growth, the Dutch vehicle leasing market entered a period of stabilization in 2025. The total leased fleet, including passenger cars and light commercial vehicles (LCVs), grew by 0.3% to 1.37 million vehicles. This growth was driven by a 1.6% increase in the business passenger car segment, while the private lease fleet declined by 2.5% and the LCV fleet by 1.5%.

The decline in private lease reflects a more mature market and higher vehicle and lease costs. The reduction in the LCV fleet followed an exceptionally strong LCV market in 2024, when many purchases were brought forward ahead of changes in tax regulations. Despite this correction, economic conditions remained favourable. Dutch GDP grew by 1.9% in 2025, supported by household consumption, government spending and exports.

Economic growth continued in the first half of 2026, although at a moderate pace. GDP grew by 0.2% in the first quarter and by 0.4% in the second quarter. Household consumption remained an important driver of growth, with consumers spending more on passenger cars, food and beverages. Looking ahead, CPB expects GDP growth of around 1.4% in 2026, while DNB projects somewhat weaker growth of 0.8%, reflecting continuing geopolitical uncertainty and higher energy prices.

Employment

The Dutch labour market remained strong in 2025 and the first half of 2026. In the first quarter of 2026, the number of employed persons increased by 26,000 compared with the previous quarter. Unemployment remained low by historical standards, reflecting continued labour shortages across many sectors of the economy. Household incomes continued to benefit from wage growth that exceeded inflation, supporting consumer spending and mobility demand.

While the labour market is gradually cooling, both CPB and DNB expect unemployment to remain relatively low in 2026. CPB forecasts an unemployment rate of around 4.0%, compared with 3.8% in 2025.

Consumer confidence

Consumer confidence remained below its long-term average throughout 2025 and the first half of 2026. While real wages and purchasing power improved, consumers remained cautious due to ongoing geopolitical uncertainty, inflationary pressures and higher energy prices.

Nevertheless, household consumption continued to increase and contributed positively to economic growth in both 2025 and 2026. CPB expects purchasing power to improve further in 2026, supported by wage growth that is projected to remain above inflation.

Lease market Netherlands

According to VNA, the total Dutch leased fleet reached 1.372 million vehicles in 2025. Within this total:

- Business passenger cars increased by 1.6% to 873,500 vehicles.
- Private lease passenger cars declined by 2.5% to 241,800 vehicles.

- Light commercial vehicles declined by 1.5% to 256,600 vehicles.

Electrification remained a key trend across all segments of the Dutch leasing market. In the business passenger car fleet, battery electric vehicles (BEVs) accounted for 43% of all vehicles in 2025, while plug-in hybrids represented a further 11%. As a result, more than half of the fleet (54%) was equipped with a charging plug. Petrol vehicles accounted for 28% of the fleet, while diesel vehicles have largely disappeared from this segment.

The share of electric vehicles is expected to increase further in the coming years. Besides corporate sustainability targets and tightening emission regulations, fiscal measures are expected to play a role. From 2027 onwards, employers will incur an additional 12% payroll-related tax charge (*pseudo-eindheffing*) on fossil-fuel and hybrid company cars that are available for employees' private use. This measure increases the total cost of non-electric company vehicles relative to electric vehicles.

Electrification also continued in the private lease market. In 2025, BEVs accounted for 23% of the fleet, while plug-in hybrids represented 5.5%. More than one-quarter of the private lease fleet is electrified.

In the LCV segment, diesel remained the dominant powertrain with an 81% share of the fleet. However, the share of electric vans increased from approximately 10% in 2024 to 16% in 2025, indicating continued electrification in the segment.

The trend is also reflected in new vehicle registrations. Eight of the ten most registered business lease car models in 2025 were fully electric.

The top 10 Lease companies in the Netherlands in terms of fleet size (alphabetical order) in 2025:

- Arval
- Athlon Netherlands
- Ayvens Netherlands
- BMW Financial Services
- Hiltermann Lease Group
- International Car Lease Holding
- Santander Holding
- Stellantis
- Toyota Louwman Financial Services
- Volkswagen Pon Financial Services

The most popular newly leased vehicles

Table 1 shows the top 10 of newly sold leased passenger cars by model for both passenger cars and LCV in the Netherlands in 2025:

	Passenger cars, business	Of which BEV	Private lease	Of which BEV
1	Skoda Elroq (342)	100%	Kia Picanto (2)	-
2	Tesla Model Y (1)	100%	Toyota Aygo X (1)	-
3	Kia EV3 (221)	100%	Toyota Yaris Cross (7)	-
4	Tesla Model 3 (2)	100%	Kia EV3 (-)	100%
5	Audi Q4 E-Tron (9)	100%	Toyota Yaris (8)	-
6	Skoda Kodiaq (15)	-	Kia Niro (4)	2%
7	BMW IX1 (7)	100%	Hyundai I 10 (20)	-
8	Kia Picanto (6)	-	Peugeot 2008 (20)	15%
9	Volvo EX30 (3)	100%	Suzuki Swift (25)	-
10	Skoda Enyaq (10)	100%	Peugeot 208 (6)	5%

	Light commercial vehicles	Of which BEV
1	Ford Transit Custom (3)	81%
2	Volkswagen Id.Buzz (16)	100%
3	Renault Master (11)	96%
4	Opel Vivaro (9)	89%
5	Renault Kangoo (13)	99%
6	Opel Combo (14)	93%
7	Ford Transit (7)	86%
8	Volkswagen Transporter (10)	55%
9	Peugeot Partner (8)	71%
10	Mercedes Sprinter (5)	77%

Between ( ) = Ranking in 2024.

Table 1. Top 10 newly sold leased cars by model and segment (Source: RDC)

Lease contracts duration

The average duration of lease contracts has continued to increase over recent years. This trend continued in 2025, particularly for existing contracts. Longer contract terms help offset higher vehicle acquisition costs, especially as electric vehicles account for an increasing share of the lease fleet. For many private lease customers, longer contracts also provide greater certainty over monthly mobility costs.

In 2025, the average duration of all active contracts increased to 52.8 months for business passenger cars, 58.9 months for private lease vehicles and 58.1 months for LCV. For newly signed contracts, the average duration was 48.1 months for business passenger cars, 55.3 months for private lease vehicles and 53.7 months for LCV. While average contract durations for new business and private lease contracts declined slightly compared with 2024, overall lease terms remain at historically high levels.

Table 2 shows the average contract terms in months per segment:

	Passenger cars, business		Private lease		LCV	
	2024	**2025**	**2024**	**2025**	**2024**	**2025**
Contractually chosen, all contracts	52.2	52.8	56.8	58.9	57.6	58.1
Contractually chosen, new contracts	48.5	48.1	57.2	55.3	53.0	53.7
Actual, terminated contracts	47.6	46.7	51.2	50.9	52.5	51.5

Table 2. Average contract term (Source: VNA)

Operational lease vs. financial lease vs. fleet management

The composition of the Dutch leased passenger car fleet remained relatively stable in 2025. Private lease, which is offered through operational lease contracts, accounted for approximately 242,000 vehicles, or 22% of the total passenger car lease fleet. After several years of strong growth, the private lease fleet declined by 2.5% in 2025, reflecting a more mature market.

Operational lease remained the dominant contract form for both business and private passenger cars. The business passenger car fleet grew by 1.6% in 2025 to 873,500 vehicles, driven by continued demand for company cars and the growing share of electrified vehicles.

Financial lease continued to gain market share, particularly among SMEs. The VNA notes a further increase in the share of financial lease for both passenger cars and light commercial vehicles, continuing the trend observed in recent years.

Fleet management remained a relatively small segment of the market. Its share continued to decline gradually as operational and financial lease gained further ground. Nevertheless, fleet management remains relevant for companies that prefer to retain ownership of their vehicles while outsourcing fleet administration and management activities.

Despite the decline in the private lease fleet, market activity remained healthy. The share of new and renewed private lease contracts increased to 28% of the total portfolio in 2025, up from 25.5% in 2024. Contract durations also remained high, with active private lease contracts averaging 58.9 months and newly signed contracts averaging 55.3 months.

Incorporation, Registered Office and Purpose

General

Volkswagen Pon Financial Services B.V. ("**VWPFS**") was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on 8 February 1994. The official seat (*statutaire zetel*) of VWPFS is in Amersfoort, The Netherlands and its registered office is at Saturnus 1, 3824 ME Amersfoort, The Netherlands and its telephone number is +31 (033) 454 9900. VWPFS is registered with the Trade Register under number 20073305.

VWPFS has the corporate power and capacity to enter into and perform its respective obligations under the Programme Documents to which it is a party.

Corporate purpose

The objects of VWPFS are:

1. To acquire, sell, trade, lease, finance, insure, rent or otherwise make available motor vehicles and bikes for own account and risk, as well as carrying and providing car brand related commercial formulas to brand dealers.

2. To keep and arrange for keeping records and accounts in general, and more specifically with respect to the exploitation of motor vehicles of third parties.

3. To act as intermediary in taking out and arranging for car insurances and other insurances.

4. To provide credit for the purpose of financing movable and immovable property, services and other objects, including the entering into and financing of rental, and revolving credit agreements and similar agreements, as well as acting as intermediary on the conclusion of such agreements;

5. To provide services and advice as well as intermediary services with respect to insurances, leasing of movable and immovable property and renting of movable and immovable property;

6. To, respectively, finance, participate in, co-found, manage, as well as take any interest in any form in other companies and businesses with similar or related objects, and the foregoing in the broadest sense.

B. The corporate objects of VWPFS also include the incorporation and acquisition of, participation in, cooperation with and management of other companies, as well as (arranging for) financing, including by means of granting security, of other companies, more in particular of affiliated companies and third parties.

C. Within the corporate objects of VWPFS, VWPFS may undertake any activity related to such corporate objects in the broadest sense, both for its own account and on behalf of third parties.

Shareholdings, Corporate Administration and Management

The shareholders of VWPFS are:

- 60% held by Volkswagen Finance Europe B.V; and
- 40% held by Pon Holdings B.V.

The sole shareholder of Volkswagen Finance Europe B.V. is the Parent and the managing director is Inez de Rijk - van Leeuwen.

The managing directors of VWPFS are Jeroen de Bock and Durk Stienstra.

Origination and Securitisation Expertise

As set out under the section "Incorporation, Registered Office and Purpose", one of the principal activities of Volkswagen Pon Financial Services B.V. for more than two decades has been the origination and underwriting of lease receivables similar to those securitised under the Programme. The members of its management body and senior staff possess extensive knowledge and expertise in the origination and underwriting of such lease receivables, acquired through many years of experience and ongoing professional training.

The members of the management body and senior staff have been appropriately involved in the governance and oversight of the origination and underwriting processes relating to the Portfolio. In addition, Volkswagen Pon Financial Services B.V. has been an active issuer in the securitisation market since 2016 through transactions under this Programme. The management body and senior staff responsible for these transactions also have significant experience in the securitisation of lease receivables.

Furthermore, other subsidiaries of Volkswagen AG have extensive experience in the securitisation of lease and loan receivables across Europe, Australia, Brazil, Canada, China, Japan and the United States.

BUSINESS PROCEDURES OF VOLKSWAGEN PON FINANCIAL SERVICES B.V.

The normal business procedures of the Seller currently include the following:

Underwriting

General

The Seller assesses the inherent risk before accepting a client. The Seller's risk assessment and approval guidelines are described in its local policies. The local policies are set by the Risk department, which reports to the Seller's Chief Financial Officer. The policies are in line with the corporate policies set by the Parent.

For all clients a credit proposal needs to be initiated and approved as part of the client acceptance procedure. The credit proposals are initiated by the Seller's commercial department and sent to the credit acceptance team (CKB). The credit team will prepare a risk evaluation by credit scoring for retail or non-risk relevant (SME) customers or a risk evaluation by rating, for corporate or risk relevant customers. The threshold between risk relevant and non-risk relevant is EUR 1,500,000.

For retail customers the CKB has approval rights as long as no policy rules or certain exposure threshold is exceeded. Competences are assigned for each individual employee based on experience. For corporate customers the Corporate Credit analysts within Risk Management prepare a credit application including a rating. The limit is approved based on the competence policy, always consisting of Front-office representative and a Back-office representative, higher in the organigram the higher the exposure. A decision of the Credit Committee has to be unanimous.

The credit evaluation includes the following:

- the exposure (number of cars, amount; profitability calculation);
- financial data (latest financial statements);
- information from credit agencies (e.g. Graydon, Dun & Bradstreet, Consumer Credit Register (Bureau Krediet Registratie));
- internal information (payment behavior, PD percentage); and
- calculation credit score or the customer rating.

Risk relevant credit applications

An application from a risk-relevant borrower unit will be assessed based on the rating and limit. The rating is based on an extensive (annual) balance sheet analysis, as well as qualitative company aspects such as: external information from rating agencies and future outlook. This analysis is implemented in specialized balance analysis and rating software. The rating model is developed on the characteristics of the specific portfolio, but also calibrated to a worldwide historic dataset.

Rating	Probability of default (12 months)
1	0.089%
2	0.220%
3	0.540%
4	1.320%
5	2.430%
6	4.480%
7	8.210%

8	13.200%
9	20.080%

The model is validated at least annually and is subject to review and approval of the Parent. All risk relevant customers are evaluated at least annually.

Non risk relevant credit applications

Applications by non-risk relevant customers will be evaluated by a custom made business ruling system, with automatic interfaces with external data providers and internal data. The system checks the application (after it is completed) and returns the system decision. Based on this specific competence levels are required for final decision. Credit acceptance policy, rating methodology, credit scoring models and competence levels are all laid down in official guidelines that conform to international standards of the Parent.

The basis of the credit decision is the statistical credit scoring model.

The risk models have been developed on the basis of historic internal data. A scorecard gives an estimate of the risk relating to expected payment behaviour on the basis of the characteristics of the application. The scorecard gives an insight into the credit risk entailed in accepting an application.

The final scores are stored in the dossier, and translated into classes of Probability of Default (PD), which gives an indication of the chance that a customer will not meet his obligations in the coming year.

Scoring class	Probability of default (12 months)
1	0.03%
2	0.08%
3	012%
4	0.19%
5	0.30%
6	0.46%
7	0.72%
8	1.13%
9	2.13%
10	3.17%
11	3.46%
12	6.92%
13	8.19%
14	16.41%
15	37.11%

A low credit score (high probability of default) should be compensated by reducing the collateral risk, e.g.: a guarantee of the private person or parent company, a cash deposit and/or a down payment. Therefore local Risk management frequently reviews score class cut-offs and business rule triggers. The correct setting of those parameters ensures proper management of expected loss on the leasing portfolio (= risk).

The purpose of the scorecard is not only to fulfil legal requirements, it also makes it easier/more objective to observe and understand the risk attached to operational leasing applications. It is a supporting tool for the CKB department, it standardizes the application process and increases reaction speed to the customer. It enables the analysts to concentrate on the more complex items that are parked by the system for manual evaluation.

The weight of each variable in the scorecard is not disclosed internally to the CKB. The scorecard includes factors like:

- internal payment history (if available);
- industry sector;
- legal form;
- age of company; and
- D&B scores (like failure score).

The predictive power of the scorecard is validated at least annually. Risk Management is responsible for back testing the scorecard by making use of the information provided in the different databases.

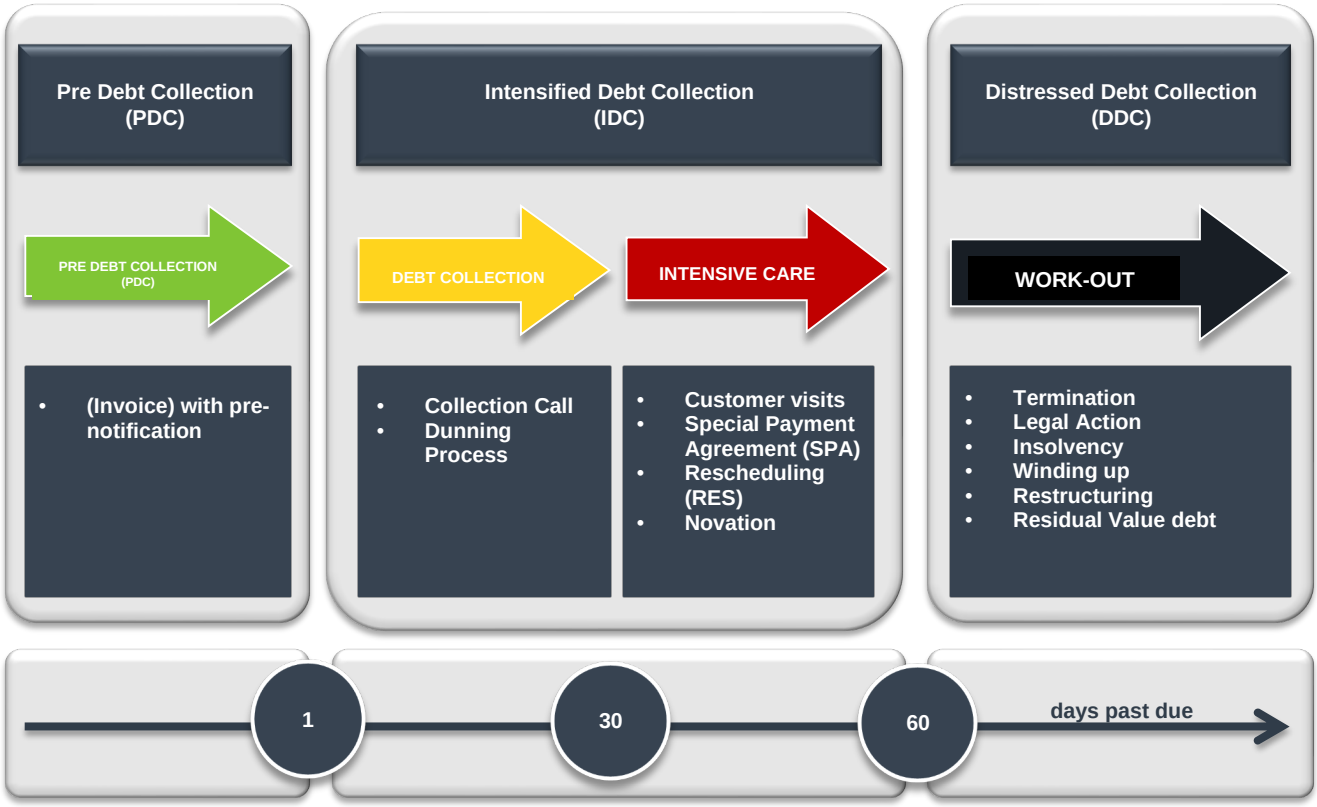
Under the Servicing Agreement, the Purchased Vehicles and the associated Lease Receivables are to be administered and the Purchased Vehicles are to be realized on behalf of the Issuer according to the Servicer's customary practices in effect from time to time.

The normal business procedures of the Servicer currently include the following:

Collection of Lease Receivables and Arrears Management by VWPFS SSC Collections

The Collections Department of Volkswagen Pon Financial Services B.V. is responsible for the collection of all Lease Receivables owed to Volkswagen Pon Financial Services B.V. Furthermore, this department is also responsible for all recovery activities. All lease instalments are invoiced to the clients on a monthly basis. The majority of the clients use 'direct debit' as method of payment of outstanding balances. Other clients initiate money transfers themselves to pay the outstanding balances.

Whenever an outstanding payment is due the collection department will take action, in order to collect the outstanding balances. The collection managers proactively monitor the portfolio in order to avoid any (lengthy) disputes with regard to outstanding invoices. All collection activities are supported by and documented in the collection tool 'On Guard'. In this system VWPFS has set several kinds of profiles describing in detail per profile which steps are required to collect the debt. The profile of the client obtained in On Guard is related to the contract details obtained in the credit approval process. The profiles in On Guard determine the activities and the timelines. A detailed workflow diagram can be found below in the figure.



In line with the process flow above, in case the outstanding balance cannot be collected within the time of the defined profile or the client is in default, it will be assigned to default status in the credit management system.

A default shall be considered to have occurred with regard to a specific obligor when either or both of the following has taken place:

A) Unlikely to pay: VWPFS considers that the obligor is unlikely to pay its credit obligations to VWPFS, without recourse by VWPFS to actions such as realizing security;

B) 90 days past due: the obligor is past due more than 90 days on any material credit obligation to VWPFS.

Elements taken by VWPFS as indications of unlikeliness to pay include but are not limited to:

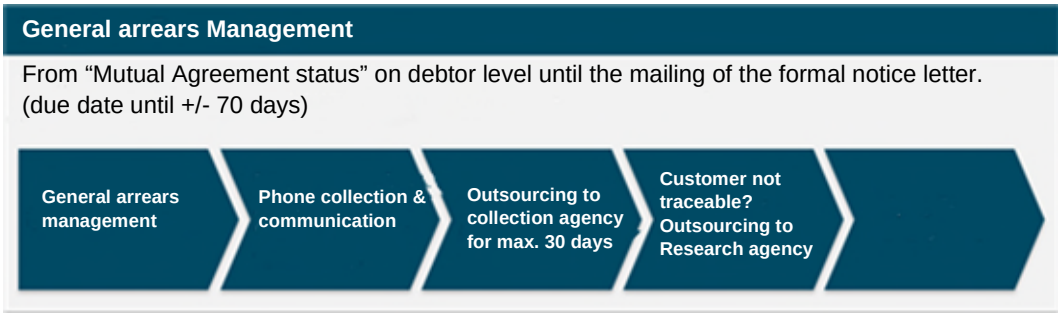
– Petition or declaration of bankruptcy.

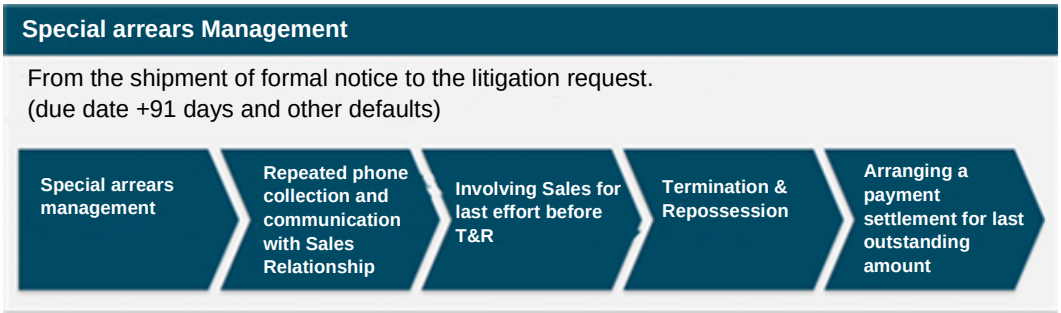
– Distressed restructuring.

– Cancellation of the contract (e.g. due to fraud).

– Sale of exposure with a loss.

This default definition is consistent for all customers (corporate/retail/private) and are in line with international guidelines from VWFS AG.





The default process is initiated by the team referred to as 'Doubtful Debtors' by sending a notification to different departments within VWPFS (including management) when a client or legal entity has been declared bankrupt or granted a moratorium of payments (surseance). Several actions are initiated such as:

(A) blocking credit lines;

(B) termination of fuel cards, repairs and maintenance; and/or

(C) blocking of credit invoices.

If the client continues to fail settlement of the outstanding balance, VWPFS will decide to terminate the contracts and repossess the leased vehicle, as applicable. The costs related to the early termination of the contracts will be invoiced to the lessee. A lessee can also be defined as being in 'dispute'. A dispute can be identified at any stage in the process above. Once identified, a dispute is removed from the normal collections activity cycle and dealt with according to complaints handling/resolution process. Predefined complaints handling/resolution processes are used to resolve disputes.

The complaints handling/resolution processes focus on:

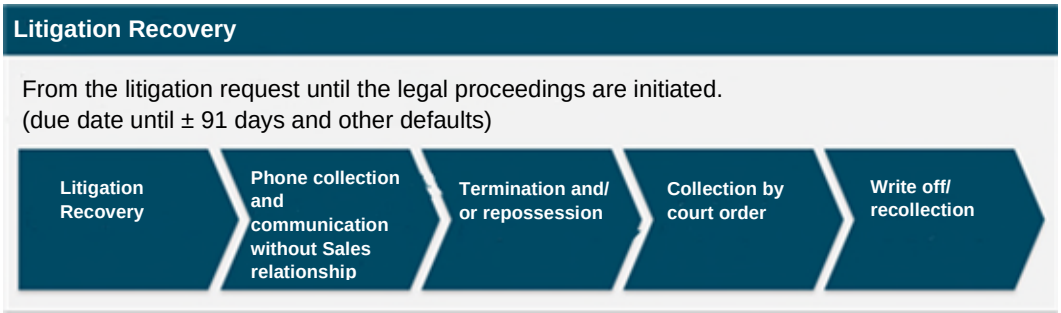
(A) identifying the specific complaint through communication with the client;

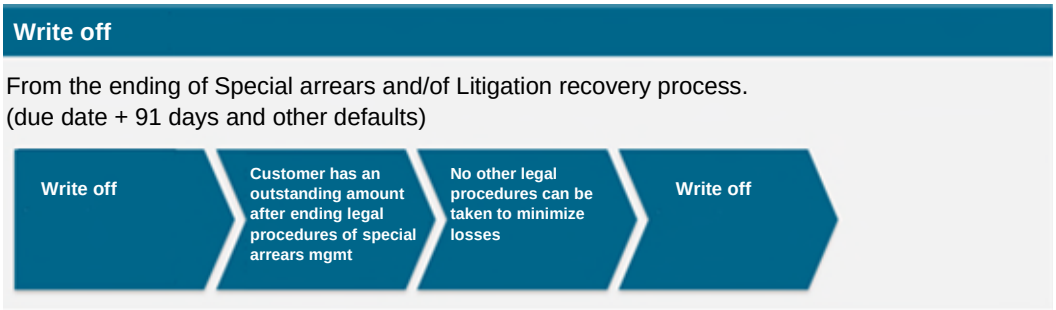
(B) discussing the complaint with other departments (Account Management, Collections, information Technology etc.);

(C) assessing the validity of the complaint;

(D) if the complaint is valid, proposing and implementing corrective actions; and/or

(E) collecting the outstanding amount.





Provisions are recorded and relate to the total balance of the receivables outstanding (excluding VAT) and increased by expected loss on vehicles (average difference between the market value and book value of the vehicle). Provisions related to doubtful debtors are reported on a monthly basis.

Residual Value

Setting the residual value is the responsibility of the Residual Value Committee. For each car type, the marketability class (ranging from 1 to 20) is determined. Each marketability class corresponds to a depreciation table, categorized by fuel type, for passenger cars (PC) and LCVs. The appropriate residual value is determined based on the annual mileage and contract duration. Additional options can positively impact the car's residual value. In certain cases, adjustments may be applicable on an individual basis (e.g., heavy use).

The residual value can change during the life of a Lease Agreement due to alterations in contractual conditions. These changes may result from events specified in the lease agreement, such as variations in vehicle usage (e.g., mileage) or adjustments to the lease term (e.g., extensions or shortening). In such cases, both the lease installment and the estimated residual value of the leased vehicle are recalculated.

The residual value for each leased vehicle is calculated when the corresponding Lease Agreement is offered to a client, prior to the start of the contract. At this stage, VWPFS estimates the market value that the vehicle will have at the end of the Lease Agreement. The residual value of a leased vehicle is fundamental in establishing the lease receivables.

VWPFS calculates the residual value of each vehicle based on:

(A) quantitative sales information (e.g. historical realized sales proceeds);

(B) quantitative market information (e.g. macroeconomic projections for the Residual Value-market using several indicators); and,

(C) qualitative market information (expectations for new vehicle markets and Residual Value market expectations); taking into account, among other variables, the terms and conditions of the agreement (mileage, lease term etc.).

