

Final Verification Report

In respect of the Transaction “**VCL MASTER NETHERLANDS B.V.**”
(VOLKSWAGEN PON FINANCIAL SERVICES B.V.)

25 November 2022



Authorization of SVI as third party

STS Verification International GmbH (“SVI”) has been authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht “BaFin”, as the competent authority pursuant to Art 29 of the Securitisation Regulation and § 44 German Banking Act) to act in all EU countries as third party pursuant to Art 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 19 to 26e of the Securitisation Regulation (“STS Verification”). Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended by Regulation (EU) 2021/558 of 31 March 2021) (“CRR Assessment”), (ii) Article 270 (senior positions in STS on-balance sheet securitisations) of the CRR (“Article 270 Assessment”), (iii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions (“LCR”) (“LCR Assessment”), and (iv) the STS Criteria, in respect of existing securitisations and potential deficiencies regarding compliance with the STS Criteria (“Gap-Analysis”).

Mandating of SVI and verification steps

On 3 September 2019, SVI has been mandated by the Seller Volkswagen Pon Financial Services B.V. to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction “VCL Master Netherlands” (the “Transaction”).

As part of our verification work, we have met with representatives of Volkswagen Pon Financial Services B.V. to conduct a virtual due diligence meeting in September 2022. In addition, we have discussed selected aspects of the Transaction with Volkswagen Pon Financial Services B.V. and obtained additional information on the transaction structure, the underwriting and servicing procedures of Volkswagen Pon Financial Services B.V. and the underlying transaction documentation.

For the purposes of our analysis, we have reviewed the following (draft) documents and other information related to the Transaction:

- Base Prospectus
- Dutch Legal Opinion
- Master Hire Purchase Agreement
- Servicing Agreement
- Programme Agreement
- Account Agreement
- Due Diligence Presentation by VWFS and VWPFS dated September 2022
- Agreed-upon Procedures Report
- Latest version of the liability cash flow model
- Data Package received by Volkswagen Pon Financial Services B.V.
- Draft Investor Report received from VWPFS in relation to VCL Master Netherlands
- Additional information received by e-mail, such as confirmations, comments, etc.

Verification Methodology

The fulfilment of each verification point in this Final Verification Report provided to the Originator is evaluated based on the three fulfilment values (traffic light status):

Criterion is fully met	
Criterion is mostly met, but with comments or requests for missing information	
Criterion not (yet) met based on available information	

The verification process is based on the SVI verification manual ("Verification Manual"), defined terms of the Verification Manual shall also apply to this report. It describes the verification process and the individual inspections in detail. The Verification Manual is applicable to all parties involved in the verification process and its application ensures an objective and uniform verification of transactions to be verified. Based on the Verification Manual, SVI has derived the Transaction Verification Catalogue for this Transaction as described under Verification Method in this report. A full description of the methodology used by SVI for the Verification can be found in the Verification Manual on our website: www.svi-gmbh.com.

Disclaimer of SVI

SVI grants a registered verification label "verified – STS VERIFICATION INTERNATIONAL" if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26e of the Securitisation Regulation ("STS Requirements"). The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the STS verification performed by SVI does not affect the liability of an originator or special purpose vehicle in respect of their legal

obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation. Notwithstanding confirmation by SVI, which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

SVI has carried out no other investigations or surveys in respect of the issuer or the notes concerned other than as set out in this Final Verification Report and disclaims any responsibility for monitoring the issuer's continuing compliance with these standards or any other aspect of the issuer's activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the Originator, Issuer or Sponsor.

SVI is not a legal advisor and nothing in the Final Verification Report shall be regarded as legal advice in any jurisdiction.

Accordingly, the Final Verification Report is only an expression of opinion by SVI after application of its verification methodology and not a statement of fact. It is not a guarantee or warranty that ECB, any of the ESAs or national competent authorities, courts, investors or any other person will accept the STS status of the relevant securitisation. Therefore, no person should rely on the Final Verification Report in determining the STS status but must perform its own analysis and reach its own conclusions.

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons or parties to SVI or in any of the documents are true, not misleading and complete. SVI shall have no liability for any loss of any kind suffered by any person as a result of a securitisation where the Final Verification Report indicated that it met, in whole or in part, the STS Requirements, certain CRR or SRT requirements being held for any reason as not so meeting the relevant requirements or not being able to have lower capital allocated against it save in the case of deliberate fraud by SVI. SVI shall also not have any liability for any action taken or action from which any person has refrained from taking as a result of the Final Verification Report.

LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final Verification Report in capital spelling, please refer to the defined terms the Annex B “MASTER DEFINITIONS SCHEDULE” in the Base Prospectus.

AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
Base Prospectus	Base Prospectus dated 22 November 2022
CF-Model	Cash Flow-Model
Closing Date	26 May 2016
Due Diligence Presentation	Due Diligence Presentation by VWFS and VWPFS dated September 2022
EBA	European Banking Authority
EBA Guidelines	Final Report on Guidelines on the STS criteria for non-ABCP securitisation, as published by EBA on 12 December 2018
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
ESAs	European supervisory authorities (EBA, EIOPA and ESMA)
ESMA	European Securities and Markets Authority
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	VCL Master Netherlands B.V.
LO	Dutch Legal Opinion
MHPA	Master Hire Purchase Agreement
Originator	Volkswagen Pon Financial Services B.V.
Renewal Date	25 November 2022

Securitisation Regulation	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended by Regulation (EU) 2021/557 of 31 March 2021
Seller	Volkswagen Pon Financial Services B.V.
Servicer	Volkswagen Pon Financial Services B.V.
SSPE	Securitisation Special Purpose Entity or Issuer
SRT	Significant risk transfer
STS Requirements	The requirements for simple, transparent and standardised securitisation in respect of a non-ABCP transaction as set out in Articles 19 to 22 of the Securitisation Regulation
Third Country	A country that is not part of the Union
Transaction	The securitisation of auto lease receivables involving VCL Master Netherlands B.V. as Issuer
Union	The European Union or "EU"
VCL Master Netherlands	VCL Master Netherlands B.V.
VWFS	Volkswagen Financial Services AG
VWPFS	Volkswagen Pon Financial Services B.V.

Structure Overview and Reference to Article 18 of the Securitisation Regulation

The Transaction provides for a transfer of Leased Vehicles and the associated Lease Receivables from Volkswagen Pon Financial Services B.V. ("Originator" and "Servicer", established in The Netherlands) to VCL Master Netherlands B.V. ("Issuer"), a private company with limited liability incorporated under the Laws of The Netherlands. The securitisation transaction will be financed by the issuance of Class A Notes and Class B Notes.

As described above, the Originator and SSPE involved in the Transaction are established in the Union. Hence, the requirement that the originator and SSPE involved in the Transaction are established in the EU as stipulated in Article 18 of the Securitisation Regulation, is fulfilled for the Transaction.

#	Criterion Article 20 (1)	Verification Report
1	Transfer of title to the underlying exposures by means of a true sale and enforceability of such true sale	<p><u>Verification Method:</u> Legal (Legal opinion, Prospectus, Master Hire Purchase Agreement) / Due Diligence</p> <p>Under the Transaction structure and pursuant to the terms of the MHPA, the Seller has transferred to the Issuer, since the Initial Issue Date (26 May 2016), the Initial Leased Vehicles and associated Lease Receivables, and, during the Revolving Period, the Seller may at its discretion sell Additional Leased Vehicles and associated Lease Receivables to the Issuer.</p> <p>The Legal Opinion confirms the transfer of title to the underlying exposure to the Issuer through a true sale both with respect to the valid sale of the Leased Vehicles and with respect to the valid assignment of the Lease Receivables under the Combined Transfer Deed after submission for registration thereof with Dutch Tax Authorities (all subject to customary qualifications). The Issuer will acquire by operation of law full legal title to the vehicle upon payment of all purchase price instalments.</p> <p>The Legal Opinion confirms the legal enforceability of the true sale, assignment or transfer against the seller and third parties. The Legal Opinion confirms that the obligations are legally valid and binding and enforceable by the respective parties to the relevant Dutch Documents in accordance with their respective terms, with respect to the valid assignment of the Lease Receivables, with respect to the hire purchase and conditional transfer of title of the Purchased Vehicles and with respect to the creation of a valid, legally binding and enforceable security interest over the relevant Leased Assets in favour of the Trustee (all subject to customary qualifications).</p> <p>The Legal Opinion confirms that there are no increased risks with regard to claw-back and re-characterisation. Only with respect to the nullification of the perfected hire purchase and transfer of Leased Vehicles and assignment of Lease Receivables in case of the Seller's bankruptcy or on the basis of the doctrine of voidable preference and otherwise only regular claw-back risks under Dutch insolvency laws.</p> <p>The Legal Opinion does not cover the review of the Standard Forms of the Lease Agreements with respect to any restrictions on assignment. However, the Master Hire Purchase Agreement contains in Section 10.1 warranties by the Seller as of the relevant Purchase