Leased Vehicles Sales Procedures

At the end of the Lease Agreement the Leased Vehicle will be returned by the Lessee (except in cases where the Leased Vehicle is sold to the Lessee or to the Lessee's driver-employee). When the leased vehicle is

returned, an intake document confirming receipt is usually completed with the driver on-site. The intake process is either managed by an external expert company or through inspections conducted at remarketing in Zwolle. The vehicle must be returned in perfect condition except for normal wear and tear. The customer must also return the two sets of keys (if applicable) and all the vehicle documents handed over at the start of the Lease (e.g. vehicle registration documents but also the service manual). The intake-document will show (a) if the vehicle has any damage and (b) the kilometers shown on odometer on the return date. The intake-document will also reflect the documents and elements delivered with the vehicle as indicated in the previous paragraph. If the intake-document and/or the subsequent expert report state that the Leased Vehicle has damage not related to normal wear and tear or the customer has not returned all the documents and elements handed over at the start of the Lease, VWPFS is authorized to charge the amount of the damage and the costs of replacement of the lost documentation or elements to the customer. When the state of the Leased Vehicle has been assessed, it will be remarketed through the VWPFS sales channels(auction, export, private customers, etc.).

A Leased Vehicle is considered to be in stock from the date on which the customer, who subscribed the Lease Agreement, proceeds to return it up to the date when it is sold by VWPFS and paid by the buyer. The average current permanence of vehicles in stock is 20 days.

Internal Audit

Volkswagen Pon Financial Services B.V. maintains a framework for measuring, monitoring and controlling its risk positions. This framework is documented through policies, procedures and guidelines and is subject to ongoing review and development.

The adequacy and effectiveness of key elements of the risk management and internal control framework are reviewed regularly by the Internal Audit Department using a risk-based approach, and by external auditors in connection with the audit of the annual financial statements.

The Internal Audit Department independently performs risk-based audits of the operational and business processes of Volkswagen Pon Financial Services B.V., taking into account applicable legal and regulatory requirements and internationally recognized internal audit standards. Audit activities are conducted in accordance with an annual risk-based audit plan. The results of internal audit activities are reported to the Management Board of Volkswagen Pon Financial Services B.V. through audit reports. The implementation of agreed remedial measures and recommendations is subject to follow-up and monitoring by the Internal Audit Department.

Auditors

EY Accountants B.V., Antonio Vivaldistraat 150, 1089 HP Amsterdam, The Netherlands is the independent auditor of Volkswagen Pon Financial Services B.V. The auditor signing the auditor's reports on behalf of EY Accountants B.V. is a member of The Netherlands Institute of Chartered Accountants (Nederlandse Beroepsorganisatie van Accountants).

RATINGS

The Senior Instruments are expected to be rated AAA (sf) by Morningstar DBRS and Aaa (sf) by Moody's.

The Junior Instruments are not rated.

The rating of "Aaa_{sf}" is the highest rating Moody's assigns to long term debts and "AAA(sf)" is the highest rating that Morningstar DBRS assigns to long term debts. The suffix "sf" denotes an issue that is a structured finance transaction.

The rating of the Senior Instrucments addresses the ultimate payment of principal and timely payment of scheduled interest according to the Conditions. The rating takes into consideration the characteristics of the Lease Receivables and Purchased Vehicles and the structural, legal, tax and Issuer-related aspects associated with the Senior Instruments.

The ratings assigned to the Senior Instruments 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 Senior Instrument 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 Senior Instrument.

The Issuer has not requested a rating of the Senior Instruments 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 Instruments or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Senior Instruments by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

References to ratings of Morningstar DBRS and Moody's in this Base Prospectus shall refer to www.dbrs.morningstar.com and www.moodys.com respectively.

THE ISSUER

1. General

The Issuer, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), was incorporated as a special purpose vehicle for the purpose of issuing asset backed securities under the laws of The Netherlands on 3 March 2016. The official seat (*statutaire zetel*) of the Issuer is in Amsterdam, The Netherlands and its registered office is at Basisweg 10, 1043 AP Amsterdam, The Netherlands and its telephone number is +31 (0)20 521 4777. The Issuer is registered with the Trade Register under number 65490916.

The Legal Entity Identifier (LEI) of the Issuer is: 529900HPHD9YZZ504R69.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the relevant Leased Vehicles and the associated Lease Receivables and to enter into and perform the obligations under the Programme Documents.

Further information on the Programme, including this Base Prospectus, can be obtained on the website of the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen), 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 objectives of the Issuer are (a) to hire purchase, acquire, purchase, manage, dispose of and encumber and enter into lease agreements with respect to vehicles, transport-related assets and receivables arising under lease agreements entered into by third parties and to exercise all rights connected to such vehicles, transport-related assets and receivables, (b) to raise funds through, *inter alia*, the issuance of debt instruments, granting participations or by entering into loan agreements for the acquisition of vehicles, transport-related assets and receivables mentioned under (a) and to enter into agreements in connection herewith, (c) to invest (amongst others by lending) any funds held by the company, (d) to hedge interest rate and other financial risk amongst others by entering into derivative agreements, including swap agreements and option agreements, (e) to enter into agreements, including, but not limited to, bank account, securities and cash administration agreements, servicing agreements and agreements creating security (for the company's obligations and debts) or guarantees or to otherwise performance jointly and severally on behalf of others, in connection with the objects mentioned under (a) up to and including (d) above and (f) if incidental to the foregoing (i) to borrow, amongst others to repay the obligations under any debt instruments, participations and loan agreements mentioned under (b), and (ii) to grant property and personal security (*goederenrechtelijke en persoonlijke zekerheden*), or to release security rights granted to it by third parties, the foregoing whether or not in collaboration with third parties and inclusive of the performance and promotion of all activities which directly and indirectly relate to those objects, all this in the broadest sense of the words.

The Issuer was established for the limited purposes of the issue of the Notes, the acquisition of leased vehicles together with any associated lease receivables and rights and claims relating to the relevant lease agreements and certain related transactions described elsewhere in this Base Prospectus. The Issuer operates under the laws of The Netherlands, *provided that* it may enter into contracts which are governed by the laws of another jurisdiction than The Netherlands.

3. Business Activity

The Issuer has carried on business or activities that are incidental to its incorporation, which include the entering into certain transactions prior to the Closing 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 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.

4. Corporate Administration and Management

The sole managing director of each of the Issuer and the Foundation is CSC Management (Netherlands) B.V. CSC Management (Netherlands) B.V. has elected domicile at the registered office of the Issuer at Basisweg 10, 1043 AP Amsterdam, The Netherlands, telephone number +31 20 5214777. The managing directors of CSC Management (Netherlands) B.V. are Edwin Marinus van Ankeren, Berend Gerrit Dinkla – Vente, Kristina Adamovich - van Doorn and Pieter Cornelis van der Linden. The objectives of CSC Management (Netherlands) B.V. are (a) advising of and mediation by financial and related transactions, (b) finance company, and (c) management of legal entities.

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

CSC Management (Netherlands) B.V. belongs to the same group of companies as (i) Amsterdamsch Trustee's Kantoor B.V., being the sole managing director of the Security Trustee and the Data Protection Trustee. Therefore, a conflict of interest may arise. In this respect it is of note that in the Management Agreements entered into by each of the Directors with the entity of which it has been appointed as managing director (*bestuurder*), each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director (*bestuurder*) should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations of the relevant entity under any of the Programme Documents.

In addition each of the Directors agrees in the relevant Management Agreement that it will procure that the relevant entity will not enter into any agreement in relation to the Issuer and/or the Foundation and/or the Security Trustee other than the Programme Documents to which it is a party, without the prior written consent of the Security Trustee.

Pursuant to the Issuer Management Agreement and the Foundation Management Agreement, the Issuer Director and the Foundation Director will, in addition to acting as managing director (*bestuurder*), provide certain management and administration services to the Issuer and the foundation, respectively, which consist of, *inter alia*:

(a) assisting the auditors of the Issuer and provide such information to them as they may reasonably request for the purpose of carrying out their duties as auditors; and

(b) making all filings, give all notices and make all registrations and other notifications required in the day-to-day operation of the business of the Issuer or required to be given by the Issuer pursuant to the relevant Programme Documents and by law.

5. Capital, Shares and Shareholder

The Issuer has an authorised share capital of EUR 1.00 (one Euro), which has been fully issued and fully paid. The annual minimum taxable profit, being an amount equal to the higher of (a) 10% of the annual management fee that will be charged by the Issuer Director for acting as director of the Issuer, and (b) EUR 2,500 (the "**Issuer Profit Amount**") will be deposited in the Distribution Account on a Payment Date in each calendar year on which the Notes are outstanding. Any amount standing to the credit of the Distribution Account may be applied by the Issuer to pay any corporate income tax payable to the Dutch tax authorities (*Belastingdienst*).

All shares of the Issuer are held by the Foundation. The Foundation is a foundation (*stichting*) incorporated under the laws of The Netherlands on 3 March 2016. The Foundation is registered with the Trade Register under number 65487982. The objects of the Foundation are, *inter alia*, to acquire and hold shares in the share capital of the Issuer and to exercise all rights attached to such shares,

to dispose of and encumber such shares. Pursuant to the articles of association of the Foundation an amendment of the articles of association of the Foundation requires the prior written consent of the Security Trustee. Moreover, the Foundation Director shall only be authorised to dissolve the Foundation after (i) receiving the prior written consent of the Security Trustee and (ii) the Issuer has been fully discharged for all its obligations by virtue of the Programme Documents.

6. 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 described in the Base Prospectus.

7. Subsidiaries

The Issuer has no subsidiaries or Affiliates.

8. Name of the Issuer's Financial Auditor

The financial statements of the Issuer for the financial year ended 31 December 2024 have been audited by Ernst & Young Accountants LLP, who has issued an unqualified independent auditor's report thereon. Ernst & Young Accountants LLP was succeeded by EY Accountants B.V. as independent auditor of the Issuer as from 27 October 2025. The financial statements of the Issuer for the financial year ended 31 December 2025 have been audited by EY Accountants B.V., who has issued an unqualified independent auditor's report thereon. EY Accountants B.V. is an independent registered audit firm, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam and is registered at the Chamber of Commerce of Rotterdam in The Netherlands under number 92704093. The office address of the independent auditor signing the independent auditor's report on behalf of EY Accountants B.V. is Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands.

The independent auditor signing the auditor's report on behalf of EY Accountants B.V. is a member of the NBA (Koninklijke Nederlandse Beroepsorganisatie van Accountants - the Royal Netherlands Institute of Chartered Accountants).

9. 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 3 March 2016 (date of incorporation) and ended on 31 December 2016.

The Issuer's audited financial statements for the financial years ended 31 December 2024 and 31 December 2025, have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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

10. Act on the Financial Supervision

The Issuer is not subject to any licence requirement under article 2:11 of the DFSA, as amended from time to time, due to the fact that the Notes will be offered and issued in the denomination of EUR 100,000 and therefore solely to professional market parties (*professionele marktpartijen*) (within the meaning of article 1.1 of the DFSA, as amended from time to time) which, under the current interpretation of the Dutch legislator (subject to further guidance at EU level) do not qualify as members of the "public" within the meaning of the article 4(1) Capital Requirements Regulation (Regulation (EU) 575/2013) and the rules promulgated thereunder, as amended or any subsequent legislation replacing that regulation.

11. Audit Committee

The Issuer has not instituted an audit committee, because it benefits from an exemption as stated in Article 3 paragraph d of the Dutch Decree of 26 July 2008 implementing Article 41 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of financial statements and consolidated financial statements. There is no reason to institute such a committee because the Issuer believes that the Issuer's noteholders, being the only material creditors of the Issuer, will be adequately informed in respect of their risks through the mechanisms set out in this Base Prospectus.

12. Inspection of Documents

The following documents (or copies thereof) will remain publicly available for the longer of the life of the Notes or at least ten years after listing:

(a) the deed of incorporation and the articles of association of the Issuer and the Foundation;

(b) resolutions of the board of directors of the Issuer and the Foundation approving the issue of the Notes, the borrowing of the Schuldschein Loans, the issue of the Base Prospectus and the Programme as a whole including the first update of the Programme;

(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,

and may be inspected at the Issuer's registered office at Basisweg 10, 1043 AP Amsterdam, The Netherlands or made available upon request by means of electronic distribution.

The articles of association of the Issuer may also be inspected on the website of the Issuer (https://cm.gcm.cscglobal.com/en/default/articles-of-association/results#Volkswagen) and the historical financial information for the years ending in December 2024 and December 2025 may also be inspected on the website of the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen).

The Instruments will be obligations of the Issuer and will not be guaranteed by, or be the responsibility of the Seller, Volkswagen AG or any other person or entity. It should be noted, in particular, that the Instruments will not be obligations of, and will not be guaranteed by the Seller, the Servicer (if different), the Maintenance Coordinator, the Cash Administrator, the Interest Determination Agent, the Data Protection Trustee, the Security Trustee, the Lead Manager, the Arranger or any of their respective Affiliates, the Subordinated Lender, the Account Bank, the Registrar, the Principal Paying Agent, the Calculation Agent, the Swap Counterparties, any Director or any other party described under this Base Prospectus.

CASH MANAGEMENT, ADMINISTRATION AND ACCOUNTS

Account Agreement

Pursuant to the terms of the account agreement (the "**Account Agreement**") entered into on the Signing Date by and between the Account Bank, the Issuer and the Security Trustee, the Issuer will maintain the Accounts with the Account Bank. The Account Bank is required to have at least the Account Bank Required Ratings. If the Account Bank ceases to have the Account Bank Required Ratings (or its obligations under the Account Agreement cease to be guaranteed by an entity with the Account Bank Required Ratings), and an Eligible Collateral Bank is willing to accept deposits from the Issuer on similar terms as set out in the Account Agreement, then the Account Agreement will (with the prior written consent of the Security Trustee) be terminated by the Issuer (or the Cash Administrator on its behalf).

Pursuant to the Account Agreement the Cash Administrator will provide certain cash management and bank account operation services in respect of the Portfolio to the Issuer. These services in respect of the transactions contemplated by the Programme Documents include but are not limited to:

(a) operating the Accounts and ensure that payments are made into and from the Accounts in accordance with the Account Agreement, the Trust Agreement, the Security Documents, the Servicing Agreement and any other relevant Programme Documents;

(b) administering each Order of Priority including calculating amounts payable by the Issuer, including the Available Distribution Amount, and providing the reports relating thereto on each Calculation Date;

(c) on behalf of the Issuer calculating and determining amounts required to be drawn or repaid by the Issuer in respect of the Subordinated Loan Advances outstanding under the Subordinated Loan Agreement, drawing and arranging for repayment of all Subordinated Loan Advances in accordance with the terms of the Subordinated Loan Facility;

(d) on behalf of the Issuer calculating and determining amounts required to be drawn or repaid by the Issuer in respect of the Maintenance Reserve Advances and the Buffer Release Reserve, as applicable, in accordance with the terms of the Reserve Funding Agreement;

(e) on behalf of the Issuer calculating and determining amounts required to be advanced to each Issuer Facility Borrower pursuant to the Issuer Facility Agreement and arranging for repayment of any and all required amounts by each Issuer Facility Borrower in accordance with the terms of the Issuer Facility Agreement;

(f) arranging for, and determining the amount of, all payments due to be made by the Issuer under the Notes and/or any of the relevant Programme Documents (including under the Order of Priority).

The services under the Account Agreement are subject to the amounts which are payable by the Cash Administrator on behalf of the Issuer and being available to the Issuer and do not constitute a guarantee by the Cash Administrator of all or any of the obligations of the Issuer under any of the Programme Documents.

The Account Agreement provides that in the event of any termination (a) the Account Bank shall assist the other parties thereto to effect an orderly transition of the banking arrangements documented hereby at its own cost and expense and (b) the parties to the Account Agreement or any of them shall notify each Rating Agency of such termination and of the identity of the successor Account Bank.

The Account Agreement is governed by German law.

Distribution Account

On or prior to the Closing Date, the Issuer will open a distribution account (the "**Distribution Account**") into which, *inter alia*, all amounts received by the Issuer (i) in respect of the Lease Agreements and (ii) from the sale of the Purchased Vehicles will be paid. The Cash Administrator will identify all amounts paid into the Distribution Account.

In the Account Agreement, the Account Bank agrees to pay interest on the moneys standing to the credit of the Distribution Account at a specified rate of interest determined in accordance with the Account Agreement.

Cash Collateral Account, Buffer Release Reserve Ledger and Maintenance Reserve Ledger

An amount of EUR 2,288,400 (1.20 per cent. of the nominal amount of the Initial Notes issued as of the Closing Date) serves as the initial Cash Collateral Amount. On each Further Issue Date, such amount will be increased (i) during the Revolving Period, to an amount equal to [1.35] per cent. of the aggregate outstanding principal amount of all Instruments after application of the applicable Order of Priority on the Further Issue Date, and (ii) after the Revolving Period, to the lesser of (a) the Specified General Cash Collateral Account Balance as of 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.

The Issuer has agreed to keep that Cash Collateral Account 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 (i) procure transfer of the accounts held with it to an Eligible Collateral Bank which is to be appointed by the Issuer once selected by the Account Bank, or (ii) find an irrevocable and unconditional guarantor providing the guarantee from an entity with Account Bank Required Rating, or (iii) take any other action in order to maintain the rating of the Rated Instruments or to restore the rating of the Rated Instruments.

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 Cash Collateral Amount on deposit in the Cash Collateral Account equals the Specified General Cash Collateral Account Balance.

On each Payment Date prior to the occurrence of a Enforcement Event, after the payment of interest on the Instruments and certain other amounts payable by the Issuer, the Available Distribution Amount remaining after item sixth of the Order of Priority will be credited to the Cash Collateral Account pursuant to item seventh of the Order of Priority until the Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance. On each Payment Date the Cash Collateral Amount shall be used to (i) cover any shortfalls in the amounts payable under the first to sixth items (inclusive) of the Order of Priority in clause 16.2(a) of the Trust Agreement, (ii) pay the amounts due and payable under clause 16.2(b) of the Trust Agreement and (iii) pay on the latest occurring Final Maturity Date of any Instrument all amounts payable pursuant to clause 16.2(a), also including the eighth, ninth, eleventh and twelfth items of the Order of Priority in clause 16.2(a) of the Trust Agreement.Upon full and final discharge of all obligations under the Instruments and the Subordinated Loan and upon fulfilment of all claims of all Programme Creditors, the Seller shall be entitled to the sums remaining in the Cash Collateral Account (including any amounts standing to the credit of the Maintenance Reserve Ledger and the Buffer Release Reserve Ledger). All interest accrued on the Cash Collateral Account shall be segregated and shall pro rata be paid to the Seller on an annual basis on the Payment Date falling in September of each calendar year.

The Cash Collateral Account will contain a Maintenance Reserve Ledger in which the Maintenance Reserve will be administered. The Maintenance Reserve serves to provide credit enhancement to cover potential Maintenance Costs relating to any associated Lease Agreement. The purpose of the Maintenance Reserve is to ensure that the Issuer will continue to be able to pay any amounts to be paid to third party garages and service providers (including any VAT thereon) for the provision of the Maintenance Services in relation to the Purchased Vehicles including any costs relating to an amendment of the vehicle registration (*kentekenbewijzen*) of the Purchased Vehicles and any insurance costs (collectively, "**Maintenance Costs**") relating to the Lease Agreements if and to the extent Maintenance Costs will not be paid by the Maintenance Coordinator.

If and to the extent the Seller in its capacity as Maintenance Coordinator does not cover any Maintenance Costs, an amount equal to such unpaid Maintenance Costs, if and to the extent standing to the credit of the Maintenance Reserve Ledger, will form part of the Available Distribution Amount and will, subject to and in accordance with the relevant Order of Priority, be applied towards payment of such Maintenance Costs. If and to the extent the Maintenance Reserve Amount will be applied towards the payment of any Maintenance Costs which are not settled by the Servicer, a corresponding amount shall be debited from the Maintenance Reserve Ledger.

Furthermore, 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 19.2 of the Master Hire 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 sixth of the Order of Priority, as set out in clause 16.2(a) (Order of Priority) of the Trust Agreement.

On each Payment Date, any amount of the 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 and thereafter to the Seller as a final success fee.

Accumulation Account

The Accumulation Account shall be used on each Payment Date to collect moneys paid under items *eighth* and *ninth* of the Order of Priority set out in clause 16.2(a) (*Order of Priority*) of the Trust Agreement to fund Additional Issuer Advances under the Issuer Facility Agreement at any time after such Payment Date. During the Revolving Period, amounts on deposit in the Accumulation Account may be used by the Issuer for funding of Additional Issuer Advances.

Upon the occurrence (and continuation) of a Seller Event of Default, the Accumulation Account shall be closed on the subsequent Payment Date and any amounts on deposit in the Accumulation Account shall be transferred on the subsequent Payment Date to the Distribution Account.

Counterparty Downgrade Collateral Account

The Cash Administrator shall, on behalf of the Issuer, on each Payment Date, subject to and in accordance with the applicable Swap Agreement, (i) collect any Swap Collateral due by the Swap Counterparty to the Issuer and credit the same to the Counterparty Downgrade Collateral Account, and (ii) (a) pay or transfer any Swap Collateral due to be returned by the Issuer to the Swap Counterparty outside of the Order of Priority and debit the same from the Counterparty Downgrade Collateral Account or (b) to the extent an amount is due and payable by the Swap Counterparty to the Issuer under the Swap Agreement in the case of early termination of the Swap Agreement, debit such amount from the Counterparty Downgrade Collateral Account for addition to the Available Distribution Amounts as Net Swap Receipts.

Save as the Issuer may otherwise instruct, all financial movements with respect to the Counterparty Downgrade Collateral Account shall be processed exclusively by the Cash Administrator (acting on behalf of the Issuer).

As soon as reasonably practicable after becoming aware of the same, the Cash Administrator shall withdraw Swap Collateral from the Counterparty Downgrade Collateral Account if, and to the extent that, such Swap Collateral was credited thereto in error and shall use its reasonable endeavours to ensure that such collateral is applied correctly thereafter.

THE OTHER PARTIES

A description of the Transaction 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	ING Bank N.V.	See a description of the responsibilities of the Arranger in the description of Subscription and Sale.	Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands
Lead Manager	ING Bank N.V.	See a description of the responsibilities of the Lead Manager in the description of Subscription and Sale.	Bijlmerdreef 106, 1102 CT Amsterdam, The Netherlands
Account Bank	U.S. Bank Europe DAC	See a description of the responsibilities of the Account Bank in the description of the Account Agreement.	Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7
Registrar	U.S. Bank Europe DAC	See a description of the responsibilities of the Registrar in the description of the Agency Agreement.	Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7
Principal Paying Agent	U.S. Bank Europe DAC	See a description of the responsibilities of the Principal Paying Agent in the description of the Agency Agreement.	Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7
Calculation Agent	U.S. Bank Europe DAC	See a description of the responsibilities of the Calculation Agent in the description of the Agency Agreement.	Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7
Interest Determination Agent	U.S. Bank Europe DAC	See a description of the responsibilities of the Interest Determination Agent in the description of the Agency Agreement.	Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7
Cash Administrator	U.S. Bank Global Corporate Trust Limited	See a description of the responsibilities of the Cash Administrator in the description of the Account Agreement.	Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, Ireland D18 W2X7
Subordinated Lender	Volkswagen Pon Financial Services B.V.	See a description of the responsibilities of the Subordinated	Saturnus 1 3824 ME Amersfoort the Netherlands

Party	*Name*	*Responsibilities*	*Place of incorporation/ Company numbers*
		Lender in the description of the Subordinated Loan Agreement.	
Swap Counterparty	[●]	See a description of the responsibilities of the Swap Counterparty in the description of the Swap Agreement.	[●]
Security Trustee	Stichting Security Trustee VCL Master Netherlands	See a description of the responsibilities of the Security Trustee in the description of the Trust Agreement.	Basisweg 10 1043 AP Amsterdam the Netherlands
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.

TERMS AND CONDITIONS OF THE 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 Netherlands B.V. (the "**Issuer**") in an aggregate nominal amount of up to EUR 1,500,000,000 (the "**Nominal Instrument Amount**") is divided into up to

15,000 Class A Notes issued in registered global note form,
(the "**Notes**")
each having a nominal amount of EUR 100,000.

(b) Each Series of Class A Notes are issued in registered form and represented by a global registered note (each a "**Global Note**") without coupons attached. Each Global Note representing a Series of Class A Notes will be deposited with a Common Safekeeper 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 signature by any two directors of the sole managing director of the Issuer and will be authenticated by one or more employees or attorneys of U.S. Bank Europe DAC (the "**Registrar**") and will be effectuated by the Common Safekeeper.

(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 it 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 the Global Note and title to each Series of Class A Notes itself will 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 Safekeeper (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 A 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 will be conclusive and binding for all purposes save in the case of manifest error) will be treated by the Issuer and any paying agent as the holder of such nominal amount of the relevant Series of Class A Notes for all purposes (and the expressions "Noteholder" and "holder of Notes" and related expressions will be construed accordingly).

(e) Notwithstanding paragraph (c) of this Condition 1, the interests in each Series of Class A 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. The Global Note will not be exchangeable for definitive Class A Notes of such Series of 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 floating rate 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 Security Trustee and the Seller. 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 Final Maturity Date as set out in Condition 9(e).

3. **Status and Ranking**

(a) The Class A Notes of any Series constitute direct, unconditional and unsubordinated obligations of the Issuer. Prior to the occurrence of an Enforcement Event, the Class A Notes will rank *pari passu* among themselves and with the Senior Schuldschein Loans (i) with respect to payments of interest, rank senior to the Junior Instruments and the Subordinated Loan, and (ii) with respect to payments of principal, will rank senior to the Junior Instruments and the Subordinated Loan, but payments of interest under the Junior Instruments will rank senior to payments of principal under the Class A Notes. After the occurrence of an Enforcement Event, the Class A Notes will rank senior to the Junior Instruments with respect to payments of interest and principal.

(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.

(c) With respect of interest and principal, each of the Class A Notes rank *pari passu* amongst themselves, prior and after the occurrence of an Enforcement Event.

4. **The Issuer**

The Issuer which articles of association are subject to the laws of The Netherlands is a private company incorporated with limited liability under the laws of The Netherlands 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, the borrowings under the Schuldschein Loans and the raising of the Subordinated Loan.

5. **Assets of the Issuer for the Purpose of Payments on the Instruments 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 by way of hire purchase (*huurkoop*) from the Seller pursuant to the Master Hire Purchase Agreement Leased Vehicles and the associated Lease Receivables and ancillary rights arising from Lease Agreements which the Seller has concluded with private individuals and commercial Lessees. The Issuer has pledged the Purchased Vehicles and the associated Lease Receivables to the Security Trustee. The collection and administration of the Purchased Vehicles and the associated Lease Receivables, to which the Seller has reserved itself the right and assumed the duty in the Master Hire Purchase Agreement, shall be carried out on the basis of the Servicing Agreement between the Issuer, the Seller (in this capacity, the "**Servicer**") and the Security Trustee. In addition, subject to revocation by the Security Trustee, the Servicer is entitled and obligated according to the provisions of the Trust Agreement to realise the Purchased Vehicles on behalf of the Issuer as necessary. Furthermore, the Issuer may enter into additional hire purchase contracts in connection with the acquisition of Leased Vehicles and the associated Lease Receivables 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 Issuer Facility Agreement with the Issuer Facility Borrower, the Managements Agreements with the Directors, the Swap Agreement(s) with the Swap Counterparties, the Agency Agreement with the Seller and the Agents, the Deposit Agreement with the Data Protection Trustee and the Account Agreement with the Account Bank and the Cash Administrator. The agreements and documents referred to in this paragraph 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) The Issuer has pledged the Purchased Vehicles and the associated Lease Receivables and all of its claims arising under the Programme Documents to the Security Trustee as collateral for its obligations under the Instruments and the Subordinated Loan Agreement and other obligations specified in the Trust Agreement. As to the form and contents of such provision of security, reference is made to the provisions of the Trust Agreement.

(c) 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 under the Lease Agreements associated with the Purchased Vehicles and by the Swap Counterparties under the Swap Agreement(s), as available on the respective Payment Dates according to the Order of Priority. 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 7 (*Distribution Account*) of the Trust Agreement in the Distribution Account. Further, the Issuer has established the Cash Collateral Account and will maintain the Cash Collateral Account pursuant to clause 26 (*Undertakings of the Issuer*) of the Trust Agreement to provide limited coverage for payments of interest and principal on the Senior 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 Senior Instruments 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 Programme Creditors any claims of holders of Senior Instruments remaining unpaid shall be extinguished at the Final Maturity Date applicable to the respective Senior Instruments and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Senior Instruments nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid according to the Order of Priority.

(d) The enforcement of the payment obligations under the Instruments, the Subordinated Loan Agreement and the Swap Agreement(s) pursuant to paragraph (c) shall only be effected by the Security Trustee for the benefit of all Noteholders, all Lenders, the Swap Counterparties and the Subordinated Lender. The Security Trustee is required to foreclose on the Purchased Receivables and Leased Vehicles in case of a Foreclosure Event, on the conditions and in accordance with the terms set forth in clauses 12 (*Enforcement and Proceedings*) and 13 (*Payments upon the occurrence of the Enforcement Event*) of the Trust Agreement.

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

(f) No shareholder, officer, director, employee or manager of the Issuer or of VW Group 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.

(g) The recourse of the Programme Creditors is limited to the secured assets 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 Security Trustee, to develop any activities described in clause 26.2 (*Undertakings of the Issuer*) 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 5th 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 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 this 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 Instruments Factor for each Series of Class A Notes;

(d) the remaining 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 Basisweg 10, 1043 AP Amsterdam, The Netherlands and during normal business hours, the documents from which the figures reported to the holders of the Class A Notes are calculated.

8. **Payments of Interest**

(a) Subject to the limitations set forth in Condition 5(c) the outstanding principal amount in respect of the Class A Notes shall bear interest from (and including) the Initial Issue Date until (and 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 the Class A Notes on any Payment Date shall be calculated based on all Notes outstanding for the relevant Series of Notes by the Interest Determination Agent by applying the Senior Instrument Interest 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 U.S. Bank Europe DAC (the "**Interest Determination Agent**").

(c) The interest rate to be used for calculating the amount of interest payable pursuant to paragraph (c) shall be the EURIBOR rate for one month Euro deposits plus the relevant margin set out in the Relevant Final Terms (the "**Senior Instrument Margin**") *per annum,* subject to a floor of zero, (the "**Senior Instrument Interest 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, Agents**

(a) On each Payment Date the Issuer shall, subject to Condition 5(c), pay to each holder of a Senior Instrument interest at the Senior Instrument Interest Rate on the Nominal Instrument Amount of the Class A Notes of such Series of Notes outstanding immediately prior to the respective Payment Date, and during the amortising period redeem the nominal amount of the Notes by applying the amount remaining thereafter in accordance with the Order of Priority. The record date means the close of business on the record date which is the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Days shall mean a Business Day.

(b) Sums which are to be paid to the Class A Noteholders shall be rounded down to the next lowest cent for each of the Class A Notes. The amount of such rounding down to the next cent 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 500.00 remaining on the Final 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(d), 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 final maturity date of the Class A Notes, which shall be the Payment Date specified in the applicable Final Terms (the "**Final Maturity Date**").

(f) *Provided that* the Class A Noteholders have received a notice to that effect by the Issuer in accordance with Notes 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 then current Instrument Revolving Period Expiration Date (the "**Instrument Revolving Period Expiration Date**"), the holders of the Class A Notes, acting collectively, shall have the right to exercise by written notice to the Principal Paying Agent, the Security Trustee and the Issuer in the form of Schedule 2 to these Conditions to be received not later than ten (10) calendar days 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 specified in the relevant notice,

(ii) an amendment to the Senior Instrument Margin, and

(iii) the extension of the Final Maturity Date for a period to be specified in the relevant notice.

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 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 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 reaffirmation and that it agrees to the requested amendments and (D) that the Issuer and the Swap Counterparty have arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

The Issuer shall procure that the amendments that have become effective in accordance with these provisions will be notified to the Principal Paying Agent for further communication to the Common Safekeeper for Euroclear and Clearstream, Luxembourg immediately after the notice from the holders of the relevant Series of Class A Notes has been given.

(g) Payments of interest and principal shall be made from the Issuer's accounts with U.S. Bank Europe DAC (the "**Account Bank**") by the Principal Paying Agent, which may also include a substitute or alternative paying agent pursuant to Condition 9(h) 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.

(h) 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 and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent and/or the Interest Determination Agent as provided for in clause 11 of 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 to the Class A Noteholders 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 statute. 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 obligated to pay any additional amounts to settle tax claims.

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 Issuer Facility Agreement, the Account Agreement, the Master Hire Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Issuer Management Agreement, the Swap Agreements, the Agency Agreement, the Deposit Agreement and any Programme Document to which the Issuer is a party by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Security 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 Security Trustee considers necessary for the effectiveness of the replacement. 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 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 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 Principal Paying Agent, the Registrar 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 Class A Notes may only be modified through contractual agreement to be concluded between the Issuer and all holders of the relevant Series of Class A 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*) or by a Noteholder's resolution adopted with unanimous consent of the holders of any Series of Class A 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, Germany. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) For any legal proceedings brought in connection with these Conditions of the Notes which have been initiated against the Issuer in a court of Germany, the Issuer grants Rechtsanwalt Bernhard Faber, with its offices at Thomasiusstraße 11, 10557, Berlin, Germany, the authority to accept service of process. The Issuer undertakes to maintain an agent for accepting such service in the Federal Republic of Germany as long as any of the Class A Notes are outstanding.

(e) Notwithstanding paragraph (a) above, 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 Final Maturity Date, the Scheduled Repayment Date, the Instrument Revolving Period Expiration Date, any Payment Date, the Senior Instrument Interest Rate or the amount of payments of any principal), with the consent of the Security 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 Netherlands B.V. (the "Class A Notes"), to be given twenty (20) calendar days prior to the expiration of the Instrument Revolving Period Expiration Date

Terms not defined herein shall have the meaning given to them in the Notes 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 Security Trustee and the Issuer to be received not later than on the tenth (10th) 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 Margin, and

(iii) the extension of the Final Maturity Date for a period to be specified in the relevant notice

Amsterdam, [*date*]

VCL Master Netherlands B.V.

SCHEDULE 2 TO THE CLASS A NOTES

FORM OF NOTICE TO BE DELIVERED BY THE HOLDERS OF THE CLASS A NOTES TO THE PRINCIPAL PAYING AGENT, THE SECURITY 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]
[Security Trustee]

Class A Notes, issued by VCL Master Netherlands B.V. (the "Notes")

Dear Sirs,

Terms not defined in herein shall have the meaning given to them in the Notes Conditions.

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 [*to be inserted*] so that the extended Instrument Revolving Period Expiration Date shall be [*to be inserted*],

(ii) [*to be inserted*] as amended Senior Instrument Margin with effect from (and including) the Payment Date falling in [*to be inserted*], and

(iii) the extension of the Final Maturity Date for a period of [*to be inserted*] so that the extended Final 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 Notes outstanding on the date of this notice; and

(ii) we will not sell or transfer or otherwise dispose of any of the 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 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) 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 us (as holders of the Class A Notes) 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 and the Swap Counterparty have arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

Kind regards,

[*name and signatures of holder*]

TERMS AND CONDITIONS OF THE 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 Notes Conditions sets out the "**MASTER DEFINITIONS SCHEDULE**". 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 Netherlands B.V. (the "**Issuer**") in an aggregate nominal amount of up to EUR 1,500,000,000 (the "**Nominal Instrument Amount**") is divided into up to

15,000 Class B Notes issued in registered global note form,
(the "**Notes**")
each having a nominal amount of EUR 100,000.

(b) Each Series of Class B Notes are issued in registered form and represented by a global registered note (each a "**Global Note**") without coupons attached. Each Global Note representing a Series of Class B Notes of will be deposited with a Common Safekeeper 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 B Notes will bear the personal signature by any two directors of the sole managing director of the Issuer and will be authenticated by one or more employees or attorneys of U.S. Bank Europe DAC (the "**Registrar**") and will be effectuated by the Common Safekeeper.

(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 it 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 will pass by assignment and registration in the Register. Each Global Note representing each Series of Class B Notes will be issued in the name of a nominee of the Common Safekeeper (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 will be conclusive and binding for all purposes save in the case of manifest error) will be treated by the Issuer and any paying agent as the holder of such nominal amount of a Series Class B Notes for all purposes (and the expressions "Noteholder" and "holder of Notes" and related expressions will be construed accordingly).

(e) Notwithstanding paragraph (c) of this Condition 1, the interests in the Class B Notes of such Series of Notes represented by the Global Note are transferable only according to applicable rules and regulations of Clearstream Luxembourg, and Euroclear, as the case may be. The Global Note will not be exchangeable for definitive Class A Notes of such Series of Notes.

(f) In addition to the Class B Notes the Issuer has issued Class A floating rate 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 borrowing 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 Security Trustee and the Seller. 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 Class B Series 20xx-y Notes in respect of a given Series shall have the same Scheduled Repayment Date and the same Final Maturity Date as set out in Condition 9(e).

3. Status and Ranking

(a) The Class B Notes of any Series constitute direct, unconditional and unsubordinated obligations of the Issuer. Prior to the occurrence of an Enforcement Event, the Class B Notes will rank *pari passu* among themselves and with the Junior Schuldschein Loans and will (i) with respect to payments of interest, rank junior to the Senior Instruments and will rank senior to the Subordinated Loan, and (ii) with respect to payments of principal, will rank junior to the Senior Instruments and will rank senior the Subordinated Loan, but payments of interest under the Class B Notes will rank senior to payments of principal under the Senior Instruments. After the occurrence of an Enforcement Event, the Class B Notes will *pari passu* among themselves and with the Junior Schuldschein Loans and will rank junior to the Senior Instrument with respect to payments of interest and principal.

(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.

(c) With respect of interest and principal, each of the Class B Notes rank *pari passu* amongst themselves, prior and after on an occurrence of an Enforcement Event.

4. The Issuer

The Issuer which articles of association are subject to the laws of The Netherlands is a private company incorporated with limited liability under the laws of The Netherlands 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, the borrowings under the Schuldschein Loans and the raising of the Subordinated Loan.

5. Assets of the Issuer for the Purpose of Payments on the Instruments 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 by way of hire purchase (*huurkoop*) from the Seller pursuant to the Master Hire Purchase Agreement Leased Vehicles and the associated Lease Receivables and ancillary rights arising from Lease Agreements which the Seller has concluded with private individuals and commercial Lessees. The Issuer has pledged the Purchased Vehicles and the associated Lease Receivables to the Security Trustee. The collection and administration of the Purchased Vehicles and the associated Lease Receivables, to which the Seller has reserved itself the right and assumed the duty in the Master Hire Purchase Agreement, shall be carried out on the basis of the Servicing Agreement between the Issuer, the Seller (in this capacity, the "**Servicer**") and the Security Trustee. In addition, subject to revocation by the Security Trustee, the Servicer is entitled and obligated according to the provisions of the Trust Agreement to realise the Purchased Vehicles on behalf of the Issuer as necessary. Furthermore, the Issuer may enter into additional hire purchase contracts in connection with the acquisition of Leased Vehicles and the associated Lease Receivables 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 Issuer Facility Agreement with the Issuer Facility Borrower, the Managements Agreements with the Directors, the Swap Agreement(s) with the Swap Counterparties, the Agency Agreement with the Seller and the Agents, the Deposit Agreement with the Data Protection Trustee and the Account Agreement with the Account Bank and the Cash Administrator. The agreements and documents referred to in this paragraph 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) The Issuer has pledged the Purchased Vehicles and the associated Lease Receivables and all of its claims arising under the Programme Documents to the Security Trustee as collateral for its obligations under the Instruments and the Subordinated Loan Agreement and other obligations specified in the Trust Agreement. As to the form and contents of such provision of security, reference is made to the provisions of the Trust Agreement.

(c) 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 under the Lease Agreements associated with the Purchased Vehicles and by the Swap Counterparties under the Swap Agreement(s), as available on the respective Payment Dates according to the Order of Priority. 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 7 (*Distribution Account*) of the Trust Agreement in the Distribution Account. Further, the Issuer has established the Cash Collateral Account and will maintain the Cash Collateral Account pursuant to clause 26 (*Undertakings of the Issuer*) of the Trust Agreement to provide limited coverage for payments of interest and principal on the Junior 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 Junior Instruments may, subject always to the provisions of these Notes Conditions 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 Programme Creditors any claims of holders of Junior Instruments remaining unpaid shall be extinguished at the Final Maturity Date applicable to the respective Junior Instruments Notes and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Junior Instruments nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid according to the Order of Priority.

(d) The enforcement of the payment obligations under the Instruments, the Subordinated Loan Agreement and the Swap Agreement(s) pursuant to paragraph (c) shall only be effected by the Security Trustee for the benefit of all Noteholders, all Lenders, the Swap Counterparties and the Subordinated Lender. The Security Trustee is required to foreclose on the Purchased Receivables and Leased Vehicles in case of a Foreclosure Event, on the conditions and in accordance with the terms set forth in clauses 2 (*Enforcement and Proceedings*) and 13 (*Payments upon the occurrence of the Enforcement Event*) of the Trust Agreement.

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

(f) No shareholder, officer, director, employee or manager of the Issuer or of VW Group 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.

(g) The recourse of the Programme Creditors is limited to the secured assets 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 Security Trustee, to develop any activities described in clause 26.2 (*Undertakings of the Issuer*) 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 on the "**Servicer Report Performance Date**" which is the 5th 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 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 this 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 Class B Notes of each Series as from such Payment Date;

(c) the Instruments Factor for each Series of Class B Notes;

(d) the remaining 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 Basisweg 10, 1043 AP Amsterdam, The Netherlands and during normal business hours, the documents from which the figures reported to the holders of the Class B Notes are calculated.

8. Payments of Interest

(a) Subject to the limitations set forth in Condition 5(c), the outstanding principal amount in respect of the Class B Notes shall bear interest from (and including) the Initial Issue Date until (and 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 the Class B Notes on any Payment Date shall be calculated based on all Notes outstanding for the relevant Series of Notes by the Interest Determination Agent by applying the Junior Instrument Interest 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 U.S. Bank Europe DAC (the "**Interest Determination Agent**").

(c) The interest rate to be used for calculating the amount of interest payable pursuant to paragraph (c) 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 Interest 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 be an "**Interest Shortfall**" with respect to the Class B Notes and will be carried over to the next Payment Date.

9. Payment obligations, Agents

(a) On each Payment Date the Issuer shall, subject to Condition 5(c), pay to each holder of a Junior Instrument interest at the Junior Instrument Interest Rate on the Nominal Instrument Amount of the Class B Notes of such Series of Notes outstanding immediately prior to the respective Payment Date, and during the amortising period redeem the nominal amount of the Notes by applying the amount remaining thereafter in accordance with the Order of Priority. The record date means the close of business on the record date which is the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Days shall mean a Business Day.

(b) Sums which are to be paid to the Class B Noteholders shall be rounded down to the next lowest cent for each of the Class B Notes. The amount of such rounding down to the next cent 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 500.00 remaining on the Final 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(d), 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 final maturity date of the Class B Notes, which shall be the Payment Date specified in the applicable Final Terms (the "**Final Maturity Date**").

(f) *Provided that* the Class B 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 then current Instrument Revolving Period Expiration Date (the "**Instrument Revolving Period Expiration Date**"), the holders of the Class B Notes, acting collectively, shall have the right to exercise by written notice to the Principal Paying Agent, the Security Trustee and the Issuer in the form of Schedule 2 to these Conditions to be received not later than ten (10) calendar days 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 specified in the relevant notice,

(ii) an amendment to the Junior Instrument Margin, and

(iii) the extension of the Final Maturity Date for a period to be specified in the relevant notice.

Any amendments so requested shall become effective only if by no later than the third Business Day prior to the then current Instrument Revolving Period Expiration Date, (A) the Issuer has confirmed by notice to the holders in the form prescribed by Notes Condition 12 that it has received such reaffirmation and that it agrees to the requested 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 and the Swap Counterparty have arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

The Issuer shall procure that the amendments that have become effective in accordance with these provisions will be notified to the Principal Paying Agent for further communication to the Common Safekeeper for Euroclear and Clearstream, Luxembourg immediately after the notice from the holders of the relevant Series of Class B Notes has been given.

(g) Payments of interest and principal shall be made from the Issuer's accounts with U.S. Bank Europe DAC (the "**Account Bank**") by the Principal Paying Agent, which may also include a substitute or alternative paying agent pursuant to Condition 9(e) 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.

(h) 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 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 and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent and/or the Interest Determination Agent as provided for in clause 11 of 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 to the Class B Noteholders 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 statute. 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 obligated to pay any additional amounts to settle tax claims.

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 Class B Notes, the Subordinated Loan Agreement, the Issuer Facility Agreement, the Account Agreement, the Master Hire Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Issuer Management Agreement, the Swap Agreements, the Agency Agreement, the Deposit Agreement and any Programme Document to which the Issuer is a party by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Security 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 Security Trustee considers necessary for the effectiveness of the replacement. 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 Class B Notes may only be modified through contractual agreement to be concluded between the Issuer and all holders of the relevant Series 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*) or by a Noteholder's resolution adopted with unanimous consent of the holders of any Series of 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, Germany. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) For any legal proceedings brought in connection with these Conditions of the Notes which have been initiated against the Issuer in a court of Germany, the Issuer grants Rechtsanwalt Bernhard Faber, with its offices at Thomasiusstraße 11, 10557, Berlin, Germany, the authority to accept service of process. The Issuer undertakes to maintain an agent for accepting such service in the Federal Republic of Germany as long as any of the Class B Notes are outstanding.

(e) Notwithstanding paragraph (a) above, 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 Final Maturity Date, the Scheduled Repayment Date, the Instrument Revolving Period Expiration Date, any Payment Date, the Junior Instrument Interest Rate or the amount of payments of any principal), with the consent of the Security 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 Series 20xx-y Notes, issued by VCL Master Netherlands B.V. (the "Class B Notes"), to be given twenty (20) calendar days prior to the expiration of the Instrument Revolving Period Expiration Date

Terms not defined herein shall have the meaning given to them in the Notes 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 Security Trustee and the Issuer to be received not later than on the tenth (10th) 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 Junior Instrument Margin, and

(iii) the extension of the Final Maturity Date for a period to be specified in the relevant notice.

Amsterdam, [*date*]

VCL Master Netherlands B.V.

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 SECURITY 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]
[Security Trustee]

Class B Notes, issued by VCL Master Netherlands B.V. (the "Notes")

Dear Sirs,

Terms not defined in herein shall have the meaning given to them in the 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 [*to be inserted*] so that the extended Instrument Revolving Period Expiration Date shall be [*to be inserted*],

(ii) [*to be inserted*] as amended Junior Instrument Margin with effect from (and including) the Payment Date falling in [*to be inserted*], and

(iii) the extension of the Final Maturity Date for a period of [*to be inserted*] so that the extended Final 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 Notes outstanding on the date of this notice; and

(ii) we will not sell or transfer or otherwise dispose of any of the 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 (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 us (as holders of the Class B Notes) in the form prescribed in Condition 12 that it has received such reaffirmation and that it agrees to the requested amendments and (C) that the Issuer and the Swap Counterparty have arranged sufficient interest hedging for the current Instrument Revolving Period Expiration Date.

Kind regards,

[*name and signatures of holder*]

ANNEX A
TRUST AGREEMENT

The following is the text of the material terms of the Trust Agreement between, inter alia, the Issuer, the Security Trustee, the Foundation and the Seller. The text is attached to the Conditions as Annex A and constitutes an integral part of the Conditions – In case of any overlap or inconsistency in the definition of a term or expression in the Trust Agreement and elsewhere in this Base Prospectus, the definition contained in the Conditions will prevail.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

(a) Unless otherwise defined herein, capitalised terms shall have the respective meanings set forth in clause 1 (*Definitions*) of the Master Definitions Schedule ("**Master Definitions Schedule**") as set out in the Incorporated Terms Memorandum, dated the Signing Date, as amended from time to time (the "**Incorporated Terms Memorandum**") signed by, *inter alios*, the parties hereto. The terms of the Incorporated Terms Memorandum are hereby expressly incorporated into this Agreement by reference.

(b) If there is any conflict between the Master Definitions Schedule and this Agreement, this Agreement shall prevail.

1.2 Interpretation

Terms in this Agreement, except where otherwise stated or the context otherwise requires, shall be interpreted in the same way as set forth in clause 2 (Interpretation) of the Master Definitions Schedule set out in the Incorporated Terms Memorandum.

1.3 Common Terms

(a) **Incorporation of Common Terms**

Except as provided below, the Common Terms set out in the Incorporated Terms Memorandum apply to this Agreement and shall be 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 shall prevail, subject always to compliance with clauses 10.1 *(Non-petition and limited recourse in favour of the Issuer*),10.2 (*Non-petition and limited recourse in favour of the Series 2016-3 Class A Note Purchaser and the Series 2016-1 Class B Note Purchaser*), 10.3 (*Non-petition and limited recourse in favour of the Series 2016-4 Class A Note Purchaser*) and 10.4 (*Non-petition and limited recourse in favour of the Series 2021-1 Class A Note Purchaser*) of the Common Terms.

(c) **Governing law and jurisdiction**

This Agreement and all matters (including non-contractual duties and claims) arising from or connected with it shall be governed by German law in accordance with clause 13.1 (*Governing law*) of the Common Terms. Clause 14.1 (*Jurisdiction*) of the Common Terms applies to this Agreement as if set out in full in this Agreement.

2. APPOINTMENT OF SECURITY TRUSTEE

The Security Trustee hereby agrees to act for the benefit of the Noteholders, the Lenders and the other Programme Creditors, in accordance with and subject to the terms and conditions of this Agreement, in particular clause 22.7 (*Security Trustee's Rights and Obligations*) below. When exercising its duties as set forth herein, the Security Trustee shall act in the best interests of each of the Programme Creditors taking into account the provisions of this Agreement and of the other

Programme Documents to which it is a party. The Security Trustee will have the rights granted to it in this Agreement, the Conditions and any other Programme Document to which it is a party.

3. **PARALLEL DEBT**

3.1 The Issuer irrevocably and unconditionally undertakes, to the extent necessary in advance, to pay, under the same terms and conditions as each of the Principal Obligations, to the Security Trustee an amount equal to the aggregate of each of the Principal Obligations owed by the Issuer to each Programme Creditor. Such a payment undertaking and the obligations and liabilities resulting from it to be referred to as the "**Parallel Debt**".

3.2 The Issuer and the Security Trustee acknowledge that: (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Security Trustee that are separate and independent from and without prejudice to the Principal Obligations of the Issuer to any Programme Creditor, and (ii) the Parallel Debt represents the Security Trustee's own claim (*Forderung*) to receive payment of the Parallel Debt from the Issuer, *provided that* the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Programme Creditors, including, but not limited to, the Noteholders and the Lenders, pursuant to the Programme Documents, including the Instruments, *provided further that* every payment in respect of such Programme Documents for the account of or made to the Programme Creditors directly shall operate in satisfaction *pro tanto* of the corresponding payment obligation in favour of the Security Trustee.

3.3 The aggregate amount due by the Issuer pursuant to the Parallel Debt under this clause 3 will be decreased to the extent the Issuer will have paid any amounts due to the Programme Creditors or to any of them, in order to reduce its outstanding Principal Obligations, or any Programme Creditor may otherwise have received any amount in payment of the Principal Obligations (other than under clause 3.4), *provided that* such payment shall not subsequently be avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.

3.4 The Parties agree that to the extent the Issuer will have paid any amounts to the Security Trustee under the Parallel Debt or the Security Trustee will have otherwise received monies in payment of the Parallel Debt, the aggregate amount due under the Principal Obligations will be decreased accordingly (other than under clause 3.3), *provided that* such payment shall not subsequently be avoided or reduced by virtue of provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application.

3.5 For the avoidance of doubt, in the event that the Issuer is in default in respect of the Principal Obligations the Issuer shall, at the same time, be deemed to be in default in respect of the Parallel Debt.

3.6 The right of the Issuer to make payments to the respective Programme Creditor shall remain unaffected. The Parallel Debt 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 3.1, the Issuer shall have a claim against the Security Trustee for on-payment to the respective Programme Creditors.

4. **SECURITY**

The Issuer hereby agrees to enter into and has entered into the Issuer Vehicles Pledge Agreements, the Lease Receivables Pledge Agreements, the Issuer Rights Pledge Agreements, the Security Assignment Deed and to grant a pledge pursuant to clause 15 (*Pledge*) and the Seller hereby agree to create and has agreed to create the security rights envisaged under, and to enter into, the Sellers Vehicles Pledge Agreements, pursuant to which, in either case, the Issuer and the Seller shall create the Security, as security for the Secured Obligations.

5. **COMPLIANCE BY THE ISSUER**

5.1 The Issuer undertakes with the Security Trustee that it will, subject to the provisions of the other Programme Documents:

(a) duly and punctually pay and discharge all monies and liabilities that are or at any time will be due and payable to the Security Trustee or any Programme Creditor under or in connection with the Notes and any other Programme Document to which it is a party; and

(b) comply with and perform all its other obligations and liabilities under the Instruments and any other Programme Document to which it is a party.

5.2 The Security Trustee shall be entitled to enforce the obligations of the Issuer under the Instruments and the Conditions as if the same were set out and contained in this Agreement.

6. **CASH COLLATERAL ACCOUNT**

6.1 The Issuer has on the Closing Date established with the Account Bank the Cash Collateral Account 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, VWPFS 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 it to an Eligible Collateral Bank notified to it by the Issuer. All funds in the Cash Collateral Account (except for any funds standing to the credit of the Maintenance Reserve Ledger and the Buffer Release Reserve Ledger) are referred to as the "**Cash Collateral Amount**".

6.2 On each Payment Date prior to the occurrence of a Enforcement Event, after the payment of interest on the Instruments and certain other amounts payable by the Issuer, the Available Distribution Amount remaining after item *sixth* of the Order of Priority will be credited to the Cash Collateral Account pursuant to item *seventh* of the Order of Priority until the Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance. On each Payment Date the Cash Collateral Amount shall be used to (i) cover any shortfalls in the amounts payable under the first to sixth items (inclusive) of the Order of Priority in clause 16.2(a) below, (ii) pay the amounts due and payable under clause 16.2(b) below and (iii) pay on the latest occurring Final Maturity Date of any Instrument all amounts payable pursuant to clause 16.2(a), also including the *eighth*, *ninth*, *eleventh* and *twelfth* items of the Order of Priority in clause 16.2(a) below.

6.3 Upon full and final discharge of all obligations under the Instruments and the Subordinated Loan and upon fulfilment of all claims of all Programme Creditors, the Seller shall be entitled to the sums remaining in the Cash Collateral Account (including any amounts standing to the credit of the Maintenance Reserve Ledger and the Buffer Release Reserve Ledger). All interest accrued on the Cash Collateral Account shall be segregated and shall *pro rata* be paid to the Seller on an annual basis on the Payment Date falling in September of each calendar year.

6.4 The Cash Collateral Account will contain a Maintenance Reserve Ledger in which the Maintenance Reserve will be administered. The Maintenance Reserve serves to provide credit enhancement to cover potential Maintenance Costs relating to any associated Lease Agreement. The purpose of the Maintenance Reserve is to ensure that the Issuer will continue to be able to pay any amounts to be paid to third party garages and service providers (including any VAT thereon) for the provision of the Maintenance Services in relation to the Purchased Vehicles including any costs relating to an amendment of the vehicle registration (*kentekenbewijzen*) of the Purchased Vehicles and any insurance costs (collectively, "**Maintenance Costs**") relating to the Lease Agreements if and to the extent Maintenance Costs will not be paid by the Maintenance Coordinator.

6.5 If and to the extent the Seller in its capacity as Maintenance Coordinator does not cover any Maintenance Costs, an amount equal to such unpaid Maintenance Costs, if and to the extent standing to the credit of the Maintenance Reserve Ledger, will form part of the Available Distribution Amount

and will, subject to and in accordance with the relevant Order of Priority, be applied towards payment of such Maintenance Costs. If and to the extent the Maintenance Reserve Amount will be applied towards the payment of any Maintenance Costs which are not settled by the Servicer, a corresponding amount shall be debited from the Maintenance Reserve Ledger.

6.6 Furthermore, 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 19.2 of the Master Hire Purchase Agreement.

6.7 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 sixth of the Order of Priority, as set out in clause 16.2(a) (*Order of Priority*) below.

7. DISTRIBUTION ACCOUNT

7.1 The Distribution Account shall be used for the fulfilment of the payment obligations of the Issuer.

7.2 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.

8. ACCUMULATION ACCOUNT

8.1 The Accumulation Account shall be used on each Payment Date to collect moneys paid under items *eighth* and *ninth* of the Order of Priority set out in clause 16.2(a) (*Order of Priority*) below to fund Additional Issuer Advances under the Issuer Facility Agreement at any time after such Payment Date. During the Revolving Period, amounts on deposit in the Accumulation Account may be used by the Issuer for funding of Additional Issuer Advances.

8.2 Upon the occurrence (and continuation) of a Seller Event of Default, the Accumulation Account shall be closed on the subsequent Payment Date and any amounts on deposit in the Accumulation Account shall be transferred on the subsequent Payment Date to the Distribution Account.

9. SWAP AGREEMENT

9.1 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 shall, as soon as practicable following the termination of a Swap Agreement, 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" (where the Swap Counterparty is the "defaulting party") 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 relevant Instrument or increase by the amount of any principal increase on the relevant Instrument 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 Instrument.

9.2 In the event that the relevant Swap Counterparty is required to collateralise its obligations pursuant to the terms of the applicable Swap Agreement, the Security Trustee shall hold any cash and/or securities deposited in the Counterparty Downgrade Collateral Account in trust and will invest any cash amounts in accordance with the provisions of the relevant Swap Agreement. The Counterparty Downgrade Collateral Account shall be separated from the Distribution Account and from the general cash flow of the Issuer. The costs in relation to the opening of the Counterparty Downgrade Collateral Account shall be borne by the Swap Counterparty. 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. The relevant Swap Counterparty shall notify the Rating Agencies without undue delay of the opening of any additional Counterparty Downgrade Collateral Account. Collateral deposited in such Counterparty Downgrade Collateral Account shall not constitute Collections or Available Distribution Amounts. Amounts standing to the credit of the Counterparty Downgrade Collateral Account (or securities deposited therein) 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 not be available to Programme Creditors and will be applied (i) to pay return amounts of collateral which the Issuer is obliged to pay from time to time to the relevant Swap Counterparty in accordance with the terms of the relevant Swap Agreement, and (ii) 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. To the extent any amounts credited by the relevant Swap Counterparty into the Counterparty Downgrade Collateral Account are to be returned by the Issuer to such Swap Counterparty in accordance with the terms of the applicable Swap Agreement prior to the occurrence of a termination of the relevant Swap Agreement, such amounts shall be returned directly to the relevant Swap Counterparty outside of the applicable Order of Priority.

9.3 The Servicer shall calculate and provide, by delivery of the Monthly Servicer Report, written notification to each Swap Counterparty, the Issuer and to the Security Trustee of the notional amount of each Swap Agreement as of each Payment Date on or before the Servicer Report Performance Date in the month of the related Payment Date. The Interest Determination Agent shall provide the Servicer with the calculation of EURIBOR (as further described in the Agency Agreement). The Servicer shall provide the calculation of EURIBOR to the Issuer and the Security 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 16 (*Order of Priority*) below on each Payment Date and shall provide written notification of such amounts to the Swap Counterparty, the Issuer and to the Security Trustee no later on the Servicer Report Performance Date prior to such Payment 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.

9.4 Any Swap Replacement Proceeds received by the Issuer or the Security Trustee on behalf of the Issuer from a replacement Swap Counterparty shall be remitted directly to the Counterparty Downgrade Collateral Account and shall be applied in payment of any Swap Termination Payments to the relevant 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.

9.5 Any Swap Tax Credits will be applied to the relevant Swap Counterparty outside of the Order of Priority.

10. ACCOUNTS

10.1 The terms of the Accounts are set out in the respective Account Agreement. Should any Account Bank cease to have the Account Bank Required Ratings, the Account Bank shall notify the Issuer and the Security Trustee thereof and shall within sixty (60) calendar days from the loss of the Account Bank Required Rating (i) procure transfer of the accounts held with it to an Eligible Collateral Bank which is to be appointed by the Issuer once selected by the Account Bank, or (ii) find an irrevocable and unconditional guarantor providing the guarantee from an entity with Account Bank Required Rating, or (iii) take any other action in order to maintain the rating of the Rated Instruments or to restore the rating of the Rated Instruments. If within this sixty (60) calendar day period the measure set out above is not taken, the Issuer shall arrange the opening of the accounts with a Successor Bank pursuant to clause 10.2 and shall terminate the respective Account Agreement, effective to the date of the opening of the accounts with such Successor Bank.

10.2 Should one of the Accounts be terminated either by the Account Bank, or by the Issuer, the Issuer shall promptly inform the Security Trustee of such termination. The Issuer shall, together with the Security Trustee, open an account, on conditions as close as possible to those previously received, with the Successor Bank specified by the Security Trustee, which has at least the Account Bank Required Ratings and which is authorised to provide the services of the Account Bank under the Account Agreement to the Issuer. The Issuer shall conclude a new account agreement substantially in the form of the Account Agreement with the Successor Bank as counterparty and with the consent of the Security 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.

10.3 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 Security Trustee receives a notice pursuant to clause 10.1 with regard to the Successor Bank, then the procedure laid out in clause 10.1 and 10.2 shall also apply for such Successor Bank.

11. REPAYMENT DURING REVOLVING PERIOD

No principal repayment will be made on the principal of 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 14.1 (*Clean-up Call Option / Sale of Purchased Vehicles to other Securitisation Vehicles*) of the Master Hire Purchase Agreement, or (iii) in the context of a Term Takeout as foreseen in Clause 14.7 (*Clean-up Call Option / Sale of Purchased Vehicles to other Securitisation Vehicles*) of the Master Hire Purchase Agreement.

12. ENFORCEMENT AND PROCEEDINGS

12.1 The Security shall be subject to enforcement and/or foreclosure upon the occurrence of a Foreclosure Event, subject to and in accordance with the provisions of the Security Documents. With respect to clause 15 (*Pledge*), the prerequisites with regard to an enforcement of pledges (*Pfandreife*) under Sections 1273, 1204 *et seqq.* German Civil Code (*Bürgerliches Gesetzbuch*) are also to be met and the Security Trustee shall give the Issuer at least five (5) Business Days' prior written notice of its intention to realise the pledge granted under clause 15 (*Pledge*), unless the Issuer has ceased generally to pay its debts when due or when an application has been made for the institution of insolvency proceedings in respect of the assets of the Issuer by the Issuer or any third party, and, in the latter case, it is not without delay established that the application is without merit.

12.2 The Security Trustee shall without undue delay give notice to the Noteholders, the Lenders the Rating Agencies and the Subordinated Lender of the occurrence of an Enforcement Event and act upon instruction of the Noteholders and the Lenders in the majority required for an Enforcement Event (whereby the votes of a Noteholder being VW Bank GmbH and its affiliates will not be taken into account).

12.3 After the occurrence of a Foreclosure Event and the delivery of the Enforcement Notice, the Security Trustee will, at its discretion (acting reasonably), unless instructed otherwise by the Noteholders and the Lenders in accordance with clause 12.4, foreclose or enforce or cause the foreclosure or the enforcement of the Security in accordance with this Agreement and the other Security Documents unless otherwise instructed by the Noteholders and the Lenders in accordance with clause 12.4.

12.4 Within fifteen (15) days after the occurrence of an Enforcement Event, the Security Trustee shall give notice to the Noteholders, the Lenders, the Subordinated Lender and each Swap Counterparty, specifying the manner in which it intends to foreclose and enforce the Security, in particular, whether it intends to sell (parts of) the secured assets, and apply the proceeds of such sale to satisfy the obligations of the Issuer, subject to the Order of Priority in clause 16 (*Order of Priority*). If, within sixty (60) days after such notice has been given, the Security Trustee receives written notice from a Noteholder or Lender or Noteholders and Lenders representing more than 50 per cent. of the outstanding principal amount of the Instruments (whereby the votes of a Noteholder being VW Bank GmbH and its affiliates will not be taken into account), objecting to the action proposed in the Security Trustee's notice or directing the Security Trustee to take another measure to enforce the Security, the Security Trustee shall not undertake or shall cease undertaking such action (other than the collection of payments on the Accounts from the Security) or, as applicable, shall take such enforcement measure as directed in such notice. Furthermore, the Security Trustee is obliged to provide the Rating Agencies upon their request, with all relevant information pertaining to the Enforcement Event to the extent that such information is available to and may be disclosed by the Security Trustee. For the avoidance of doubt, the Security Trustee shall not be under any obligation to obtain information in order to be able to comply with a request made by a Rating Agency. Furthermore, upon the occurrence of an Enforcement Event, the Security Trustee is not automatically required to liquidate the Purchased Receivables at market value.

12.5 For the avoidance of doubt, the Security Trustee shall not be bound to take any action or proceedings as are stipulated in this clause 12, unless:

(a) it shall have been directed to do so in accordance with the provisions thereof; and

(b) it shall be indemnified by the Issuer to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may reasonably incur by doing so.

12.6 If at any time the Issuer's obligations under any Instrument have become immediately due and payable, the Security Trustee shall prepare:

(a) the account of the Instruments outstanding according to the records made available by the Cash Administrator, together with accrued but unpaid interest and any other amounts owed by the Issuer in respect of such Instruments, including the Security Trustee's fee and indemnification for costs incurred by the Security Trustee; and

(b) the account of all amounts due and payable to the other Programme Creditors according to the records made available by the Cash Administrator pursuant to the Account Agreement.

The accounts made up by the Security Trustee, will constitute *prima facie* evidence of the matters reflected therein.

12.7 If at any time the Issuer's obligations under any Instrument have become immediately due and payable the Security Trustee may by written notice to the Issuer and the Principal Paying Agent require the Principal Paying Agent, in accordance with the Agency Agreement:

(a) to act as Principal Paying Agent of the Security Trustee in relation to payments to be made by or on behalf of the Security Trustee under this Agreement in accordance with the Conditions and the Agency Agreement (save that the Security Trustee's liability under any provision of the Agency Agreement for the indemnification of the Principal Paying Agent will be limited to the amounts received or recovered by the Security Trustee under the

Security Documents, and subject to the Order of Priority provided in clause 16.2(c) (*Order of Priority*);

(b) to hold on behalf of the Security Trustee all amounts, documents and records held by it in respect of the Instruments; and

(c) to deliver all Instruments and all amounts, documents and records held by it in respect of the Instruments to the Security Trustee, *provided that* such a notice will not apply to any documents or records that the Principal Paying Agent may not release under any applicable law or regulation.

12.8 Only the Security Trustee may enforce the Security created in favour of the Security Trustee pursuant to the Security Documents in accordance with the provisions thereof and enforce the provisions relating to the Issuer under or in connection with the Programme Documents (including the Instruments). None of the Programme Creditors shall be entitled to proceed directly against the Issuer for the purposes of such enforcement, unless the Security Trustee is required to take proceedings under this clause 12 but fails to do so within a reasonable period and such failure is continuing. If any of the Programme Creditors proceeds directly against the Issuer in accordance with the terms of this Agreement, all limitations and restrictions imposed under or by virtue of this Agreement, the Instruments and any other Programme Document on the Security Trustee in relation to enforcement of rights and availability of remedies, shall *mutatis mutandis* also fully apply to such Programme Creditor.

12.9 Neither the Security Trustee nor any Programme Creditor may initiate or join anyone in initiating against the Issuer any bankruptcy (*faillissement*), moratorium of payment (*surseance van betaling*), dissolution (*ontbinding*) or any similar proceeding under any applicable law in any relevant jurisdiction until at least one (1) year after the latest maturing Note has been paid in full.

13. PAYMENTS UPON OCCURRENCE OF THE ENFORCEMENT EVENT

13.1 Upon the occurrence of a Foreclosure Event, the Security may be claimed and enforced exclusively by the Security Trustee. All payments and enforcement proceeds from any Security shall after the occurrence of a Foreclosure Event only be made to the Security Trustee. The Security Trustee shall distribute the amounts it has received in this matter, as provided for in clause 16.2(c) (*Order of Priority*).

13.2 As of the Foreclosure Event, payments on the obligations of the Issuer may not be made as long as, in the opinion of the Security Trustee, such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer with higher rank in accordance with the Order of Priority.

13.3 In the case of payments on the Instruments or the Subordinated Loan, the Security Trustee shall provide the Noteholders, the Lenders and the Subordinated Lender with advance notice of the Payment Date pursuant to the Conditions or the Subordinated Loan Agreement. In the case of such payment, the Security Trustee is only responsible for making the relevant amount available to the Principal Paying Agent. In order to do so, the Security Trustee shall rely on the records that each of the Relevant Clearing Systems holds for its customers which reflect the amount of such customer's interest in each Global Note.

13.4 After all obligations under the Programme Documents and the Instruments have been finally discharged and paid in full, the Security Trustee shall pay out any remaining amounts to the Issuer.

14. PLEDGE NOTIFICATION EVENTS

14.1 In the event that the non-exercise of the Security Trustee of its disclosed rights of pledge over the Issuer Rights and the Distribution Account and the power to collect granted to the Issuer are terminated and/or upon the occurrence of a Pledge Notification Event as referred to in clause 7.2 (*Notification of the right of pledge*) of the relevant Lease Receivables Pledge Agreement, the Security Trustee shall forthwith open a bank account (the "**Trustee Account**"). The Security Trustee shall arrange that all monies received or to be received or otherwise recovered by the Security Trustee

under the Lease Receivables Pledge Agreements and the Issuer Rights Pledge Agreements shall be paid into or transferred to the Trustee Account.

14.2 The Issuer shall upon the occurrence of a Pledge Notification Event as referred to in clause 7.2 (*Notification of the right of pledge*) of the relevant Lease Receivables Pledge Agreement and subsequent notification to the Lessees of the right of pledge created over the Lease Receivables in favour of the Security Trustee, as referred to in clause 7.2 (*Notification of the right of pledge*) of the relevant Lease Receivables Pledge Agreement, direct the Lessees to pay the amounts due and payable by them in respect of the Lease Receivables to the Trustee Account.

14.3 In the event set forth in clause 14.1, the Security Trustee, until the occurrence of an Enforcement Event:

(a) shall have the right to apply all monies received or recovered towards satisfaction of the amounts due by the Issuer in accordance with clause 16.2(a) and 16.2(b) (*Order of Priority*); or

(b) may at its option, from time to time, for the sole purpose of enabling the Issuer to make payments in accordance with clauses 16.2(a) and 16.2(b) (*Order of Priority*), pay or procure payment of certain amounts from the Trustee Account, whilst for that sole purpose terminating its right of pledge in respect of the amounts so paid, to or in accordance with the instructions of the Issuer as owner, *provided that* the Issuer shall apply all amounts so received, or shall irrevocably instruct the Security Trustee (as pledgee) to apply such amounts on its behalf, in accordance with the provisions of clauses 16.2(a) and 16.2(b) (*Order of Priority*).

15. ASSIGNMENT AND PLEDGE

15.1 The Issuer hereby assigns to the Security Trustee for security purposes (*Sicherungsabtretung*) all its claims and other rights arising from the German Programme Documents (with the exception of claims and other rights arising from this Agreement, but including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future German law contracts the Issuer has entered or may enter into in connection with the Instruments, the Subordinated Loan, the Agency Agreement or the Programme Agreement. The Security Trustee hereby accepts such assignments.

15.2 The Issuer hereby pledges to the Security Trustee all its present and future claims against the Security Trustee arising under this Agreement as well as all present and future claims under each of the Accounts as set out in the Account Agreement. The Security Trustee hereby accepts such pledges. The Issuer hereby gives notice to the Account Bank of such pledge in accordance with Section 1280 of the German Civil Code (*Bürgerliches Gesetzbuch*) and the Account Bank hereby confirms the receipt of such notice.

15.3 The assignment for security purposes pursuant to clause 15.1 and the pledge pursuant to clause 15.2 serve to secure the Secured Obligations. In addition, the assignment pursuant to clause 15.1 is made for the purpose of securing the rights of the Programme Creditors against the Issuer arising under the Funding and the Programme Documents.

15.4 The assignments for security purposes pursuant to clause 15.1 are subject to the condition precedent that the German Programme Documents (and this Agreement) are signed.

16. ORDER OF PRIORITY

16.1 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 (the "**Credit**") shall be distributed exclusively in accordance with clauses 6, 8, 16.2, 16.3 and 16.4 of this Agreement.

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

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

first, to the payment of (i) firstly, amounts due and payable in respect of taxes owing by the Issuer (other than Dutch corporate income tax in relation to the Issuer Profit Amount referred to under (ii) of this item) and (ii) secondly, amounts equal to the Issuer Profit Amount;

second, until the earlier of the occurrence of (i) a Seller Event of Default and (ii) a Maintenance Coordinator Replacement Event, in or towards satisfaction of the Senior Maintenance Coordinator Fee to the Maintenance Coordinator;

third, pari passu and on a pro rata basis, amounts due and payable by the Issuer (i) to the Directors in accordance with the Director Fee Letter, (ii) to the Servicer as Servicer Fee, (iii) to the replacement Maintenance Coordinator under the Servicing Agreement the Replacement Maintenance Coordinator Fee, if any (excluding the Senior Maintenance Coordinator Fee), (iv) to the Rating Agencies as fees for the monitoring, (v) to the Process Agent and the English Process Agent under the process agency agreements, (vi) to the Account Bank under the Account Agreement, (vii) to the Agents under the Agency Agreement, (viii) to the Data Protection Trustee under the Data Protection Trust Agreement; (ix) as costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange (x) as auditors' fees and legal counsel fees of the Issuer and Security Trustee, (xi) in respect of any administration costs and expenses of the Issuer, and (xii) to any other third parties providing services to the Issuer incurred in the Issuer's business, including any Maintenance Costs;

fourth, pari passu and on a pro rata basis, 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 as a result of the respective Swap Counterparty’s downgrade);

fifth, pari passu and pro rata to each other 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 pro rata as to each other on all Senior Instruments;

sixth, pari passu and pro rata to each other 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 pro rata as to each other on all Junior Instruments;

seventh, to the Cash Collateral Account, until the Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;

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

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

tenth, pari passu and on a pro rata basis by the Issuer to the Swap Counterparties, any payments under the respective Swap Agreements other than those made under item fourth above;

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

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

thirteenth, to the Seller all remaining excess 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 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, *provided further that* for any Payment Date on which Further Instruments are issued, the credit balance of the Cash Collateral Account shall exceed the Specified General Cash Collateral Account Balance by an amount attributable to the increase in the aggregate outstanding principal amount of the Notes following the issue of Further Instruments:

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, to the Seller all remaining excess by way of a final success fee.

Investment earnings on deposits in the Cash Collateral Account shall be remitted to the Seller on a yearly basis.

(c) Following the occurrence of an Enforcement Event, distributions will be made by the Security 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, to the payment of (i) firstly, amounts due and payable in respect of taxes owing by the Issuer (other than Dutch corporate income tax in relation to the Issuer Profit Amount referred to under (ii) of this item) and (ii) secondly, amounts equal to the Issuer Profit Amount;

second, until the earlier of the occurrence of (i) a Seller Event of Default and (ii) a Maintenance Coordinator Replacement Event, in or towards satisfaction of the Senior Maintenance Coordinator Fee to the Maintenance Coordinator;

third, *pari passu and pro rata,* amounts due and payable by the Issuer (i) to the Directors in accordance with the Director Fee Letter, (ii) to the Servicer as Servicer Fee, (iii) to the replacement Maintenance Coordinator under the Servicing Agreement the Replacement Maintenance Coordinator Fee, if any (excluding the Senior Maintenance Coordinator Fee), (iv) to the Rating Agencies as fees for the monitoring, (v) to the Process Agent and English Process Agent under the process agency agreements, (vi) to the Account Bank under the Account Agreement, (vii) to the Agents under the Agency Agreement, (viii) to the Data Protection Trustee under the Data Protection Trust Agreement; (ix) as costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange (x) as auditors' fees and legal counsel fees of the Issuer and Security Trustee, (xi) in respect of any administration costs and expenses of the Issuer, and (xii) to any other third parties providing services to the Issuer incurred in the Issuer's business, including any Maintenance Costs;

fourth, *pari passu* and on a *pro rata* basis, 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 as a result of the respective Swap Counterparty's downgrade);

fifth, *pari passu* and *pro rata* to each other 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 *pro rata* as to each other on all Senior Instruments;

sixth, *pari passu* and *pro rata* to the holders of the Senior Instruments in respect of principal until the Senior Instruments are redeemed in full;

seventh, *pari passu* and *pro rata* to each other 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 *pro rata* as to each other on all Junior Instruments;

eighth, *pari passu* and *pro rata* to the holders of the Junior Instruments in respect of principal until the Junior Instruments are redeemed in full;

ninth, *pari passu* and on a *pro rata* basis by the Issuer to the Swap Counterparties, any payments under the respective Swap Agreements other than those made under item fourth above;

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

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

twelfth, to the Seller all remaining excess by way of a final success fee.

16.3 Notwithstanding the provisions of clause 16.2(a) (*Order of Priority*) amounts due and payable under items first through third may be paid once a Monthly Period on any date other than a Payment Date from any funds available on the Distribution Account in the Order of Priority.

16.4 Any amounts standing to the credit of the Trustee Account, the Distribution Account and any other account the Issuer and/or the Security Trustee may have, will, after satisfaction, in accordance with the provisions of clause 16.2(a) (*Order of Priority*), of all Secured Obligations, be applied, in accordance with the provisions of clause 16.2(a) (*Order of Priority*), in satisfaction of the Secured Obligations becoming due and payable to the Security Trustee in the future as and when they become due and payable, and, provided however that in the event no Secured Obligations are, and at no time in the future will become, due and payable, the balance, if any, will be paid to the Issuer.

16.5 Notwithstanding the provisions of clauses 16.1 through 16.4, (i) any proceeds (excluding any interest accrued) arising from a Term Takeout shall not be distributed according to the Order of Priority but shall be distributed

first, pari passu and on a *pro rata basis* to the holders of the then outstanding Senior Instruments, *provided that* amounts distributed to a specific Senior Instrument exceeding the amount required to redeem such Senior Instrument in full shall be distributed to the other Senior Instruments, whereas in case of Non-Amortising Instrument, any redemption payments shall be made in a way to redeem a certain number of Instruments in their principal amount of Euro 100,000, until the Redeemable Amount of all then outstanding Senior Instruments has been redeemed in full;

second, pari passu to the holders of the then outstanding Junior Instruments, *provided that* amounts distributed to a specific Junior Instrument exceeding the amount required to redeem such Junior Instrument in full shall be distributed to the other Junior Instruments, whereas in case of Non-Amortising Instrument, any redemption payments shall be made in a way to redeem a certain number of Instruments in their principal amount of Euro 100,000, until the Redeemable Amount of all then outstanding Junior Instruments has been redeemed in full;

third to the Subordinated Lender; and

fourth to the Seller by way of an additional success fee.

17. **RELATION TO THIRD PARTIES; OVERPAYMENT**

17.1 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 Security Trustee and the Issuer; in third party relationships, the rights of the Programme Creditors and the Security Trustee shall have equal rank to those of the third-party creditors of the Issuer.

17.2 The Orders of Priority set forth in clause 16 (*Order of Priority*) shall also be applicable if the claims are transferred to a third party by assignment, subrogation into a contract, transfer of contract or otherwise.

17.3 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 Security Trustee; the Security 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 Security Trustee is authorised and obliged to adapt the distribution provisions pursuant to clause 16 (*Order of Priority*) in such a way that any over- or underpayments made in breach of clause 16 (*Order of Priority*) are set off by correspondingly increased or decreased payments on such Payment Date (and, to the extent necessary, on all subsequent Payment Dates).

18. **NOTICE OF PAYMENTS**

The Security Trustee shall give notice, or procure that notice is given, to the Noteholders, the Lenders or, as the case may be, the Noteholders of the relevant Series of Notes or Lenders in accordance with Condition 12 *(Notices*), and, following an Enforcement Notice, to the other Programme Creditors in accordance with the relevant Programme Document, of the day fixed for payment to them under the relevant Programme Document. Such a payment may be made as provided in the relevant Programme Document and any payment so made will constitute a valid discharge *pro tanto* to the Security Trustee.

19. **REMUNERATION AND LIABILITY**

19.1 The Issuer shall pay to the Trustee Director an annual fee for its services as set forth in and in the manner as set forth in the Director Fee Letter, subject to and in accordance with the Order of Priority.

19.2 Upon the occurrence of a Foreclosure Event or a default of any party (other than the Security Trustee) to a Programme Document which results in that the Security Trustee undertaking additional tasks, the Issuer shall pay or procure to be paid to the Trustee Director such additional remuneration as shall be agreed between the Issuer and the Trustee Director. In the event that the Issuer and the Security 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 Security Trustee. The determination made by such expert shall be final and binding upon the Issuer and the Security Trustee. It is understood that

the additional tasks to be performed by the Security Trustee will not be delayed, but instead will be continued as if the Issuer and the Security Trustee would have agreed on a fee immediately.

19.3 The Issuer shall bear all reasonable costs and disbursements (including costs for legal advice and costs of other experts) incurred by the Security 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.

20. Representations of the Issuer

20.1 The Issuer represents and warrants to the Security 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.

20.2 The Issuer 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 Netherlands and has no 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 Netherlands.

20.3 The Issuer shall pay damages pursuant to sections 280(1) and 280(3) of the German Civil Code (*Schadensersatz statt der Leistung*) 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 20.1.

21. Representations of the Security Trustee

The Security Trustee represents and warrants to the Issuer that 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.

22. SECURITY TRUSTEE'S RIGHTS AND OBLIGATIONS

22.1 The Security Trustee will have all rights and powers conferred on it in this Agreement and in any Programme Document to which it is a party and such powers incidental thereto which it will exercise in accordance with and subject to the provisions of this Agreement and the Programme Documents. In particular, the Security Trustee may:

(a) grant or release security interests if required in connection with any Programme Document for the purpose of administering the security created under the Security Documents or liquidating that security, on such terms and conditions as it may deem appropriate;

(b) retain such cash balances as it from time to time may deem to be in the best interest of the Programme Creditors, credit any monies received or recovered by it under the Security Documents to the Trustee Account or any other account, and hold such monies in such an account for so long as it may think fit (at such an interest rate, if any, as it may think fit) pending their application from time to time in accordance with this Agreement;

(c) prepare, sign and acknowledge any documents that may be necessary or appropriate to exercise its rights and powers under this Agreement;

(d) settle, compromise or litigate any claims due by it or owing to it, and initiate or defend proceedings;

(e) determine all questions and doubts arising under this Agreement and every such determination made in good faith will be binding on the Programme Creditors, whether or not relating to any action taken by the Security Trustee;

(f) take all action, bring all proceedings and exercise all rights and powers as it may deem appropriate for the purposes of this Agreement; and

(g) notify each Rating Agency and/or any party to any Programme Document if and to the extent required under any of the Programme Documents.

22.2 The Security Trustee may rely on the records of Euroclear and Clearstream, Luxembourg in relation to any determination of the Principal Amount Outstanding of each Global Note.

22.3 The Security Trustee shall (i) exercise its duties without the assistance or intervention of the Programme Creditors, and (ii) act on behalf of the Programme Creditors and represent the Programme Creditors whenever required in its capacity of Security Trustee.

22.4 The Security Trustee need not take any action that may involve expenses, unless it is granted reasonable security for or indemnity against all costs involved by the Issuer, the Programme Creditors or others.

22.5 The Security Trustee will not be liable for any breach of its obligations under this Agreement in the absence of gross negligence (*grobe Fahrlässigkeit*), or wilful misconduct (*Vorsatz*). The Security Trustee will not be liable for any act or negligence of persons or institutions selected by it in good faith.

22.6 The Security Trustee will not be liable for any action taken in accordance with a resolution purporting to have been passed at a meeting of any Noteholders or any Lenders, of which resolution minutes have been made and signed, even if after the action taken by the Security Trustee it is found that there was some defect in the convening of the meeting or the passing of the resolution or that for any reason the resolution was not binding on the Noteholders or Lenders.

22.7 Any consent or approval given by the Security Trustee for the purposes of this Agreement may be given on such terms and conditions as it may think fit. The Security Trustee shall have regard to the interests of the Programme Creditors, *provided that* the Order of Priority set forth in this Agreement determines the interest of which Programme Creditor prevails. In exercising its rights and powers the Security Trustee shall have regard to the interests of the Noteholders and the Lenders and need not have regard to the consequences of such exercise for individual Noteholders or Lenders. Neither the Security Trustee nor any of the Noteholders or Lenders require or claim from the Issuer any indemnification or payment in respect of any tax or other consequence of any such exercise on an individual Noteholder or Lender. Without prejudice to the applicable Order of Priority, the Security Trustee shall exercise its duties under this Agreement with regard (i) as long as any of the Senior Instruments are outstanding, only to the interests of the holders of such Senior Instruments and (ii) if no Senior Instruments remain outstanding, only to the interests of the holders of the Junior Instruments.

23. APPOINTMENT, RETIREMENT OR REMOVAL IN RESPECT OF SECURITY TRUSTEE AND THE TRUSTEE DIRECTOR

23.1 Until all amounts payable by the Issuer under the Secured Obligations have been paid in full, the Security Trustee will not retire or be removed from its duties under this Agreement.

23.2 Any Trustee Director to be appointed after the date of this Agreement, shall be appointed by the Noteholders and Lenders. The Noteholders and Lenders may remove the Trustee Director, *provided that* the other Programme Creditors have been consulted. Any trustee director so removed will not be responsible for any costs or expenses arising from any such removal. Before any trustee directors of the Security Trustee are so removed, the Issuer will procure that successor trustee directors are appointed in accordance with the Security Trustee's articles of association as soon as reasonably practicable. The removal of a trustee director of the Security Trustee will not become effective until a successor trustee director is appointed.

23.3 The Issuer shall be authorised to and shall replace the Security 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 The Netherlands, if the Issuer has been so instructed in writing by a Noteholder or Noteholders or Lender or Lenders owning at least 25 per cent. of the aggregate outstanding principal amount of all Instruments or by the Subordinated Lender. The Issuer shall notify the Seller and the Rating Agencies within 30 days upon receipt of such request to replace the Security Trustee on the request to replace the Security Trustee.

24. **ANNUAL REPORT**

The Security Trustee will, at the Issuer's expense, make available for public inspection, at the Security Trustee's Amsterdam office and at the Principal Paying Agent's specified office, copies of the Security Trustee's balance sheet for the preceding calendar year, and a written report of its activities during that calendar year. The Security Trustee will send a copy of such documents to each Rating Agency within the legally required period for depositing such documents with the Trade Register.

25. **INDEMNITY, REIMBURSEMENT AND TAX**

25.1 The Issuer shall indemnify the Security Trustee (and every manager, agent, delegate or other person appointed by Security Trustee in accordance with this Agreement) against all liabilities, costs and expenses incurred by it in the exercise or purported exercise of its rights and powers under or in connection with this Agreement. The Issuer shall on first demand reimburse the Security Trustee in respect of any amounts paid by the Security Trustee under or in connection with this Agreement.

25.2 The Issuer will pay all stamp and other similar duties or taxes payable by the Security Trustee, if any, which arise in connection with:

(a) the signing of the Programme Documents and the creation of security interests under the Security Documents;

(b) the constitution and original issue and delivery of the Instruments; or

(c) any action taken by the Security Trustee to enforce the Instruments, this Agreement, any Security Document or any other Programme Document.

26. **UNDERTAKINGS OF THE ISSUER**

26.1 Until all amounts payable by the Issuer under the Instruments and the Programme Documents have been paid in full, the Issuer shall:

(a) at all times carry on and conduct its affairs in a proper and efficient manner, perform all of its obligations under the Programme Documents and comply with all requirements of any applicable law or regulation applicable to it;

(b) at all times continue its corporate existence under the laws of The Netherlands and conduct its business in accordance with its articles of association and the Programme Documents;

(c) cause to be prepared and certified by its auditors for each financial year, accounts in such form as will comply with the requirements of accounting principles applicable in The Netherlands applicable on the Issuer, such other laws and regulations applicable on the Issuer and/or the regulations of the Luxembourg Stock Exchange, for as long as the Notes are listed there, or the rules of any relevant stock exchange or securities market where the Notes will be listed from time to time (if any);

(d) give the Security Trustee such additional information and evidence as it shall reasonably require and in such form as it shall reasonably require for the purposes of its obligations under this Agreement, any other Programme Document or by operation of law;

(e) notify the Security Trustee in writing of its intention to pursue a Term Takeout;

(f) notify the Security Trustee in writing promptly on becoming aware of the occurrence of a Foreclosure Event or an Enforcement Event;

(g) deliver to the Security Trustee (for the purpose of calculating the Principal Amount Outstanding under the Notes) within three (3) Business Days of the Security Trustee's request a certificate signed by the Issuer Director, setting out the number and aggregate outstanding principal amount:

(i) of the Instruments that have been purchased by the Issuer and cancelled until and including the date of the certificate; or

(ii) of the Instruments then held by or for the benefit of the Issuer and the Principal Paying Agent;

(h) deliver to the Security Trustee (i) within seven (7) days at the request of the Security Trustee, and (ii) (without the requirement of such a request) after the Security Trustee's audited accounts become available for each financial period, within one hundred eighty (180) days of the end of each such financial period, a certificate signed by the Issuer Director, confirming that:

(i) since the date of the previous certificate or this Agreement, no Issuer Event of Default in respect of the Notes has occurred or is continuing (or specifying any Issuer Event of Default that has occurred); and

(ii) from the date of the previous certificate or this Agreement, the Issuer has complied with all its obligations under the Programme Documents (or specifying any obligations with which it has not complied);

(i) give each Rating Agency such additional information and evidence as they shall reasonably require and in such form as they shall reasonably require for the purposes of its obligations in connection with the Programme or by operation of law;

(j) procure that the Principal Paying Agent will notify the Security Trustee immediately if it does not receive, on or before the due date for repayment of the Instruments, unconditional payment (in accordance with the Agency Agreement) of the full amount of the amounts payable on that due date under all such Instruments;

(k) if the unconditional payment to the Principal Paying Agent of any sum due under the Instruments is made after its due date, promptly give or procure to be given notice to the Noteholders of the relevant Series and the relevant Lender in accordance with Condition 12 (*Notices*) that such payment has been made;

(l) apply or procure that the Cash Administrator will apply all amounts received by it in accordance with this Agreement and the other relevant Programme Documents;

(m) obtain the Security Trustee's prior written approval for, and promptly supply to it two (2) copies of, the form of every notice given to the Noteholders and Lenders (including any balance sheet, profit and loss account, report, circular, notice of general Noteholders and Lenders meeting, and any other document sent to the Noteholders of any Series of them or any Lender), except for notices under (n);

(n) comply with and perform all its obligations under the Agency Agreement and use its reasonable endeavours to procure that the Agents comply with and performs all their obligations under it;

(o) maintain the listing of the Notes on the Luxembourg Stock Exchange or, if it is unable to do so, obtain and maintain a quotation or listing of the Notes on such other stock exchange or exchanges or securities market as it may decide, subject to the prior written approval of the Security Trustee, and at all times supply to any such stock exchange or securities market, including the CSSF, such information and documents and take such action as such stock exchange or securities market may demand in accordance with its requirements;

(p) at all times comply with the requirements set out in:

(i) the laws and regulations applicable on it;

(ii) the provisions of all applicable decrees, rules, regulations and statements of policy of any relevant Governmental Authority or Authorities in The Netherlands and Luxembourg; and

(iii) any listing rules;

(q) upon the occurrence of a Pledge Notification Event as referred to in clause 7.2 of the Lease Receivables Pledge Agreement, notify the right of pledge in accordance with clause 7 (*Notification of the Right of Pledge*) of the relevant Lease Receivables Pledge Agreement to the Lessees and the Issuer hereby grants an irrevocable power of attorney to the Security Trustee to make the notifications referred to above on its behalf;

(r) procure that the Issuer Director will be a director independent from the Issuer;

(s) maintain books and records separate from any other person or entity and shall at all times keep proper books of account in accordance with its obligations under Dutch law;

(t) maintain accounts separate from any other person or entity;

(u) conduct its own business in its own name;

(v) use separate stationery and invoices;

(w) hold itself out as a separate entity and correct any known misunderstanding regarding its separate identity;

(x) not pay dividends or make any other distribution to its shareholders; and

(y) not open new accounts (other than contemplated in the Programme Documents).

26.2 Until all amounts payable by the Issuer under theInstruments and the Programme Documents have been paid in full, the Issuer shall not, without the prior written consent of the Security Trustee or save as contemplated in the Programme Documents:

(a) have any employees or premises or have any subsidiary or subsidiary undertaking;

(b) engage in any activity whatsoever which is not incidental to or necessary in connection with, any of the activities which the Programme Documents provide or envisage that the Issuer will engage in;

(c) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness;

(d) create any security over its assets for the benefit of any entity or make loans or advances to any entity, except for the security created under the Programme Documents or as otherwise permitted under the Programme Documents;

(e) consolidate or merge;

(f) amend its articles of association;

(g) permit its assets to become commingled with those of any other party;

(h) waive, modify or amend, or consent to any waiver, modification or amendment of, any provisions of any of the Programme Documents and *provided that* each Rating Agency:

(i) has been notified of such transfer; and

(ii) by the 15th day after it was notified has not indicated:

(A) which conditions are to be met before it is in a position to approve the transfer; or

(B) that its then current ratings of the Senior Instruments will be adversely affected by or withdrawn as a result of such waiver, modification or amendment,

unless such waiver, modification or amendment is of a formal, minor or technical nature or is made to correct a manifest error and is notified to each Rating Agency (for the avoidance of doubt, such waiver, modification or amendment can be sent via emails); and

(i) take action (including any instruction, decision or approval) to dissolve the Issuer or to enter into a legal merger or legal demerger involving the Issuer, or to request the court to grant a suspension of payments (*surseance van betaling*) or to declare the bankruptcy (*faillissement*) of the Issuer or to enter into any analogous insolvency proceedings under any applicable law involving the Issuer.

27. **UNDERTAKINGS OF THE FOUNDATION**

Until all amounts payable by the Issuer under the Instrumenst and under any of the other Programme Documents to which the Issuer is a party have been paid or written off in full, the Foundation shall:

(a) not amend the articles of association of the Issuer, without the prior written consent of the Security Trustee;

(b) be and continue to be the sole shareholder of the Issuer;

(c) procure that the Issuer Director will be an independent director;

(d) not resolve (i) to issue any additional shares in the capital of the Issuer or (ii) to transfer shares in the capital of the Issuer or (iii) to grant rights to third parties to acquire shares in the capital of the Issuer or (iv) to pledge, dispose of or encumber in any other way the shares in the capital of the Issuer;

(e) exercise its voting and other shareholder rights and powers (if any) in accordance with the Issuer's obligations under the Programme Documents and/or as otherwise instructed by the Security Trustee;

(f) not take action (including any instruction, decision or approval) to dissolve the Issuer, enter into a legal merger or legal demerger involving the Issuer or to have the Issuer request the court to grant a suspension of payments or to declare its bankruptcy or to have the Issuer enter into any analogous insolvency proceedings under any applicable law; and

(g) not enter into a legal merger or legal demerger involving the Issuer.

28. **REDEMPTION FOLLOWING CLEAN-UP CALL**

On the Payment Date following the exercise by the Seller of the Clean-Up Call Option pursuant to clause 13.2 (*Clean-Up Call Option*) of the Master Hire Purchase Agreement, the Issuer shall redeem, all (but not only part of) the Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Instruments.

29. **MODIFICATION, CONSENTS AND WAIVERS**

29.1 The Security Trustee may agree, without the Programme Creditors' consent, to make:

(a) any modification of any provision of this Agreement, the Instruments or any other Programme Document that is of a formal, minor or technical nature or is made to correct a manifest error; and

(b) any other modification, and any waiver or authorisation of any breach or proposed breach, of any provision of this Agreement, the Instruments, the Issuer's articles of association or any other Programme Document or any document in connection with the Programme Documents that the Security Trustee regards as not materially prejudicial to the interests of the Programme Creditors.

29.2 Any modification, authorisation or waiver in accordance with clause 29.1 shall be binding on the Noteholder and, if the Security Trustee so requires, such modification shall be notified to the Noteholders and Lenders in accordance with Condition 12 (*Notices*) as soon as practicable.

(a) The Swap Counterparty and the Issuer shall be entitled:

(i) to amend the Programme Documents, including the Swap Agreement 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 ("**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 Agreement.

(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 thereof, 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 Noteholder, any Lender, the Subordinated Lender or any other Person, *provided that* such amendment or waiver shall only become valid if it is notified to the Security Trustee and the Rating Agencies, and the Issuer and the Swap Counterparty or the Servicer or the relevant Programme Party(ies), as the case may be, have received a confirmation from the Security Trustee that in the sole professional judgment of the Security Trustee, such amendment or waiver will not be materially prejudicial to the interests of any such Programme Creditor.

29.3 Notwithstanding clauses 29.1 and 29.2 Volkswagen Pon Financial Services B.V. 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 Final 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 Security Trustee, but without the consent of any Noteholder, any Lender, 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 29.3 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.

29.4 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 each Schuldschein Loan 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 Final Maturity Date of any Note or Schuldschein Loan without the consent of all Noteholders of the relevant Class or the Lenders of the 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 Receivables and/or the Purchased 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 Section 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 the aforementioned act, or in case of (y) only a contractual agreement between the Issuer, all Noteholders or Lenders of all Instruments, the Security Trustee and each Swap Counterparty. The manner of obtaining any other consents of the Noteholders 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 Security Trustee may prescribe, including the establishment of record dates.

29.5 The Security Trustee may agree, without the Programme Creditors' consent, to amend Programme Documents to give effect to a Term Takeout pursuant to clause 13.7 of the Master Hire Purchase Agreement, *provided that* any such amendments do not adversely affect the interests of the Noteholders.

30. **NOTEHOLDERS**

30.1 The Issuer, the Security Trustee and the Principal Paying Agent may treat each Noteholder and Lender as the owner thereof for all purposes, whether or not the Instrument is overdue and regardless of notice of ownership or writing on it or any notice of previous loss or theft or of trust or other interest in it, and the Issuer, the Security Trustee and the Principal Paying Agent will not be affected by any notice to the contrary. All payments made to any such Noteholder or such Lender will be valid and, to the extent of the amounts so paid, effective to discharge the liability for the monies payable under such Instruments.

30.2 Notices to Noteholders or Lenders will be given in accordance with Condition 12 (*Notices*).

30.3 For as long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

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ANNEX B
MASTER DEFINITIONS SCHEDULE

The following is the text of the Master Definitions Schedule. The text will be attached as Annex B to the Conditions of the Notes and constitutes an integral part of the Conditions of the Notes. In case of any overlap or inconsistency in the definitions of a term or expression in the Master Definitions Schedule and elsewhere in the Base Prospectus, the definitions of the Conditions will prevail.

1. **DEFINITIONS**

1.1 The parties that have signed this Incorporated Terms Memorandum 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 of the German Programme Documents, the English Programme Documents or the Dutch Programme Documents.

"**12-Months Average Dynamic Gross Loss Ratio**" means, for any Payment Date, a fraction, expressed as a percentage rate, the numerator of which is the sum of the Dynamic Gross Loss Ratios calculated with respect to the last 12 calendar months preceding on such Payment Date and the denominator of which is 12.

"**2021 ISDA Definitions**" means the definitions and provisions published by the International Swaps and Derivatives Association, Inc.

"**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 Security Trustee governing the Accounts dated on or about the Signing Date, as amended from time to time.

"**Account Bank**" means the Accumulation Account Bank, the Cash Collateral Account Bank, the Counterparty Downgrade Collateral Account Bank, the Monthly Collateral Account Bank and the Distribution Account Bank.

"**Account Bank Required Rating**" means:

(a) either

(i) a long-term unsecured, unguaranteed and unsubordinated debt obligations rating of "A" from Morningstar DBRS, or

(ii) a Morningstar DBRS Critical Obligations Rating of "A (high)" in respect of the relevant entity, or

(iii) if a public or private rating from Morningstar DBRS is not available, a Morningstar 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 Morningstar DBRS, and

(b) (i) a short-term rating of at least "P-1" or (ii) a long-term rating of at least "A2" from Moody's.

"**Accounts**" means the Accumulation Account, the Distribution Account, the Counterparty Downgrade Collateral Account, the Monthly Collateral Account and the Cash Collateral Account, collectively.

"**Accrued Interest**" means in respect of an Instrument and any Payment Date the interest which has accrued on such Instrument up to such Payment Date.

"**Accumulation Account**" means the interest bearing account held by the Issuer with the Accumulation Account Bank with IBAN IE35USBK99034573255902 and Swift: USBKIE22.

"**Accumulation Account Bank**" means the bank operating the Accumulation Account, which is U.S. Bank Europe DAC.

"**Additional Borrowing Date**" shall have 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 Balance**" means, on any Additional Purchase Date, the present value on the relevant Cut-Off Date of the Additional Lease Receivables to be purchased by the Purchaser on such Additional Purchase Date, calculated by using the Discount Rate.

"**Additional Issuer Advance**" means any advance made available by the Issuer to the Seller on any Additional Purchase Date under clause 3.2 (*Additional Issuer Advances*) of the Issuer Facility Agreement in respect of a Leased Vehicle, or the principal amount outstanding from time to time of such advance.

"**Additional Lease Agreement**" means a Lease Agreement which relates to an Additional Leased Vehicle.

"**Additional Leased Vehicle**" means a Leased Vehicle in respect of which a Hire Purchase Contract is entered into by and between the Seller and the Issuer pursuant to the Master Hire Purchase Agreement after the Closing Date.

"**Additional Offer Date**" means the third Business Day prior to a Payment Date unless the Payment Date is a Payment Date on which Further Instruments will be issued or advanced, in which case the Additional Offer Date shall fall on the 5th Business Day prior to a Payment Date.

"**Additional Portfolio**" means a portfolio consisting of Additional Leased Vehicles together with the associated Lease Receivables purchased by the Issuer from the Seller on an Additional Purchase Date.

"**Additional Purchase Date**" means a Payment Date falling in the Revolving Period, when an additional purchase is made pursuant to clause 4 (*Hire Purchase of Additional Leased Vehicles*) of the Master Hire Purchase Agreement.

"**Additional Lease Receivables**" means the Lease Receivables purchased by the Issuer from the Seller on any Additional Purchase Date in accordance with the Master Hire Purchase Agreement.

"**Additional Lease Receivables Overcollateralisation Percentage**" means [1.77] per cent.

"**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 Issuer Director or any entities which the Issuer Director controls.

"**AFM**" means the Dutch Financial Markets Authority (*Autoriteit Financiële Markten*).

"**Agency Agreement**" means the agency agreement between, *inter alios*, the Issuer, the Principal Paying Agent, the Calculation Agent, the Interest Determination Agent and the Security Trustee dated on or about the Signing Date, as amended from time to time.

"**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 Receivables Balance**" means the sum of the Discounted Receivables Balances for all Lease Agreements relating to Purchased Vehicles.

"**Aggregate Redeemable Amount**" means, at any Payment Date on which Purchased Vehicles are sold pursuant to clause 14.7 *(Clean-Up Call/ Sale of Lease Receivables to other Securitisation Vehicles)* of the Master Hire Purchase Agreement, the difference between (i) the aggregate outstanding nominal amount of Instruments of a certain seniority and (ii) the Targeted Remaining Senior Instrument Balance or the 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 outstanding 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, in relation to a Purchased Receivable, all remedies for enforcing the same including, for the avoidance of doubt and without limitation:

(a) the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Lessees or guarantors under or relating to the Lease Agreement to which such Purchased Vehicle relates and all guarantees (if any) (including, for the avoidance of doubt, any Enforcement Proceeds received by the Seller or its agents);

(b) the benefit of all covenants and undertakings from Lessees and from guarantors under the Lease Agreement to which such Purchased Vehicle relates and under all guarantees (if any);

(c) the benefit of all causes and rights of actions against Lessees and guarantors under and relating to the Lease Agreement to which such Receivable relates and under and relating to all guarantees (if any);

(d) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Lease Agreement other than rights specifically relating to the Vehicle itself (with such rights specifically relating to the Vehicle including, without limitation, the right of ownership); plus

(e) any Insurance Proceeds received by the Seller or its agents pursuant to Insurance Claims in each case insofar as the same relate to the Lease Agreement to which such Receivable relates.

"**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 ING Bank N.V.

"**Asset Warranties**" means the representations and warranties made by the Seller in respect of a Leased Vehicle purchased pursuant to a Hire Purchase Contract, the associated Lease Receivables and the related Lease Agreement set forth in clause 10.1 (*Representations and Warranties relating to the Leased Assets*) of the Master Hire Purchase Agreement.

"**Assignment Deed**" means a deed of assignment within the meaning of article 3:94(1) of the Dutch Civil Code forming part of the relevant Combined Transfer Deed.

"**Auditors**" means (i) with respect to Volkswagen Pon Financial Services B.V., EY Accountants B.V., Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands and (ii) with respect to the Issuer, EY Accountants B.V, Antonio Vivaldistraat 150, 1083 HP Amsterdam, Netherlands.

"**Authorised Representative**" shall mean the persons set out in Part A of Schedule 3 *(Authorised Representative*), as amended pursuant to clause 5.4 (*Operating/Release Procedure*) of the Account Agreement.

"**Available Distribution Amount**" shall, on any Payment Date be an amount equal to the sum of the following amounts:

(i) amounts received as Lease Collections under the Master Hire Purchase Agreement and the Servicing Agreement, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus

(ii) amounts of interest paid or principal repaid, other than by way of set-off, under the Issuer Facility Agreement; plus

(iii) any Vehicle Realisation Proceeds; plus

(iv) any Lease Incidental Shortfall payments received from the Seller; plus

(v) any interest accrued on the Distribution Account and the Accumulation Account; plus

(vi) payments from the Cash Collateral Account as provided for in clause 6 (*Cash Collateral Account*) of the Trust Agreement; plus

(vii) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus

(viii) any amount to be debited from the Maintenance Reserve Ledger on the immediately succeeding Payment Date subject to and in accordance with the relevant mechanics of the Maintenance Reserve Ledger; plus

(ix) 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

(x) Net Swap Receipts under the Swap Agreements and any other amounts included in the Available Distribution Amount pursuant to clause 9.3 (*Swap Agreement*) of the Trust Agreement; plus

(xi) 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

(xii) any Negative Buffer Release Amount, provided that no Reserve Trigger Event has occurred and the Buffer Release Reserve has been funded; less

(xiii) 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 Lease Collections under limb (i) of the definition of Available Distribution Amount.

"**Base Prospectus**" means the base prospectus dated [20 November 2026] in respect of the issue of the Notes by the Issuer.

"**Benchmark Event**" means any of the following (i) a public statement by the European Money Markets Institute that it will cease publishing EURIBOR or it will not be included in the register under Article 36 of the Regulation (EU) 2016/1011 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 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.

"**BOVAG Business Conditions in Car Work**" means the BOVAG general terms and conditions for enterprises enlisted with the Dutch Association of Enterprises in car body work (*Algemene leverings- en betalingsvoorwaarden zakelijke markt BOVAG schadeherstelbedrijven*), as published by BOVAG from time to time.

"**Borrowing Date**" shall have the meaning assigned to such term in clause 2.1 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

"**BOVAG Private Conditions in Car Body Work**" means the BOVAG general terms and conditions for enterprises enlisted with the Dutch Association of Enterprises in car body work (*Particuliere algemene voorwaarden BOVAG schadeherstelbedrijven*), as published by BOVAG from time to time.

"**BOVAG General Conditions**" means the BOVAG general terms and conditions of the ABA Commercial Market Department (*Afdeling ABA Zakelijke Markt*) as published by BOVAG from time to time.

"**BOVAG Private General Conditions**" means the BOVAG general terms and conditions applicable to agreements entered into by BOVAG car dealers and purchasers or clients not acting in the conduct of a business or profession (*niet handelend in de uitoefening van een beroep of bedrijf*) as published by BOVAG from time to time.

"**Buffer Release Rate**" means, on any Payment Date, (a) a percentage rate per annum calculated as (i) the Discount Rate, less (ii) the weighted average (calculated based on the outstanding principal amount of the Instruments and the outstanding principal amount of the Subordinated Loan as of the end of the related Monthly Period) of the fixed rates (stated as a percentage) payable by the Issuer under the Swap Agreements and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under the Swap Agreements) theoretically needed to swap the floating rate interest payments under the Subordinated Loan, less (iii) the Servicer Fee Rate, 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 *sixth* of the applicable Order of Priority shall be paid in accordance with the Reserve Funding 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 Amsterdam and London.

"**Calculation Agent**" means U.S. Bank Europe DAC.

"**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.

"**Calculation Date**" means, in relation to a Payment Date, the 10th Business Day prior to such Payment Date.

"**Callback Contact**" shall mean the persons set out in Part B of Schedule 3 (*Callback Contact*), as amended pursuant to clause 5.3 (*Operating/Release Procedure*) of the Account Agreement.

"**Call Option Buyer**" means Volkswagen Pon Financial Services B.V.

"**Call Option Provider**" means VCL Master Netherlands B.V.

"**Cash Administration Services**" has the meaning as set forth in clause 9.2 (*Cash Administration Services*) of the Account Agreement.

"**Cash Administrator**" means US Bank Global Corporate Trust Limited.

"**Cash Collateral Account**" means the interest bearing account held by the Issuer with the Cash Collateral Account Bank with IBAN IE08USBK99034573255903 and Swift: USBKIE22.

"**Cash Collateral Account Bank**" means the bank operating the Cash Collateral Account, which is U.S. Bank Europe DAC.

"**Cash Collateral Amount**" means the outstanding balance of the Cash Collateral Account from time to time and shall be equal to the Specified General Cash Collateral Account Balance.

"**CET**" means Central European Time as being the local time in Amsterdam, Frankfurt am Main and Luxembourg.

"**Charged Property**" means the whole of the right, title, benefit and interest of the Issuer in such undertaking, property, assets and rights assigned to the Security Trustee as defined under the Security Assignment Deed.

"**Charged Programme Documents**" means the English Programme Documents other than the Security Assignment Deed.

"**Check Information**" has the meaning as set forth in clause 6.3(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 a given Series of Notes.

"**Clean-Up Call Conditions**" means the conditions listed in clause 14.1 (*Clean-Up Call / Sale of Purchased Vehicles to other Securitisation Vehicles*) of the Master Hire Purchase Agreement.

"**Clean-Up Call Date**" has the meaning given to that term in clause 14.1 (*Clean-Up Call / Sale of Purchased Vehicles to other Securitisation Vehicles*) of the Master Hire Purchase Agreement.

"**Clean-Up Call Option**" has the meaning given to that term in clause 14.1 (*Clean-Up Call / Sale of Purchased Vehicles to other Securitisation Vehicles*) of the Master Hire Purchase Agreement.

"**Clean-Up Call Settlement Amount**" means the lesser of

(a) an amount equal to the outstanding Discounted Receivables 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 Receivable remaining to be paid in the future, calculated using a discount rate equal to (i) the weighted average (calculated based on the outstanding principal amount of Instruments and the outstanding principal amount of the Subordinated Loan as of the end of the Monthly Period) of the Senior Instrument swap fixed rate, the Junior Instrument swap fixed rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under both Swap Agreements) theoretically needed 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 termination of all Hire Purchase Contracts is to become effective and the Seller, the Issuer and the Security Trustee entered into a new Combined Transfer Deed in respect of the exercise of the Clean-Up Call Option.

For the purposes of calculating the Clean-Up Call Settlement Amount, the risk of losses inherent to the relevant Purchased Receivable shall be taken into account on the basis of the risk status of such Purchased Receivable assessed by Volkswagen Pon Financial Services B.V. immediately prior to the buyback becoming effective.

"**Clearing System**" means each of the following: Clearstream Banking, société anonyme (42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium) ("**Euroclear**").

"**Closing Date**" means 31 May 2016.

"**Collection Period**" means the period commencing on (and including) the first day of a calendar month and ending on (but excluding) the first day of the next calendar month.

"**Combined Transfer Deed**" means a deed substantially in the form of Schedule 2 (*Combined Transfer Deed*) to the Master Hire Purchase Agreement.

"**Common Reporting Standard**" means the exchange of information regime based on the implementation of (i) the Council Directive 2014/107/EU amending Council Directive 2011/16/EU on the mandatory automatic exchange of information and (ii) the multilateral competent authority agreement signed on 29 October 2014 by various jurisdictions to automatically exchange information on the basis of article 6 of the convention on mutual administrative assistance in tax matters concluded on 25 January 1988, as amended by the 2010 protocol.

"**Common Safekeeper**" or "**CSK**" means the entity appointed by the ICSDs to provide safekeeping for the Notes under the new safekeeping structure (NSS).

"**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.

"**Conditions**" means the Loan Conditions and the Notes Conditions.

"**Corporate Lease Agreement**" means a Lease Agreement between the Seller and a corporate entity or a private individual acting in its profession or trade (*handelend in de uitoefening van beroep of bedrijf*).

"**Corporate Warranties**" have the meaning as set out in clause 10.2 (*Representations and Warranties relating to the Seller*) of the Master Hire Purchase Agreement.

"**Counterparty Downgrade Collateral Account**" means the interest bearing account held by the Issuer with the Counterparty Downgrade Collateral Account Bank, held and administered outside The Netherlands, with IBAN IE78USBK99034573255904 and Swift: USBKIE22.

"**Counterparty Downgrade Collateral Account Bank**" means the bank operating the Counterparty Downgrade Collateral Account, which is U.S. Bank Europe DAC.

"**CRA3**" means Regulation (EC) No 1060/2009 of the European Parliament, as amended.

"**Credit**" shall have the meaning as set out in clause 16.2 (*Order of Priority*) of the Trust Agreement.

"**Credit and Collection Procedures**" means the credit and collection procedures of the Seller a summary of which is set out in the section 'Credit and Collection Procedures' of the Base Prospectus, as available for inspection and as amended from time to time in accordance with the terms and conditions of the Servicing Agreement.

"**Credit Enhancement Increase Condition**" means any of the following: if: (a) the Dynamic Gross Loss Ratio for three consecutive Payment Dates exceeds (i) [1.0] per cent., if the Weighted Average Seasoning is less than 12 months or (ii) [2.0] per cent., if the Weighted Average Seasoning is greater than 12 months (inclusive); or (b) the 12-Months Average Dynamic Gross Loss Ratio exceeds [0.5] per cent.; or (c) if the Late Delinquency Ratio exceeds [2.0] per cent. on any Payment Date, *provided that* this event will be waived by the Issuer if the sale of the Purchased Receivables only as part of a Term Takeout will not result in a downgrade of the outstanding Instruments on or before the Payment Date immediately following the occurrence of such event; or (d) in case of the occurrence of a Servicer Replacement Event; or (e) in case of the occurrence of an Insolvency Event with respect to the Seller; or (f) the Cash Collateral Account does not contain the Specified General Cash Collateral Account Balance on two consecutive Payment Dates; or (g) Volkswagen Pon Financial Services B.V. fails to pay the Negative Buffer Release Amount when due, and such failure continues unremedied for a period of thirty (30) calendar days; or (h) Volkswagen Pon Financial Services B.V. 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.

"**Cut-Off Date**" means each of the Initial Cut-Off Date and each Additional Cut-Off Date.

"**Data Protection Rules**" means the General Data Protection Regulation, the Dutch General Data Protection Regulation Implementation Act (*Uitvoeringswet Algemene verordening gegevensbescherming*), any successor thereto, and any applicable European Union or (other) European Union member state's law relating to data protection or the privacy of individuals.

"**Data Protection Trustee**" means Amsterdamsch Trustee's Kantoor B.V.

"**Defaulted Receivable**" means (without double-counting):

(a) any Lease Receivable which has been written off as without value; or

(b) any Lease Receivable which has been "hostile terminated",

each in accordance with the customary operating practices of the Servicer in effect from time to time, using the same degree of skill and attention that the Servicer exercises with respect to comparable lease agreements that the Servicer administers and collects for itself or others.

"**Delinquent Lease Receivable**" means any Lease Receivable for which more than one Instalment is overdue.

"**Deposit Agreement**" means the deposit agreement entered into by and between the Seller, the Issuer, the Data Protection Trustee and the Security Trustee on 22 November 2018, as amended and restated from time to time.

"**Determination Date**" means the second (2nd) Business Day prior to the first (1st) day of a Monthly Period.

"**DFSA**" means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

"**Director**" means (i) the Issuer Director, (ii) the Foundation Director, or (iii) the Trustee Director.

"**Director Fee Letter**" means the letter dated 2 October 2014 from Intertrust Capital Markets in respect of the fees to be charged to the Issuer for the services to be rendered by the Directors in connection with the Programme Documents to which they are a party.

"**Discount Rate**" means 4.4207 per cent. per annum.

"**Discounted Receivables Balance**" means as of the end of the Monthly Period the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components and the Present Value of the Estimated Residual Value of the relevant Purchased Vehicle, each as calculated in respect of the relevant Purchased Vehicle as of the relevant Cut-Off Date based on a Lease Agreement's scheduled cash flows at the Closing Date or the Additional Purchase Date, as the case may be, in each case as amended by the Servicer in accordance with its customary operating practices. For the avoidance of doubt, the Discounted Receivables Balance shall include any amounts of overdue principal under the relevant Lease Agreement but shall exclude Written-Off Purchased Receivables.

"**Distribution Account**" means the interest bearing account held by the Issuer with the Distribution Account Bank with IBAN IE62USBK99034573255901 and Swift: USBKIE22.

"**Distribution Account Bank**" means the bank operating the Distribution Account, which is U.S. Bank Europe DAC.

"**Dutch Programme Documents**" means the Pledge Agreements, each Combined Transfer Deed, the Master Hire Purchase Agreement, the Issuer Facility Agreement, the Servicing Agreement, the Management Agreements and the Reserve Funding Agreement.

"**Drawdown Request**" means the drawdown request as set out in Annex G of the Procedures Memorandum.

"**Dynamic Gross 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 (including Lease Receivables which were not received on time and Lease Receivables remaining to be paid in the future) the related contracts of which have been terminated due to default or customer insolvency by the Servicer in accordance with its customary practices 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**" means 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 Receivables Balance, after application of the relevant Order of Priority on such Payment Date, (iii) the Credit Enhancement Increase Condition is in effect, (iv) the failure by the Issuer to enter following an event of default or a termination event (as defined in the applicable Swap Agreement) into a replacement Swap Agreement or failure by the respective Swap Counterparty to post collateral (each as provided for in clause 9 (*Swap Agreement*) of the Trust Agreement or to take any other measure which does not result in a downgrade of the Instruments, (v) on any Payment Date falling after six consecutive Payment Dates following the Initial Issue Date, the Senior Instrument Actual Overcollateralisation Percentage is determined as being lower than [26.00] per cent, or the Junior Instrument Actual Overcollateralisation Percentage is determined as being lower than [18.75] per cent., on two consecutive Payment Dates, provided that no tap-up will be allowed on any Payment Date where such event is continuing or (vi) the Seller ceases to be a direct or indirect subsidiary of Volkswagen AG.

"**Early Settlement**" means cases in which the Seller is to pay certain sums to the Issuer due to a demand of the Issuer *vis-à-vis* the Seller to retransfer Lease Receivables and the related Lease Collateral under a contract in certain circumstances as contractual remedy including, *inter alia,* the assertion of invalidity of the Lease Agreements or of rights to refuse to perform by the Lessee as well as a reduction of the Purchased Receivables due to any amendment to the relevant Lease Agreement.

"**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.

"**Electronic File**" means a file attached as annex 1 to each Combined Transfer Deed and containing for each Leased Vehicle to which it pertains at least the following information:

(a) the unique contract ID of the associated Lease Agreement;

(b) the relevant Cut-Off Date;

(c) the Estimated Residual Value as at the relevant Cut-Off Date;

(d) the Purchase Price;

(e) the number of Purchase Instalments;

(f) the amount of each Regular Purchase Instalment calculated pursuant to clause 6.2(b) (*Instalments*) of the Master Hire Purchase Agreement that applies to any full Collection Period;

(g) the amount of the Final Purchase Instalment; and

(h) if applicable, any amendment date as referred to in clause 6.3 (*Recalculation of Lease Instalments and Purchase Instalments*) of the Master Hire Purchase Agreement.

"**Eligibility Criteria**" means the criteria relating to the Leased Vehicles, Lessees, Lease Agreements, Lease Receivables and/or Pool Criteria as set forth in Schedule 1 (*Eligibility Criteria*) to the Master Hire Purchase Agreement.

"**Eligible Collateral Bank**" means an international recognised bank with the Account Bank Required Ratings, which is authorised to provide the services of the Account Bank under the Account Agreement to the Issuer.

"**Eligible Swap Counterparty**" means any entity

(a) the long-term unsecured, unguaranteed and unsubordinated debt obligations or Morningstar Critical Obligations Rating of which are rated by Morningstar 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 Morningstar 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 Morningstar DBRS or such entity does not have a Morningstar DBRS Critical Obligations Rating, if applicable, such debt obligations have at least a Morningstar DBRS Equivalent Rating corresponding to the ratings required pursuant to (i) or (ii) above, respectively; and

(b) having a counterparty risk assessment or long-term rating for unsecured and unsubordinated debt obligations of (i) "A3" or above by Moody's or (ii) "Baa3" or above by Moody's and which either posts collateral in the amount and manner set forth in the Swap Agreements or obtains a guarantee from a person having the ratings set forth in (i) above.

"**Encrypted List**" means an encrypted electronic data file comprising the data relevant for the identification of the Additional Lease Receivables and the Additional Leased Vehicles, including the Personal Data of the Lessees.

"**Enforcement Event**" means a Foreclosure Event and the Security Trustee has served an Enforcement Notice upon the Issuer.

"**Enforcement Notice**" means a notice delivered by the Security Trustee on the Issuer upon the occurrence of a Foreclosure Event (in the sole judgment of the Security 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 Volkswagen Bank GmbH or its Affiliates will not be taken into account for the determination of the required majority of 66 2/3 per cent. of the aggregate outstanding principal amount of the Instruments) stating that the Security Trustee commences with the enforcement of the Security pursuant to the procedures set out in the relevant Security Documents.

"**Enforcement Proceeds**" means the gross proceeds from the realisation of Vehicles in respect of Purchased Receivables and from the enforcement of any other Ancillary Rights.

"**English Process Agent**" means the agent appointed by the Issuer and entitled to receive correspondence on behalf of the Issuer in England and Wales, which will at the Renewal Date be CSC Capital Markets UK Limited, 10th Floor, 5 Churchill Place, London E14 5HU, United Kingdom.

"**English Programme Documents**" means the Swap Agreements and the Security Assignment Deed and any other documents designated as an English Programme Document by the Issuer and the Security Trustee.

"**English Programme Party**" means the Swap Counterparty and the Security Trustee.

"**EONIA**" means Euro Overnight Index Average.

"**ESMA**" means the European Securities Markets Authority.

"**Estimated Residual Value**" means in respect of a Purchased Vehicle, the estimated residual value at the Lease Maturity Date as calculated and recalculated (only in case of variations in the use of the leased vehicle (mileage) and extensions or shortening of the lease term) from time to time by the Servicer in accordance with the Servicing Agreement.

"**EU**" means the European Union.

"**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.

"**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 determine EURIBOR on the basis of such other screen rate the Interest Determination Agent shall determine in good faith. If the Interest Determination Agent cannot determine EURIBOR on the basis of such other screen rate in good faith, 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 Security 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 Interest Rate and the Junior Instrument Interest 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 Security 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 Security 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 Condition 11 as soon as possible, but in no event later than two (2) 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.

"**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 (*Events and Default*) of the Subordinated Loan Agreement.

"**Excess Amount**" means as defined in clause 5.8 (*Collection of payments*) of the Servicing 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.

"**Expenses**" shall have the meaning as set out in clause 15.1 (*Indemnity*) 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 Conditions.

"**FATCA**" means:

(a) sections 1471 to 1474 of the U.S. Internal Revenue Code and the Treasury regulations and official guidance issued thereunder, as amended from time to time ("U.S. FATCA");

(b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with U.S. FATCA (an "IGA");

(c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of U.S. FATCA or an IGA ("**Implementing Law**"); and

(d) any agreement entered into with the U.S. Internal Revenue Service, the U.S. government or any governmental or Tax authority in any other jurisdiction in connection with U.S. 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 Security 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 Maturity Date**" means the date set out as such in the relevant Final Terms.

"**Final Purchase Instalment**" means the final Purchase Instalment to be paid by the Issuer to the Seller pursuant to a Hire Purchase Contract.

"**Final Terms**" means the final terms to the Base Prospectus which will be prepared for each issue of the Notes.

"**First Ranking Issuer Rights Pledge Agreement**" means the first ranking issuer rights pledge agreement entered into by and between, *inter alios*, the Issuer and the Security Trustee as of the Signing Date.

"**First Ranking Issuer Vehicles Pledge Agreement**" means the second ranking issuer vehicles pledge agreement entered into by and between the Issuer and the Security Trustee as of the Signing Date.

"**First Ranking Lease Receivables Pledge Agreement**" means the first ranking lease receivables pledge agreement entered into by and between the Issuer and the Security Trustee on the Signing Date.

"**First Ranking Sellers Vehicles Pledge Agreement**" means the first ranking sellers vehicles pledge agreement entered into by and between the Seller, the Issuer and the Security Trustee on the Signing Date.

"**FOCWA General Conditions**" means the general terms and conditions for enterprises enlisted with the Dutch Association of Enterprises in car body work (*Nederlandse Vereniging van Ondernemers in het Carrosseriebedrijf*) as published from time to time.

"**Foreclosure Event**" means any of the following events:

(a) with respect to the Issuer, an Insolvency Event occurs; or

(b) 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, after the Servicer has become aware of such non-payment (including by notification from any other Programme Party); or

(c) the Issuer defaults in the payment of principal of any Note or any Schuldschein Loan on the Final Maturity Date, as applicable.

It is understood that the interest and principal on the Instruments other than interest on the Class A Notes and the Senior Schuldschein Loans will not be due and payable on any Payment Date prior to the Final Maturity Date except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority.

"**Foundation**" means Stichting VCL Master Netherlands.

"**Foundation Director**" means CSC Management (Netherlands) B.V.

"**Foundation Management Agreement**" means the management agreement entered into by and between the Foundation and the Foundation Director in respect of the Foundation on the Signing Date.

"**FSMA**" means the UK Financial Services and Markets Act 2000, as amended from time to time.

"**Funding**" means the Instruments and the Subordinated Loan.

"**Further Instruments**" means Further Notes and Further Loans, collectively.

"**Further Discounted Receivables Balance**" means on any Additional Purchase Date, the Additional Discounted Balance less the Replenished Additional Discounted Receivables Balance.

"**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 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 Maintenance Reserve Advance**" has the meaning as set forth in clause 4.1 (*Further Maintenance Reserve Advances*) of the Reserve Funding Agreement.

"**Further Notes**" means any notes of each series of any Class of the floating rate asset backed notes issued by the Issuer on any Further Issue Date with a maximum total nominal amount of EUR 1,500,000,000, consisting of up to 15,000 individual Notes, each in the nominal amount of EUR 100,000.

"**General Data Protection Regulation**" means Regulation (EU) 2016/679 of 27 April 2016.

"**German Civil Code**" means the civil code (*Bürgerliches Gesetzbuch*) 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 Process Agent**" means the agent appointed by the Issuer and entitled to receive correspondence on behalf of the Issuer in Germany, which will at the Closing Date be Rechtsanwalt Bernhard Faber with its offices at Thomasiusstraße 11, 10557, Berlin, Germany.

"**German Programme Documents**" means the Conditions, the Account Agreement, the Agency Agreement, the Programme Agreement, the Trust Agreement, the Deposit Agreement and the Subordinated Loan Agreement and any other documents designated as a German Programme Documents by the Issuer and the Security Trustee.

"**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.

"**Hire Purchase Contract**" means with respect to a Vehicle, the hire purchase agreement (*overeenkomst van huurkoop*) within the meaning of section 7:84 paragraph 3 under b or, with respect to the hire purchase agreement entered into prior to 1 January 2017, article 7A:1576h of the Dutch Civil Code entered into by and between the Seller and the Issuer pursuant to the Master Hire Purchase Agreement.

"**Incorporated Terms Memorandum**" means the memorandum originally signed by the Programme Parties for the purposes of identification on or about 26 May 2016, as amended and restated from time to time.

"**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 30 April 2016.

"**Initial Instruments**" means the Initial Notes and the Initial Loans.

"**Initial Issue**" means the issue of the Initial Notes by the Issuer.

"**Initial Issue**" means the Initial Notes and the Initial Loans issued or advanced 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 Issuer Advance**" means an advance made available by the Issuer to the Seller on the Closing Date under the Issuer Facility Agreement in respect of an Initial Leased Vehicle, or the principal amount outstanding from time to time of such advance.

"**Initial Leased Vehicle**" means a Leased Vehicle in respect of which a Hire Purchase Contract has or will be entered into by and between the Seller and the Issuer pursuant to the Master Hire Purchase Agreement on the Closing Date.

"**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 Initial Class A Notes and the Initial Class B Notes issued by the Issuer on the relevant Initial Issue Date.

"**Initial Senior Loans**" means any Senior Schuldschein Loan advanced to the Issuer on the Initial Issue Date.

"**Initial Offer Date**" means any Business Day on or prior to the Closing Date.

"**Initial Portfolio**" means the portfolio consisting of the Initial Leased Vehicles together with the associated Lease Receivables hire purchased by the Issuer from the Seller on the Initial Purchase Date.

"**Initial Purchase Date**" means the Closing Date.

"**Initial Purchase Instalment**" means the first Regular Purchase Instalment payable in respect of a Purchased Vehicle.

"**Insolvency Event**" means (A) with respect to the Issuer, the Seller, the Servicer, the Security Trustee and the Maintenance Coordinator, as the case may be, each 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, consents to, or acquiescence in, the appointment of a receiver, custodian, trustee, liquidator or similar official for it or a substantial portion of its property; (iii) the initiation of any case, action or proceedings before any court or Governmental Authority against the Issuer, the Seller, the Servicer or the Security Trustee under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same; (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 the undertaking or assets of the Issuer, the Seller, the Servicer or the Security Trustee and such possession or process (as the case may be) shall not be discharged or otherwise shall not cease to apply within sixty days; (v) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to the Issuer, the Seller, the Servicer or the Security Trustee under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws; (vi) an order is made against the Issuer, the Seller, the Servicer or the Security Trustee or an effective resolution is passed for its winding-up; and (vii) the Issuer, the Seller, the Servicer or the Security Trustee is deemed generally unable to pay its debts within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment (*provided that*, for the avoidance of doubt, any assignment, charge, pledge or lien made by the Issuer for the benefit of the Security Trustee under the Trust Agreement or the Security Assignment Deed shall not constitute an Insolvency Event in respect of the Issuer) and (B) with respect to a Lessee, a (preliminary) suspension of payment, (*voorlopige) surseance van betaling*), bankruptcy (*faillissement*), special measures (*bijzondere voorzieningen*) within the meaning of the DFSA or any debt restructuring (*schuldsanering natuurlijke personen*), or with respect to any other jurisdiction other than The Netherlands, any similar proceedings.

"**Insolvency Official**" means, in respect of any person, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian, or other similar official in respect of such person or in respect of all (or substantially all) of the person's assets or in respect

of any arrangement or composition with creditors or any equivalent or analogous officer under the law of any jurisdiction.

"**Insurance Claims**" means any claims against any car insurer in relation to any damaged or stolen Vehicle.

"**Insurance Proceeds**" means any proceeds or monetary benefit in respect of any Insurance Claims.

"**Instrument**" means a Note or a Schuldschein Loan, and "**Instruments**" means the Notes and the Schuldschein Loans, collectively.

"**Instrument Amortisation Amount**" means:

(a) with respect to an Amortising Senior Instrument, an amount calculated as follows:

(i) if on the relevant Payment Date all outstanding Senior Instruments are Non-Amortising Instruments, 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 (i) the principal amount outstanding of such Senior Instrument and (ii) the product of (A) the positive difference between the Senior Instrument Available Redemption Collections minus the sum of the Instrument Amortisation Amounts in respect of the other Amortising Senior Instruments with an earlier Senior Instrument Amortisation Date multiplied by (B) the Amortisation Factor applicable to such Amortising Senior Instrument; or

(iii) if on the relevant Payment Date all Senior Instruments are Amortising Instruments, the Instrument Amortisation Amount for any Senior Instrument will be determined as the product of (i) the Senior Instrument Principal Payment Amount multiplied by (ii) the ratio of the principal amount outstanding of the relevant Amortising Senior Instrument on such Payment Date as numerator and the sum of the principal amount outstanding of all Senior Instruments on such Payment Date as denominator;

(b) with respect to an Amortising 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 (i) the principal amount outstanding of such Junior Instrument and (ii) the product of (a) the positive difference between the Junior Instrument Available Redemption Collections minus the sum of the Instrument Amortisation Amounts in respect of the other Amortising Junior Instruments with an earlier Junior Instrument Amortisation Date multiplied by (b) the Amortisation Factor applicable to such Amortising Junior Instrument; or

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 (i) the Junior Instrument Principal Payment Amount multiplied by (ii) the ratio of the principal amount outstanding of the relevant Amortising Junior Instrument on such Payment Date as numerator and the sum of the principal amount outstanding of all Junior Instruments on such Payment Date as denominator.

"**Instruments Factor**" means, on any Payment Date after the occurrence of the Instrument Revolving Period Expiration Date in respect of an Instrument, the ratio of the outstanding Nominal Instrument Amount of such Amortising Instrument to the Nominal Instrument Amount of such Instrument as determined on the Instrument Revolving Period Expiration Date.

"**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.

"**Interest**" means in respect of a Lease Receivable each of the scheduled periodic payments of interest (if any) payable under the Lease Agreement plus any applicable later payment penalties.

"**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* the initial Interest Accrual Period shall be the period from (and including) the relevant Issue Date to (but excluding) first Payment Date.

"**Interest Determination Agent**" means U.S. Bank Europe DAC.

"**Interest Determination Date**" has the meaning ascribed to such term in clause 7.6 (*Duties of the Principal Paying Agent, the Calculation Agent and Interest Determination Agent*) of the Agency Agreement.

"**Interest Rate**" has the meaning ascribed to such term in the relevant Final Terms.

"**Interest Shortfall**" means the Accrued Interest which is not paid 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 immediate 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 standard identification number pursuant to the ISO-6166 Standard.

"**ISO**" means the International Organisation for Standardisation.

"**Issue**" means the issue of the Notes by the Issuer.

"**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 D to the Procedures Memorandum.

"**Issuer**" means VCL Master Netherlands B.V.

"**Issuer Advance**" means any Initial Issuer Advance, any Additional Issuer Advance or any Issuer Increase Advance made or to be made available under the Issuer Facility Agreement.

"**Issuer Director**" means CSC Management (Netherlands) B.V.

"**Issuer-ICSDs Agreement**" means the Issuer-ICSDs agreement entered into by the Issuer and the ICSDs on the Closing Date.

"**Issuer Facility**" means the loan facility made available by the Issuer to the Seller under the Issuer Facility Agreement.

"**Issuer Facility Agreement**" means the facility agreement originally dated the Signing Date by and between the Issuer Facility Borrower, the Issuer and the Security Trustee.

"**Issuer Facility Borrower**" means the Seller in its capacity as borrower under the Issuer Facility Agreement.

"**Issuer Increase Advance**" means any advance made available by the Issuer to the Seller on any Payment Date under clause 3.3 (*Issuer Increase Advances*) of the Issuer Facility Agreement or the principal amount outstanding from time to time of such advance.

"**Issuer Management Agreement**" means the management agreement entered into by and between the Issuer and the Issuer Director in respect of the Issuer on the Signing Date.

"**Issuer Profit Amount**" means an amount payable by the Issuer to the Issuer Director under the Director Fee Letter.

"**Issuer Rights**" means any and all existing and future rights, other than any so-called "wilsrechten", and claims that will be owing to the Issuer under the following agreements as amended, restated or supplemented from time to time:

(a) under and in connection with the Master Hire Purchase Agreement;

(b) under and in connection with the Servicing Agreement; and

(c) under and in connection with the Issuer Facility Agreement.

"**Issuer Rights Pledge Agreements**" means the First Ranking Issuer Rights Pledge Agreement and the Second Ranking Issuer Rights Pledge Agreement.

"**Issuer Vehicles Pledge Agreement**" means the First Ranking Issuer Vehicles Pledge Agreement and the Second Ranking Issuer Vehicles Pledge Agreement.

"**Junior Instrument Accumulation Amount**" means, on any Payment Date during the Revolving Period, the lesser of (a) the Junior Instrument Principal Payment Amount and (b) (i) the Junior Instrument Available Redemption Collections minus (ii) the sum of Instrument Amortisation Amounts 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 minus the quotient of (a) the Nominal Instrument Amount of all outstanding Senior Instruments and Junior Instruments divided by (b) the sum of (i) the Aggregate Discounted Receivables Balance and (ii) any amounts standing to the credit of the Accumulation Account, each as determined after the preceding Payment Date.

"**Junior Instrument Aggregate Discounted Receivables Balance Increase Amount**" means in respect of a Payment Date the amount necessary to increase the Aggregate Discounted Receivables Balance as of the end of the Monthly Period to the Junior Instrument Targeted Aggregate Discounted Receivables Balance.

"**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 ninth of the Order of Priority set out in clause 16.2(a) (*Order of Priority*) of the Trust Agreement.

"**Junior Instrument Cash Component**" shall be equal to the Junior Instrument Aggregate Discounted Receivables Balance Increase Amount multiplied by one minus the Replenished Lease Receivables Overcollateralisation Percentage.

"**Junior Instrument Increase Amount**" means, with respect to any Further Issue Date, an amount equal to the product of (i) [6.00] per cent. and (ii) the Further Discounted Receivables Balance, all as determined with respect to such Further Issue Date and as rounded down to the nearest EUR 100,000.

"**Junior Instrument Interest Rate**" shall have the meaning ascribed to such term in Condition 8(c) of the Class B Notes or shall have the meaning ascribed to such term in Loan Condition 8(c) (*Payments of Interest*) of the Junior Schuldschein Loans, as applicable.

"**Junior Instrument Margin**" means:

(c) in respect of the Class B Notes, the margin specified under item 6 in the Final Terms of the relevant Series of Notes; and

(d) in respect of the Junior Schuldschein Loans, the margin specified in Loan Condition 4.3 of the Junior Schuldschein Loans.

"**Junior Instrument Principal Payment Amount**" means

(a) during the Revolving Period, an aggregate amount equal to the Junior Instrument Cash Component;

(b) 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 Receivables Balance**" means, on a given Payment Date, a fraction the numerator of which is the aggregate Nominal Instrument Amount of the Senior Instruments and the Junior Instruments after application of the Instrument Amortisation Amount to each Amortising Senior Instrument and the Amortisation Amount to each Amortising Junior Instrument 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 Receivables Balance as of the end of a Monthly Period is less than 10 per cent. of the Aggregate Discounted Receivables Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, zero; otherwise

(b) the excess of the sum of:

(i) Aggregate Discounted Receivables Balance as of 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 Aggregate Discounted Receivables Balance as of the end of the Monthly Period.

"**Junior Instrument Targeted Overcollateralisation Percentage**" means:

(a) [19.55] per cent. until the expiration of the Revolving Period and until a Credit Enhancement Increase Condition shall be in effect;

(b) [31.25] per cent. after expiration of the Revolving Period until the Credit Enhancement Increase Condition is in effect; and

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

"**Junior Instruments**" means the Class B Notes and the Junior Schuldschein Loans, collectively.

"**Junior Schuldschein Loan**" means a loan made available to the Issuer by a Lender pursuant to the Programme Agreement.

"**Late Delinquency Lease Receivable**" means any Lease Receivable for which more than 6 instalments are overdue.

"**Late Delinquency Ratio**" means, expressed as a percentage, the ratio of (i) Late Delinquency Lease Receivables as of the end of any Monthly Period as nominator and (ii) the Aggregate Discounted Receivables Balance as of the beginning of the Monthly Period as denominator.

"**Lead Manager**" means ING Bank N.V., Bijlmerdreef 106, 1102 CT Amsterdam, the Netherlands.

"**Lease Agreement**" means in respect of a Purchased Vehicle, the operational lease agreement, including the general terms and conditions (*algemene voorwaarden*) applicable thereto, between the Seller and the relevant Lessee (including under or pursuant to any master agreement and the relevant schedules thereto) under which Lease Receivables are generated.

"**Lease Agreement Early Termination**" means the termination of a Lease Agreement that takes place before the applicable Lease Maturity Date.

"**Lease Agreement Early Termination Fee**" means, following a Lease Agreement Early Termination, the penalty payable by the relevant Lessee pursuant to the Lease Agreement excluding, for the avoidance of doubt, the Lease VAT Component and the Lease Servicing Component of the Lease Instalment under the relevant Lease Agreement subject to a Lease Agreement Early Termination.

"**Lease Agreement Recalculation**" means the recalculation of the Purchase Price of a Purchased Vehicle and the associated Lease Receivables to be performed by the Servicer from time to time in accordance with the Servicing Agreement in respect of the relevant Lease Agreement.

"**Lease Collections**" means with respect to any Lease Receivable, any amounts collected on behalf of the Issuer from a Lessee pursuant to the relevant Lease Agreement, for the avoidance of doubt, including any Lease Principal Collections, Lease Interest Collections, Lease Servicing Collections, Lease Incidental Collections, Lease VAT Collections and Lease Agreement Early Termination Fees if applicable and any other Lease Receivable, relating to a Collection Period.

"**Lease Early Termination Date**" means any date on which a Lease Agreement Early Termination occurs.

"**Lease Incidental Collections**" means any amount actually collected under or in respect of any Lease Incidental Receivable.

"**Lease Incidental Debt**" means in respect of any Purchased Vehicle (i) any debt owed to a Lessee if following the occurrence of a Lease Termination Date the Repurchase Option is not exercised or the Put Option is not exercised pursuant to (a) the year-end calculation amounts calculated in accordance with the relevant Lease Agreement in respect of which the "open calculation concept" applies and/or (b) any end of contract settlement (*nacalculatie*) or (ii) any other incidental debt arising out of the relevant Lease Agreement and payable in accordance with the relevant Lease Agreement.

"**Lease Incidental Receivable**" means in respect of any Purchased Vehicle any Lease Receivable in respect of the relevant Lessee during a Collection Period in excess of the Lease Interest Component, Lease Principal Component, Lease Servicing Component and Lease Agreement Early Termination Fee payable by the relevant Lessee in such Collection Period.

"**Lease Incidental Shortfall**" means on any Payment Date the amount (if any) by which the sum of any Lease Incidental Debt in respect of the immediately preceding Collection Period exceeds the sum of each Lease Incidental Collection in respect of such Collection Period.

"**Lease Incidental Surplus**" means on any Payment Date prior to the occurrence of an Insolvency Event relating to the Seller, the amount (if any) by which the sum of all Lease Incidental Receivables

exceeds the sum of all Lease Incidental Debts payable in respect of the immediately preceding Collection Period.

"**Lease Instalment**" means the sum of (a) the Lease Principal Component, (b) the Lease Interest Component and (c) the Lease Servicing Component and (d) the Lease VAT Component, and (e) where applicable, the Lease Agreement Early Termination Fees, due under a Lease Agreement.

"**Lease Interest Collections**" means the sum of all Lease Interest Components actually received during the relevant Collection Period.

"**Lease Interest Component**" means the interest component included in any Lease Receivables periodically payable by a Lessee and calculated in accordance with the relevant Lease Agreement.

"**Lease Maturity Date**" means, in respect of a Lease Agreement, the termination date as agreed by and between the Seller (as Lessor) and the Lessee in the Lease Agreement and as amended from time to time in accordance with the Credit and Collection Procedures.

"**Lease Principal Collections**" means the sum of all Lease Principal Components actually received during the relevant Collection Period.

"**Lease Principal Component**" means the principal component included in any Lease Receivables periodically payable by a Lessee and calculated in accordance with the relevant Lease Agreement.

"**Lease Receivables**" means any present or future rights (*vorderingen op naam*) against the relevant Lessee under the relevant Lease Agreement, including, for the avoidance of doubt, any Lease Interest Component, Lease Principal Component, Lease Servicing Component, Lease Incidental Receivable and any VAT, maintenance charge or related fees and expenses due and payable by the Lessee under the terms of the Lease Agreement and any accessory rights (*afhankelijke rechten*), ancillary rights (*nevenrechten*) and other rights relating thereto.

"**Lease Receivables Pledge Agreements**" means the First Ranking Lease Receivables Pledge Agreement and the Second Ranking Lease Receivables Pledge Agreement.

"**Lease Services**" means the services set out in schedule 3 part A (*Lease Services*) of the Servicing Agreement.

"**Lease Servicing Collections**" means the sum of all Lease Servicing Components actually received during the relevant Collection Period.

"**Lease Servicing Component**" means the servicing component included in any Lease Receivables periodically payable by a Lessee and calculated in accordance with the relevant Lease Agreement.

"**Lease Termination Date**" means a Lease Maturity Date or a Lease Early Termination Date.

"**Lease VAT Collections**" means the sum of all Lease VAT Components actually received by during the relevant Collection Period.

"**Lease VAT Component**" means the VAT component included in any Lease Receivables periodically payable by a Lessee, which is equal to x/(1+x) of such Lease Receivables, where x equals the rate of VAT (expressed in decimals which is zero in the case of a zero-rated or exempt supply) applicable to the supply made by the Seller to which such Lease Receivables are related.

"**Leased Assets**" means the Purchased Vehicles and the associated Lease Agreements and Lease Receivables.

"**Leased Vehicle**" means each Vehicle which is subject to an operational lease agreement between the Seller and a Lessee.

"**Lender**" means each lender of a Schuldschein Loan under the Programme Agreement.

"**Lessee**" means each entity, corporation or person or private individual acting in its profession or trade (*handelend in de uitoefening van beroep of bedrijf*), that is a lessee under a Lease Agreement.

"**Lessor**" means the Seller in its capacity as lessor in relation to Lease Agreements entered with Lessees, and following payment of the Final Purchase Instalment prior to the Lease Maturity Date, the Issuer until the relevant Purchased Vehicle is sold to a buyer (which includes the Call Option Buyer).

"**Liabilities**" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including reasonable legal fees and any Taxes and penalties incurred by that person, together with any VAT charged or chargeable in respect of any of the sums referred to in this definition.

"**Losses**" shall have the meaning as set out in clause 15.1 (*Indemnity*) of the Account Agreement or in clause 9.1(*Indemnity and Liability*) of the Agency Agreement, respectively.

"**Loan Conditions**" means the terms and conditions of the relevant Schuldschein Loans which are set out in the Programme Agreement.

"**Luxembourg Stock Exchange**" means the société de la bourse de Luxembourg.

"**Maintenance Coordinator**" means Volkswagen Pon Financial Services B.V. acting as maintenance coordinator or any party appointed as replacement maintenance coordinator under the Servicing Agreement.

"**Maintenance Coordinator Standard of Care**" has the meaning given to that term in clause 4.3 (*Standard of care*) of the Servicing Agreement.

"**Maintenance Coordinator Replacement Event**" means the occurrence of any event described in paragraphs (a) to (d) below:

(a) the Maintenance Coordinator fails to make any payment or deposit to be made by it to the Distribution Account within five (5) Business Days after the earliest of (i) receipt by the Maintenance Coordinator of a written notice from Issuer or any Noteholder of such failure to pay or (ii) the Maintenance Coordinator becoming aware of such failure to pay;

(b) the Maintenance Coordinator 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 Maintenance Coordinator's sole discretion, five Business Days) after receipt by the Maintenance Coordinator of written notice from the Issuer or any Noteholder requiring the failure to be remedied, (which Maintenance Coordinator 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 Maintenance Coordinator 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, and such incorrect representation or warranty shall remain unremedied for sixty (60) days (or, if such failure is not capable of remedy, in the Maintenance Coordinator's sole discretion, five Business Days) after receipt by the Maintenance Coordinator of written notice from the Issuer or any Noteholder requiring the circumstances causing or responsible for such misrepresentation to be remedied (which Maintenance Coordinator Replacement Event shall be deemed to occur only upon the last day of the relevant period); or

(d) the Maintenance Coordinator becomes subject to an Insolvency Event;

provided, however, that if a Maintenance Coordinator Replacement Event referred to under paragraph (a) to (c) above has occurred and was caused by an event beyond the reasonable control

of the Maintenance Coordinator 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 Maintenance Coordinator Replacement Event will be deemed not to have occurred.

"**Maintenance Costs**" means the amounts paid to third party garages and service providers (including any VAT thereon) for the provision of the Maintenance Services in relation to the Purchased Vehicles including any costs relating to an amendment of the vehicle registration (*kentekenbewijzen*) of the Purchased Vehicles and any insurance costs.

"**Maintenance Procedures**" means the maintenance procedures which are applied by the Maintenance Coordinator.

"**Maintenance Reserve**" means the cash reserve maintained on the Maintenance Reserve Ledger from which any Maintenance Costs shall be paid in accordance with the Reserve Funding Agreement.

"**Maintenance Reserve Advance**" means an advance equal to the Required Maintenance Reserve Amount made available by the Reserve Funding Provider to the Issuer subject to the terms of the Funding Agreement.

"**Maintenance Reserve Ledger**" means the ledger for the Maintenance Reserve held on the Cash Collateral Account.

"**Maintenance Services**" means the services set out in schedule 3 part B (*Maintenance Services*) of the Servicing Agreement.

"**Management Agreements**" means (i) the Issuer Management Agreement, (ii) the Trustee Management Agreement and (iii) the Foundation Management Agreement, collectively.

"**Master Hire Purchase Agreement**" means the master hire purchase agreement originally entered into by and between the Issuer, the Seller and the Security Trustee on the Signing Date, as amended from time to time.

"**Material Adverse Effect**" means, as the context may require:

(a) a material adverse effect on the validity or enforceability of any of the Programme Documents; or

(b) in respect of a Programme Party, a material adverse effect on:

(i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Programme Party; or

(ii) the ability of such Programme Party to perform its obligations under any of the Programme Documents; or

(iii) the rights or remedies of such Programme Party under any of the Programme Documents.

"**Matured Lease**" means a Lease Agreement which has expired on its Lease Maturity Date.

"**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.

"**Monthly Collateral Account**" means the account held by the Issuer with the Account bank IBAN IE51USBK99034573255905 and Swift: USBKIE22.

"**Monthly Collateral**" means an amount in cash as determined by the Servicer, equal to the sum of (i) the scheduled Lease Interest Components, Lease Principal Components and Estimated Residual Value of the relevant Purchased Vehicle to be received under the Lease Agreements relating to Purchased Vehicles becoming due in the then ongoing calendar month and (ii) the expected monthly prepayments of Lease Interest Components and Lease Principal Components for such ongoing month and the Estimated Residual Value of the relevant Purchased Vehicle under the Lease Agreements relating to Purchased Vehicles, calculated on the basis of a constant prepayment rate of 5 per cent per annum.

"**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**" shall no longer be satisfied if any of the following events occur:

(a) Volkswagen AG ceases to hold directly or indirectly at least 50% of the shares in the Seller; or

(b) Volkswagen Pon Financial Services B.V. no longer has a long-term rating for unsecured and unguaranteed debt of at least BBB(low)sf from Morningstar DBRS or if a public or private rating from Morningstar DBRS is not available, Volkswagen Pon Financial Services B.V. receives notification from DBRS that Morningstar DBRS has determined Volkswagen Pon Financial Services B.V.'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(low)sf from Morningstar DBRS; or

(c) the Parent no longer has a long-term rating for unsecured and unguaranteed debt of at least "Baa2" from Moody's or if a public rating from Moody's is not available for the Parent, the Parent receives notification from Moody's that Moody's 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 "Baa2" from Moody's.

"**Monthly Servicer Report**" shall have the meaning ascribed to such term in clause 8.1(a) of the Servicing Agreement.

"**Moody's**" means Moody's Deutschland GmbH or any successor of its rating business.

"**Morningstar DBRS**" means DBRS Ratings GmbH or any successor to its rating business.

"**Morningstar 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).

"**Morningstar DBRS Equivalent Chart**" means:

Morningstar 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

"**Morningstar 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 an S&P Global public rating are all available, (a) the remaining rating (upon conversion on the basis of the Morningstar 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 Morningstar DBRS Equivalent Chart); (ii) if the Morningstar 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 Morningstar DBRS Equivalent Chart); and (iii) if the Morningstar 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 Morningstar DBRS Equivalent Rating (upon conversion on the basis of the Morningstar DBRS Equivalent Chart).

"**NACE**" means statistical classification of economic activities in the Union (*Nomenclature statistique des activités économiques dans la Communauté européenne*).

"**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 Aggregate Discounted Receivables Balance, and (b) -1 (minus one), any Negative Buffer Release Amount shall only be used to cover the payments pursuant to items *first* to *six* of the Order of Priority, as set out in clause 16.2(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 owed by a Swap Counterparty to the Issuer, if any, on any Payment Date, excluding any Swap Termination Payments. For further clarity, this term does not include any amounts transferred as collateral.

"**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.

"**Note Purchaser**" means each purchaser of a particular Series of Notes under the Programme Agreement.

"**Notes**" means the Initial Notes and the Further Notes.

"**Notes Conditions**" means the terms and conditions of the relevant Notes as set out in the Base Prospectus.

"**Offer Date**" means the Initial Offer Date and each Additional Offer Date.

"**Option Exercise Price**" means an amount equal to (A) in case of a Matured Lease the Estimated Residual Value and (B) in case of a Lease Agreement Early Termination, an amount equal to the sum of:

(a) the Present Value of all remaining scheduled Lease Interest Components and Lease Principal Components; and

(b) the Present Value of the Estimated Residual Value of the relevant Purchased Vehicle,

each as calculated in respect of the relevant Purchased Vehicle as of the relevant Cut-Off Date.

"**Order of Priority**" means the order of priority according to which the payments of interest and principal to the Noteholders and the Lenders are distributed and other payments due and payable by the Issuer are made as more specifically described in clause 16.2 (*Order of Priority*) of the Trust Agreement.

"**Originator**" means the Seller, including any legal predecessors, acting in its capacity as originator of the Lease Agreements.

"**Outstanding Principal Balance**" means, with respect to any Lease Receivable as at any date, the outstanding principal balance of such Lease Receivable on such date determined in accordance with the Servicer's customary operating practices; *provided that* the Outstanding Principal Balance of any Defaulted Receivable shall be zero.

"**Parallel Debt**" means the undertaking by the Issuer pursuant to clause 3 (*Parallel Debt*) of the Trust Agreement to pay, under the same terms and conditions as each of the Principal Obligations, to the Security Trustee any amounts equal to each of the Principal Obligations owed by the Issuer to each Programme Creditor.

"**Parent**" means either

(a) Volkswagen Financial Services AG on the Renewal Date, and subsequently

(b) any company which holds directly more than 50% of the shares in Volkswagen Finance Europe B.V.

"**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.

"**Payment Instruction**" shall have the meaning it is given in clause 5.1 (*Operating/Release Procedure*) of the Account Agreement.

"**Permitted Variation**" means (i) in respect of (x) a Lease Agreement not falling under (ii) below, and/or (y) the Credit and Collection Procedures, a change to the terms and conditions of that Lease Agreement and/or the Credit and Collection Procedures which (a) does not cause the Lease Agreement to cease to comply with the Eligibility Criteria, (b) would not cause any of the Asset Warranties to be untrue if given on the effective date of the relevant variation, (c) which are made in compliance with the Servicer Standard of Care, and (d) in respect of a Lease Agreement only, are made in accordance with the terms of the relevant Lease Agreement or (ii) any amendment made to a relevant Lease Agreement which is made upon a default by the Lessee under the relevant Lease

Agreement as part of the Credit and Collection Procedures to be complied with, or if the Credit and Collection Procedures are not applicable due to the nature of the default in question, is made as a reasonably prudent lessor of Vehicles in the Netherlands would do in respect of such default.

"**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.

"**Personal Data**" means any information relating to an identified or identifiable natural person as defined in clause 4(1) of the General Data Protection Regulation.

"**Pledge Agreement**" means the Sellers Vehicles Pledge Agreements, the Issuer Vehicles Pledge Agreements, the Lease Receivables Pledge Agreements, the Issuer Rights Pledge Agreements or any Supplementary Pledge Agreement.

"**Pledge Notification Event**" means the pledge notification event specified in the relevant Lease Receivables Pledge Agreement.

"**PMP**" means a professional market party (*professionele marktpartij*) as defined in section 1.1 of the DFSA.

"**Portfolio**" means the Initial Portfolio and each Additional Portfolio collectively, excluding any Purchased Vehicles which are retransferred, transferred or otherwise disposed of by or on behalf of the Issuer or the Hire Purchase Contract of which is terminated.

"**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 Aggregate Discounted Receivables Balance.

"**Present Value**" means the present value of the relevant cash-flows calculated at the Discount Rate on the basis of one year having 360 days, with 12 months and each month having 30 days.

"**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 Agreement as may be modified from time to time to account e.g. for the unscheduled prepayments by the Lessee.

"**Principal Obligations**" means all payment obligations, whether actual or contingent, whether present or future, of the Issuer to any Programme Creditor from time to time due in accordance with the terms and conditions of the relevant Programme Documents, including, without limitation, the Notes, but excluding the Parallel Debt.

"**Principal Paying Agent**" means U.S. Bank Europe DAC.

"**Private Lease Agreement**" means a Lease Agreement between the Seller and a private individual who is not acting in its profession or trade (*handelend in de uitoefening van beroep of bedrijf*).

"**Procedures Memorandum**" means the procedures memorandum dated 22 May 2017, as amended from time to time.

"**Programme**" means the programme for the issuance of the Notes and the borrowing of the Schuldschein Loans by the Issuer in an amount equal to the Programme Amount.

"**Programme Amount**" means EUR 1,500,000,000 for the issuance of the Notes and the advances under the Schuldschein Loans.

"**Programme Agreement**" means the programme agreement entered into between the Issuer, the purchasers of the Notes and the Lenders dated 22 May 2017, as amended and restated from time to time.

"**Programme Creditors**" means for all Instruments, the Noteholders, the Lenders, the Security Trustee, the Seller, the Servicer (if different to the Seller), the Maintenance Coordinator, the Lead Manager, the Swap Counterparties, the Subordinated Lender, the Principal Paying Agent, the Registrar, the Interest Determination Agent, the Calculation Agent, the Account Bank, the Cash Administrator, the Directors, the Data Protection Trustee and the Foundation.

"**Programme Documents**" means the English Programme Documents, the German Programme Documents and the Dutch Programme Documents.

"**Programme Party**" means each party 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, as amended.

"**Purchase Date**" means the Closing Date or an Additional Purchase Date, as applicable.

"**Purchase Instalment Decrease Amount**" means in respect of a Payment Date following a Calculation Date on which it is determined in accordance with clause 6.3 (*Recalculation of Lease Instalments and Purchase Instalments*) of the Master Hire Purchase Agreement that any Purchase Instalment in relation to a Purchased Vehicle will be amended on the first following Payment Date, an amount equal to the amount by which the sum of the Present Value of each relevant scheduled Purchase Instalment remaining after such Payment Date as if no such amendment had occurred exceeds the sum of the Present Value of each relevant scheduled Purchase Instalment remaining after such Payment Date as amended.

"**Purchase Instalment Increase Amount**" means in respect of a Payment Date following a Calculation Date on which it is determined in accordance with clause 6.3 (*Recalculation of Lease Instalments and Purchase Instalments*) of the Master Hire Purchase Agreement that any Purchase Instalment in relation to a Purchased Vehicle will be amended on the first following Payment Date, an amount equal to the amount by which the sum of the Present Value of each relevant scheduled Purchase Instalment remaining after such Payment Date as if no such amendment had occurred falls short of the sum of the Present Value of each relevant scheduled Purchase Instalment remaining after such Payment Date as amended.

"**Purchase Instalments**" means in respect of a Purchased Vehicle the instalments in which the Purchase Price in respect of the relevant Purchased Vehicle is to be paid pursuant to the relevant Hire Purchase Contract.

"**Purchase Price**" means in respect of a Purchased Vehicle, the purchase price agreed upon (and payable in instalments) pursuant to a Hire Purchase Contract, each as amended and/or discounted from time to time in accordance with the Master Hire Purchase Agreement.

"**Purchase Price Discount**" means 2.85 per cent.

"**Purchased Assets**" means together Purchased Receivables and the Purchased Vehicles.

"**Purchased Receivable**" means a Lease Receivable (including the respective Ancillary Rights) purchased by the Issuer from the Seller in accordance with the Master Hire Purchase Agreement.

"**Purchased Vehicle**" means a Leased Vehicle purchased by the Issuer from the Seller pursuant to a Hire Purchase Contract, to the extent not retransferred, transferred or otherwise disposed of by or on behalf of the Issuer, including following a termination of the relevant Hire Purchase Contract as contemplated by the Master Hire Purchase Agreement, to the Call Option Buyer following the exercise of the Repurchase Option or to the Seller following the exercise of the Put Option.

"**Purchased Vehicles Records**" means the original and/or any copies of the Lease Agreements and all documents, books, records and information, in whatever form or medium, relating to the Lease

Agreements, including all computer tapes and discs specifying, among other things, Lessee details, the amount and dates on which payments are due and are paid under the Lease Agreements, which are from time to time maintained by the Servicer, the Maintenance Coordinator or the Seller with respect to the Purchased Receivables and/or the related Lessee.

"**Purchaser**" means the Issuer in its capacity as purchaser of the Purchased Vehicles.

"**Put Option**" means, upon a Lease Termination Date and to the extent the Call Option Buyer does not exercise the relevant Repurchase Option, the right of the Issuer (but not an obligation to do so) to require the Seller to repurchase the relevant Purchased Vehicle sold by it to the Issuer, against payment of the relevant Option Exercise Price pursuant to clause 9.2 of the Master Hire Purchase 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 Morningstar DBRS and Moody's.

"**Receiver**" or "**receiver**" means any receiver or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act and who is appointed by the Security Trustee under the Security Assignment Deed in respect of the security and includes more than one such receiver and any substituted receiver.

"**Realisation Procedure Rules**" means the Servicer's realisation procedure rules as further described in clause 18.1 (p) (*General Undertakings of the Servicer*) of the Servicing Agreement.

"**Realisation Services**" means the services set out in schedule 3 Part C (*Realisation Services*) of the Servicing Agreement.

"**Redeemable Amount**" means, with respect to each outstanding Note of any Series and each outstanding Schuldschein Loan and the Payment Date on which Lease Receivables are sold pursuant to clause 13 (*Clean-Up Call Option*) of the Master Hire Purchase Agreement, an amount determined as the quotient of (A) the Aggregate Redeemable Amount, divided by (B) the number of Notes of such Series 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 names and addresses of the Noteholders and the particulars of the Notes held by such Noteholders and, in each case, all transfers and payments (of interest and principal) of such Schuldschein Loans or Notes will be entered.

"**Registered Holder**" means in the case of the Class A Notes the nominee of the Common Safekeeper in whose name the relevant Global Note has been registered or, in the case of the Class B Notes the nominee of the common depositary in whose name the Global Note has been registered.

"**Registrar**" means U.S. Bank Europe DAC.

"**Regular Purchase Instalment**" means each Purchase Instalment other than the Final Purchase Instalment.

"**Relevant Clearing System**" means in respect of any Notes, any of the following: Euroclear Bank SA/NV and/or Clearstream Banking S. A., 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**" mean with respect to an amount on any day, in case of an amount denominated in Euro, such currency 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 Vehicles**" has the meaning given to that term in any Combined Transfer Deed.

"**Renewal Date**" means [25 November 2026].

"**Replacement Maintenance Coordinator Fee**" means 1/12 x (1 per cent. per annum multiplied by the sum of the Aggregate Discounted Receivables Balance of the Maintenance Coordinator for the related Monthly Period), payable by the Issuer to the replacement Maintenance Coordinator upon the occurrence of a Maintenance Coordinator Replacement Event.

"**Replenished Additional Discounted Receivables 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 Lease Receivables 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 issued, an amount equal to the sum of the Additional Lease Receivables that are available to be purchased on such Additional Purchase Date.

"**Replenished Lease Receivables Overcollateralisation Percentage**" means 2.85 per cent.

"**Repurchase Option**" means the option that the Call Option Provider provides to the Call Option Buyer pursuant to the Master Hire Purchase Agreement.

"**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 Receivables Balance on the immediately preceding Payment Date.

"**Required Maintenance Reserve Amount**" means 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 and no Insolvency Event in respect of the Maintenance Coordinator has occurred: zero;

(b) following the Payment Date on which any and all amounts of interest and principal in respect of the Notes have been or will be redeemed in full: zero;

(c) following a Reserve Trigger Event has occurred, the higher of (A) the quotient of (a) the product of (i) the sum of the actual Maintenance Costs calculated as of the respective Servicer Report Performance Date over the preceding six (6) Collection Periods multiplied (ii) by the Aggregate Discounted Receivables Balance as of the current Servicer Report Performance Date divided by (b) the Aggregate Discounted Receivables Balance as of the preceding Servicer Report Performance Date and (B) EUR 3,000,000.00.

"**Reserve Funding Agreement**" means the reserve funding agreement originally dated on or about the Signing Date, between the Reserve Funding Provider, the Issuer and the Security Trustee, as amended from time to time.

"**Reserve Funding Provider**" means Volkswagen Pon Financial Services B.V.

"**Reserve Trigger Event**" means that any of the following events occur:

(a) Volkswagen AG ceases to hold directly or indirectly at least 50% of the shares in the Seller; or

(b) Morningstar DBRS deems the credit quality of Volkswagen Pon Financial Services B.V. no longer commensurate with a long-term rating for unsecured and unguaranteed debt of at least BBB(low); or

(c) the Parent no longer has a long-term rating for unsecured and unguaranteed debt of at least "Baa2" from Moody's or if a public rating from Moody's is not available for the Parent, the Parent receives notification from Moody's that Moody's 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 "Baa2" from Moody's.

"**Revolving Period**" means the period from (and including) the Initial Issue Date and ending on (and including) the earlier of (i) 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.

"**Scheduled Repayment Date**" shall mean

(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 a certificate of indebtedness (*Schuldschein*) evidencing a Schuldschein Loan, issued by the Issuer to the relevant Lender in accordance with the Programme Agreement.

"**Schuldschein Loan**" means a Senior Schuldschein Loan or a Junior Schuldschein Loan, as applicable, made available to the Issuer by a Lender pursuant to the Programme Agreement.

"**Second Ranking Issuer Rights Pledge Agreement**" means the second ranking issuer rights pledge agreement entered into by and between, *inter alios*, the Issuer and the Security Trustee as of the Renewal Date.

"**Second Ranking Issuer Vehicles Pledge Agreement**" means the second ranking issuer vehicles pledge agreement entered into by and between the Issuer and the Security Trustee as of the Renewal Date.

"**Second Ranking Lease Receivables Pledge Agreement**" means the second ranking lease receivables pledge agreement entered into by and between the Issuer and the Security Trustee on the Renewal Date.

"**Second Ranking Sellers Vehicles Pledge Agreement**" means the second ranking sellers vehicles pledge agreement entered into by and between the Seller, the Issuer and the Security Trustee on the Renewal Date.

"**Secured Assets**" means the assets of the Issuer which are the subject to any Security.

"**Secured Obligations**" means:

(a) any and all existing and future indebtedness and liabilities owed by the Issuer to the Security Trustee in connection with the Parallel Debt and any of the Programme Documents; and

(b) if and to the extent that at the time of the creation of the relevant right of pledge or at any time thereafter, a Principal Obligation owed to the Security Trustee cannot be validly secured through the Parallel Debt, such Principal Obligation itself.

"**Secured Parties**" means the Programme Creditors.

"**Securities Act**" means the United States Act of 1933.

"**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 and Dutch competent authorities, and any implementing laws or regulations in force in Germany and the Netherlands.

"**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 Security Trustee (and also for the benefit of the Programme Creditors) pursuant to the provisions of the Security Documents.

"**Security Assignment Deed**" means the English law deed of charge governing the granting of security and declaration of trust entered into, *inter alios*, between Seller, the Issuer and the Security Trustee dated on or about the Renewal Date.

"**Security Documents**" means the Pledge Agreements, the Trust Agreement, the Security Assignment Deed and any security documents executed pursuant to the Security Assignment Deed collectively.

"**Security Trustee**" means Stichting Security Trustee VCL Master Netherlands.

"**Section 5**" means Section 5 of Chapter III of the Commission Delegated Regulation (EU) No 231/2013 supplementing the EU Alternative Investment Fund Managers Directive (2011/61/EC).

"**Seller Event of Default**" means the occurrence of any event described in paragraphs (a) to (d) below:

(a) the Seller fails to make any payment or deposit to be made by it to the Distribution Account within five (5) Business Days after the earliest of (i) receipt by the Seller of a written notice from Issuer or any Noteholder or any Lender of such failure to pay or (ii) the Seller becoming aware of such failure to pay;

(b) the Seller 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 Seller's sole discretion, five Business Days) after receipt by the Seller of written notice from the Issuer or any Noteholder or any Lender requiring the failure to be remedied, (which Seller Event of Default shall be deemed to occur only upon the last day of the relevant period);

(c) any material written representation or warranty made by the Seller in its capacity as such in the Master Hire Purchase 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 a Lease Receivable by VWPFS in accordance with the Master Hire Purchase Agreement shall be deemed to remedy such circumstances with respect to such Receivable), and such incorrect representation or warranty shall remain unremedied for sixty (60) days (or, if such failure is not capable of remedy, in the Seller's sole discretion, five Business Days) after receipt by the Seller of written notice from the Issuer or any Noteholder or any Lender requiring the circumstances causing or responsible for such misrepresentation to be remedied (which Seller Event of Default shall be deemed to occur only upon the last day of the relevant period); or

(d) the Seller becomes subject to an Insolvency Event;

provided, however, that if a Seller Event of Default referred to under paragraph (a) to (c) above has occurred and was caused by an event beyond the reasonable control of the Seller 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 Seller Event of Default will be deemed not to have occurred.

"**Seller**" means Volkswagen Pon Financial Services B.V.

"**Sellers Vehicles Pledge Agreements**" means the First Ranking Sellers Vehicles Pledge Agreement and the Second Ranking Sellers Pledge Agreement.

"**Seller Warranties**" means the Corporate Warranties and the Asset Warranties, collectively.

"**Senior Instrument Accumulation Amount**" means, on any Payment Date during the Revolving Period, the lesser of (a) the Senior Instrument Principal Payment Amount and (b) (i) the Senior Instrument Available Redemption Collections minus (ii) the sum of 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 minus the quotient of (a) the Nominal Instrument Amount of all outstanding Senior Instruments divided by the sum of (i) the Aggregate Discounted Receivables Balance and (ii) any amounts standing to the credit of the Accumulation Account, each as determined after the preceding Payment Date.

"**Senior Instrument Aggregate Discounted Receivables Balance Increase Amount**" means in respect of a Payment Date the amount necessary to increase the Aggregate Discounted Receivables Balance as of the end of the Monthly Period to the Senior Instrument Targeted Aggregate Discounted Receivables 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 *seventh* of the Order of Priority set out in clause 16.2(a) (*Order of Priority*) of the Trust Agreement.

"**Senior Instrument Cash Component**" shall be equal to the Senior Instrument Aggregate Discounted Receivables Balance Increase Amount multiplied by one minus the Replenished Lease Receivables Overcollateralisation Percentage.

"**Senior Instrument Increase Amount**" means, with respect to any Further Issue Date, an amount equal to the product of (i) [77.50] per cent. and (ii) the Further Discounted Receivables Balance, all as determined with respect to such Further Issue Date and as rounded down to the nearest EUR 100,000.

"**Senior Instrument Interest Rate**" shall have the meaning ascribed to such term in Condition 8(c) of the Class A Notes or shall have the meaning ascribed to such term in Loan Condition 8(c) (*Payments of Interest*) of the Senior Schuldschein Loans, 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

(a) during the Revolving Period, an aggregate amount equal to the Senior Instrument Cash Component;

(b) 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 Targeted Aggregate Discounted Receivables Balance**" means, on a given Payment Date, a fraction the numerator of which is the aggregate Nominal Instrument Amount of the Senior Instruments after application of the Instrument Amortisation Amount to each Amortising Senior Instrument 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 Receivables Balance as of the end of a Monthly Period is less than 10 per cent. of the Aggregate Discounted Receivables Balance as of the Additional Cut-Off Date immediately preceding the Renewal Date, zero; otherwise

(b) the excess of the sum of:

(i) Aggregate Discounted Receivables Balance as of 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 Aggregate Discounted Receivables Balance as of the end of the Monthly Period.

"**Senior Instrument Targeted Overcollateralisation Percentage**" means:

(a) [27.25] per cent. until the expiration of the Revolving Period and until a Credit Enhancement Increase Condition shall be in effect;

(b) [38.50] per cent. after expiration of the Revolving Period until the Credit Enhancement Increase Condition is in effect; and

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

"**Senior Instruments**" means the Class A Notes and the Senior Schuldschein Loans, collectively.

"**Senior Maintenance Coordinator Fee**" means a fee payable to Volkswagen Pon Financial Services B.V. in its capacity as Maintenance Coordinator in the amount equal to their respective

Lease Servicing Collections, Lease VAT Collections and any Lease Incidental Collections, to the extent received by the Issuer.

"**Senior Schuldschein Loan**" means a loan made available to the Issuer by a Lender pursuant to the Programme Agreement.

"**Series**" means in respect of the Notes, any series issued on a given Issue Date.

"**Servicer Fee**" means, on any Payment Date, 1/12 x (the Servicer Fee Rate multiplied by the sum of the Aggregate Discounted Receivables Balance of the Servicer for the related Monthly Period), payable by the Issuer to the Servicer.

"**Servicer Fee Rate**" means 1 per cent. per annum.

"**Servicer Insolvency Event**" means the occurrence of an Insolvency Event in respect of the Servicer.

"**Servicer Replacement Event Deliverables**" has the meaning given to that term in clause 23.5(a) (*Delivery of Documents, etc. by the Servicer*) of the Servicing Agreement.

"**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 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 any Noteholder requiring the failure to be remedied, (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period);

(c) any material written representation or warranty made by the Servicer in its capacity as such in the Servicing Agreement or any of the 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 a Lease Receivable by VWPFS in accordance with the Master Hire Purchase Agreement shall be deemed to remedy such circumstances with respect to such Receivable), and such incorrect representation or warranty shall remain unremedied for sixty (60) days (or, if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Noteholder or any Lender 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 suffers a Servicer 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.

"**Servicer Standard of Care**" has the meaning given to that term in clause 3.3 (*Standard of Care*) of the Servicing Agreement.

"**Servicer**" means Volkswagen Pon Financial Services B.V. and any replacement servicer appointed under the Servicing Agreement.

"**Services**" means the services to be provided by the Servicer as set out in the Servicing Agreement.

"**Servicing Agreement**" means the servicing agreement between the Servicer, the Issuer and the Security Trustee dated on or about the Signing Date, as amended from time to time.

"**Shortfall**" has the meaning ascribed to such term in clause 7.3 (*Duties of the Principal Paying Agent, the Calculation Agent and Interest Determination Agent*) of the Agency Agreements.

"**Signing Date**" means on or about 26 May 2016.

"**Specified General Cash Collateral Account Balance**" means, on each Payment Date, (i) during the Revolving Period, an amount equal to [1.35] 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 as of 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.

"**Standard Servicing Guidelines**" are the guidelines of the Seller which are applicable to any of its operational lease agreement entered into with a Lessee and which can be inspected at the offices of the Seller.

"**Standard Underwriting Criteria**" means the Seller's standard underwriting criteria and procedures, which are described in the Base Prospectus.

"**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**" means an advance made in accordance with clause 2.4 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

"**Subordinated Loan Advance Notice**" shall have the meaning assigned to such term in clause 2.4 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

"**Subordinated Loan Amount**" has the meaning given to such term in clause 2.1 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

"**Subordinated Loan Agreement**" means the subordinated loan agreement dated on or about the Signing Date, as amended and restated from time to time, and entered into by, *inter alios*, the Issuer, the Subordinated Lender and the Security Trustee, under which the Subordinated Lender will advance (or has advanced) the Subordinated Loan to the Issuer.

"**Subordinated Loan Increase Amount**" means, with respect to any Further Issue Date, an amount equal to the sum of (a) the product of (i) [14.73] per cent. and (ii) the difference between (A) the Additional Discounted Balance and (B) the Replenished Additional Discounted Receivables Balance, all as determined with respect to such Additional Purchase Date and (b) the amount by which the Junior Instrument Increase Amount as of such Further Issue Date exceeds the aggregate nominal amount of the Junior Instruments issued on such Further Issue Date as notified by the Issuer.

"**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.

"**Supplementary Pledge Agreement**" means in respect of the Issuer Vehicles Pledge Agreements, any supplementary issuer vehicles pledge agreement, in respect of the Sellers Vehicles Pledge Agreements, any supplementary sellers vehicles pledge agreement and in respect of the Lease Receivables Pledge Agreement, any supplementary lease receivables pledge agreement, each forming part of a Combined Transfer Deed in the form of Schedule 2 to the Master Hire Purchase 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 Series of Notes against a fixed rate.

"**Swap Collateral**" means the collateral as posted in accordance with the Swap Agreement.

"**Swap Counterparty**" means the counterparty to the respective Swap Agreement.

"**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 Tax Credit**" means any amounts relating to tax credits payable by the Issuer to any Swap Counterparty pursuant to the provisions of any 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.

"**Taxes**" means any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature whatsoever (and whatever called) imposed, assessed or levied by any competent fiscal authority having power to tax, and shall include any interest or penalties which may attach as a consequence of failure to pay on the due date and/or non-payment, and "**Tax**", "**Taxation**", "**taxes**", "**tax**" and similar words shall be construed accordingly.

"**TARGET 2**" means the Trans-European Automated Real-time Gross Settlement Express System (Target 2) which was launched on 19 November 2007.

"**Targeted Delinquent Lease Senior Instrument Balance**" means the Discounted Receivables Balance of Delinquent Lease Receivables relating to the Leased Vehicles that are not sold pursuant to clause 13 *(Clean-Up Call/ Sale of Purchased Vehicles to other securitisation vehicles)* of the Master Hire Purchase Agreement on the respective Payment Date multiplied by 30 per cent.

"**Targeted Delinquent Lease Junior Instrument Balance**" means the Discounted Receivables Balance of Delinquent Lease Receivables relating to the Leased Vehicles that are not sold pursuant to clause 13 *(Clean-Up Call/ Sale of Purchased Vehicles to other securitisation vehicles)* of the Master Hire Purchase Agreement on the respective Payment Date multiplied on the respective Payment Date multiplied by 6 per cent.

"**Targeted Non-Delinquent Lease Senior Instrument Balance**" means the product of (i) the sum of (A) the Aggregate Discounted Receivables Balance of Lease Receivables relating to the Leased Vehicles that are not Delinquent Lease Receivables and that are not sold pursuant to clause 13

(Clean-Up Call/ Sale of Purchased Vehicles to other securitisation vehicles) of the Master Hire Purchase Agreement on the respective Payment Date, and (B) the Replenished Additional Discounted Receivables Balance on the respective Payment Date, and (ii) [77.50] per cent.

"**Targeted Non-Delinquent Lease Junior Instrument Balance**" means the product of (i) the sum of (A) the Aggregate Discounted Receivables Balance of Lease Receivables relating to the Leased Vehicles that are not Delinquent Lease Receivables and that are not sold pursuant to clause 13 *(Clean-Up Call/ Sale of Purchased Vehicles to other securitisation vehicles)* of the Master Hire Purchase Agreement on the respective Payment Date, and (B) the Replenished Additional Discounted Receivables Balance on the respective Payment Date, and (ii) [6.00] per cent.

"**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.

"**Targeted Remaining Junior Instrument Balance**" means the sum of (i) the Targeted Non-Delinquent Lease Junior Instrument Balance and (ii) the Targeted Delinquent Lease Junior Instrument Balance.

"**Term Takeout**" means any disposal and transfer of any or all Hire Purchase Contracts between the Seller and the Issuer by the Issuer to a company that issues asset backed securities secured by Lease Receivables or other assets originated or acquired by a member of VW Group in connection with term issuances of debt instruments of such separate company.

"**Trade Register**" means the trade register of the Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) in The Netherlands.

"**Transaction**" means the Programme Documents, together with all agreements and documents executed in connection with the issuance of the Notes, the performance thereof and all other acts, undertakings and activities connected therewith.

"**Trust Agreement**" means the trust agreement dated on or about the Signing Date (as amended from time to time) and entered into by, *inter alios*, the Issuer and the Security Trustee.

"**Trustee Director**" means Amsterdamsch Trustee's Kantoor B.V.

"**Trustee Management Agreement**" means the management agreement entered into by and between the Issuer, the Security Trustee and the Trustee Director in respect of the Security Trustee on the Signing Date, as amended from time to time.

"**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 is 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**" or "**U.S.**" 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. Person**" means a U.S. person within the meaning of Regulation S and the U.S. Risk Retention Rules (as applicable).

"**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.

"**VAT**" means, and shall be construed as, a reference to value added tax including any similar tax which may be imposed in place thereof from time to time.

"**VAT Component**" means the amount of each payment made in respect of a Lease Receivable which constitutes VAT thereof.

"**Vehicle**" means any passenger vehicle, van or public utility vehicle (*openbaar vervoersmiddel*).

"**Vehicle Realisation Proceeds**" means the sum of:

(a) any and all proceeds resulting from the realisation (e.g. a sale or other disposal, including a repurchase of a Purchased Vehicle by the Seller (in case of the exercise of the Repurchase Option by the Call Option Buyer or in case of the exercise of the Put Option by the Issuer) of any Purchased Vehicle *minus* any realisation costs incurred in connection with such realisation (including, where relevant, any fees payable to the Servicer); and

(b) any compensation payments by insurance companies received in respect of a Purchased Vehicle; and

(c) any other proceeds, if any, resulting from such Purchased Vehicle.

"**VW Group**" means Volkswagen AG and any of its Affiliates.

"**Waterfall Table**" has the meaning ascribed to such term in clause 6.1 (*The Calculation Agent*) of the Agency Agreement.

"**Weighted Average Hedge Rate**" means, on any Cut-Off Date, the quotient of (a) the sum of the Weighted Hedge Rates under all Swap Agreements entered into by the Issuer over (b) the sum of the notional amounts of such Swap Agreements.

"**Weighted Average Seasoning**" means, on each Payment Date, the weighted average seasoning of the Lease Agreements, calculated on a contract by contract based on the number of Instalments paid under such Lease Agreement, weighted by the corresponding Discounted Receivables Balance of each Lease Receivable Balance as at the end of the Monthly Period immediately prior to such Payment Date.

"**Write-Off**" means in respect of any debts owed to the Seller by a Lessee under a Lease Agreement the action taken by the Seller 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 Receivables**" means Purchased Receivables which have been subject to a Write-Off.

1.2 In this Master Definition 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.

2. INTERPRETATION

In any Programme Document, the following shall apply:

2.1 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".

2.2 the word "including" shall not be exclusive and shall mean "including, without limitation";

2.3 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;

2.4 if an amount is specified to be calculated or outstanding on a Payment Date, such amount shall be determined prior to the distribution of the Available Distribution Amount in accordance with the applicable Order of Priority;

2.5 periods of days shall be counted in calendar days unless Business Days are expressly prescribed;

2.6 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;

2.7 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;

2.8 any reference to any Person appearing in any of the Programme Documents shall include its successors and permitted assigns;

2.9 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;

2.10 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;

2.11 unless specified otherwise, "promptly" or "immediately" shall mean without undue delay (*ohne schuldhaftes Zögern*, in respect of the German Programme Documents and *onverwijld*, in respect of the Dutch Programme Documents);

2.12 "novation" shall, for the purposes of the German Law Programme Documents, be construed as *Vertragsübernahme*. "To novate" shall be interpreted accordingly;

2.13 where a Dutch or German term has been used, it alone and not the English term to which it relates shall be contemplated for the interpretation of the relevant Programme Document. Where English terms are accompanied by Dutch or German definitions, such definitions shall define how such term is to be interpreted under Dutch or German law;

2.14 any reference to "Trust Agreement" and "Trust Deed" is to be construed as a reference to the same;

2.15 any reference to "Trustee Claim" in the Security Documents is to be construed as a reference to the "Parallel Debt";

2.16 any reference to "BOVAG General Conditions" is to be construed as reference to both the BOVAG General Conditions and the BOVAG Private General Conditions and any reference to "FOCWA General Conditions" in the Master Hire Purchase Agreement and Programme Agreement is to be construed as reference to both the BOVAG Private Conditions in Car Body Work and the BOVAG Business Conditions in Car Work;

2.17 for the purposes of the Pledge Agreements only, for the avoidance of any doubt, notwithstanding the governing law of any Programme Document (other than a Dutch Programme Document), the obligation to pledge is and will remain governed by and interpreted in accordance with Dutch law;

2.18 any reference to the Seller is to be construed where the context requires as a reference to predecessor(s) of the Seller;

2.19 any reference to the Servicer is to be construed where the context requires as a reference to predecessor(s) of the Servicer; and

2.20 any reference to the Lessor is to be construed where the context requires as a reference to predecessor(s) of the Lessor.

FORM OF FINAL TERMS

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 NETHERLANDS B.V.

(*a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of The Netherlands with its statutory seat in Amsterdam*)

as Issuer

for the issuance of the

EUR [●] Series [●][Class A/Class B] Notes

[*(to be consolidated and form a single Series with the EUR [●] Series [●][Class A/Class B] Notes already outstanding)*].

issued pursuant to the

EUR 1,500,000,000 Programme for the Issuance of Notes

These Final Terms are issued to give details of an issue of [Class A/Class B] Notes by VCL Master Netherlands B.V. under the EUR 1,500,000,000 programme for the issuance of Notes (the "**Programme**"). The Final Terms attached to the Base Prospectus dated [20 November 2026] [and supplemented on [●]] have been prepared for the purpose of Article 8 of Regulation EU) 2017/1129. The Base Prospectus [and any supplement thereto] and the Final Terms have been published on the website of the Luxembourg Stock Exchange (www.luxse.com) and the Base Prospectus [and any supplement thereto] has been published on the website of the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen).

The Final Terms of the Series [●][Class A/Class B] Notes must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the [Class A/Class B] 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 Conditions of the [Class A/Class B] Notes. All references in these Final Terms to numbered Conditions are to be read as reference to the respective Conditions of the [Class A/Class B] Notes.

1.	Issue Price:	[●]
2.	[Initial] [Further] Issue Date (Condition 8(a)):	[●]
3.	[Class A / Class B] Series Number:	[●]
	Tranche Number:	[●]
4.	Aggregate Nominal Instrument Amount of Further Series [●][Class A/Class B] Notes:	EUR [●] [Not applicable]

5.	Aggregate Nominal Instrument Amount of Series [●][Class A/Class B] Notes (including the Notes subject of these Final Terms):	EUR [●] [Not applicable]
6.	Amount on which interest is to be paid on the first Payment Date (Condition 9(a)):	EUR: [●]
7.	[Senior Instrument][Junior Instrument] Margin (Condition 8(c)):	[●] per cent. per annum
	First occurring Payment Date with respect to the Series [●][Class A/Class B] Notes:	[●]
8.	Instrument Revolving Period Expiration Date:	Payment Date falling in [●] (or as extended in accordance with Condition 9(c))
9.	Scheduled Repayment Date (Condition 9 (d)):	Payment Date falling in [●] (or as extended in accordance with Condition 9(c) as a consequence of the extension of the Instrument Revolving Period Expiration Date)
10.	Final Maturity Date (Condition 9(d)):	[●] (or as extended in accordance with Condition 9(e) 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.	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper [include this text for Registered Notes which are to be held under the NSS]) and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper[include this text for Registered Notes which are to be held under the NSS]). Note that this does

		not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
13.	Clearing Codes:	
	- ISIN Code	[●]
	- Common Code	[●]
14.	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 [●].
15.	Use of proceeds	The aggregate gross proceeds from the issuance of the Series [●][Class A/Class B] Notes will be used to purchase Purchased Vehicles and related Lease Receivables from the Seller during the Revolving Period, to advance Issuer Advances to the Seller, to pay costs related to the issue of the Series [●][Class A/Class B] Notes and to endow the Cash Collateral Account with the sum of the Cash Collateral Amount.
16.	Net amount of proceeds	EUR [●]

[*In case of Further Notes being the 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 Netherlands B.V.

[*Name & title of signatories*]

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; 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 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.

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 except, in either case, only in accordance with Rule 903 or Rule 904 (as applicable) of Regulation S under the Securities Act. Neither the Note Purchasers nor their respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities

Act) nor any Persons acting on their 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, the respective Note Purchasers 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 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 and 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 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.

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.

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, as amended (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 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 26 May 2016. The increase in the Programme Amount from EUR 1,000,000,000 to EUR 1,500,000,000 was authorised by the board of directors of the Issuer on 19 November 2021. The update and extension of the Programme, including the introduction of the Schuldschein Loans, 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 payable, Interest Accrual Periods and the Interest Rates and the payments of principal, in each case without delay after their determination pursuant to the Conditions of the Notes. This information will be communicated to the Luxembourg Stock Exchange at the latest on the first day of each interest period.

All information to be given to the Noteholders pursuant to Notes Condition 7 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) (a) be delivered to the applicable clearing systems for communication by them to the Noteholders and (b) be sent directly to the relevant Noteholder by the Security Trustee. Any notice referred to under (ii) (a) 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). Any notice referred to under (ii) (b) above shall be deemed to have been given upon confirmation of receipt by the respective Noteholder.

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) as long as the Notes remain outstanding or at least ten years after listing at the registered office of the Issuer and the Principal Paying Agent or made available upon request by means of electronic distribution, (i) this Base Prospectus and any Final Terms, (ii) the Programme Documents, and (iii) the articles of association 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 the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen). The articles of association of the Issuer and all historical financial reports of the Issuer (interim financial reports will not be prepared) will be published on the website of the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen).

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 on the 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-financial-services-ag/refinancing.html#. Subject to any amendments in accordance with the Securitisation Regulation, such Monthly Servicer Reports will provide, *inter alia*, the following information:

(a) pool balance;
(b) Collections for the Monthly Period;
(c) overcollateralisation;
(d) Available Distribution Amount;
(e) outstanding discounted balance before and after origination of Additional Lease Receivables;
(f) contract status;
(g) stratification tables;
(h) early settlements;
(i) delinquency information;
(j) write-offs on the Lease Contracts;
(k) Revolving Period;
(l) Dynamic Gross Loss Ratio;
(m) 12-Months Average Dynamic Gross Loss Ratio;
(n) Late Delinquency Ratio;
(o) information on fulfilment of the Credit Enhancement Increase Condition;
(p) Maintenance Costs and Maintenance Reserve;
(q) Residual Values;
(r) amounts of interest paid or unpaid on the Instruments and the Subordinated Loan;
(s) development of the Instruments and of the Subordinated Loan;
(t) Cash Collateral Amount;
(u) Monthly Remittance Condition and occurrence of an event that required posting of the Maintenance Reserve and Buffer Release Reserve and the related Monthly Collateral and Required Maintenance Reserve Amount and Required Buffer Release Reserve Amount;
(v) Order of Priority; and
(w) any amount standing to the credit of the Buffer Release Reserve Ledger, any Positive Buffer Release Amount and any Negative Buffer Release Amount.

DOCUMENTS INCORPORATED BY REFERENCE

The following information, which has been published 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:

Comparative table of documents incorporated by reference

Page	Section of Base Prospectus	Document incorporated by reference
135	The Issuer, Financial Statements	The Issuer's audited annual financial statements for the year ended 31 December 2024, and the independent auditor's report thereto, prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code:

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Directors' report	4-10
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Statement of income for the year ended December 31, 2024	13
Statement of cash flows for the year ended December 31, 2024	14
General notes to the financial statements	15-24
Notes to the balance sheet	25-30
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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.

Availability of incorporated documents

Any document incorporated herein by reference can be obtained without charge at the offices of VCL Master Netherlands B.V. as set out at the end of this Base Prospectus. In addition, such documents will be available free of charge from the principal office in London of U.S. Bank Europe DAC for Notes listed on the Luxembourg Stock Exchange and will be published on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of the Issuer (https://cm.gcm.cscglobal.com/en/default/offering_circulars/results#Volkswagen).

REGISTERED ADDRESS OF

THE ISSUER

VCL Master Netherlands B.V.
Basisweg 10
1043 AP Amsterdam
The Netherlands

THE SECURITY TRUSTEE

Stichting Security Trustee VCL Master Netherlands
Basisweg 10
1043 AP Amsterdam
The Netherlands

CASH ADMINISTRATOR

US Bank Global Corporate Trust Limited
125 Old Broad Street
Fifth Floor
London EC2N 1AR
United Kingdom

ACCOUNT BANK, PRINCIPAL PAYING AGENT, INTEREST DETERMINATION AGENT, REGISTRAR AND CALCULATION AGENT

U.S. Bank Europe DAC
Building 8
Cherrywood Business Park
Loughlinstown
Dublin 18
Ireland

LEGAL ADVISERS

Transaction Counsel

as to the laws of The Netherlands

Hogan Lovells International LLP
Atrium - North Tower
Strawinskylaan 4129
1077 ZX Amsterdam
The Netherlands

as to German law

Hogan Lovells International LLP
Große Gallusstraße 18
60311 Frankfurt am Main
Germany

as to English law

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

AUDITORS

to the Issuer

EY Accountants B.V.
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands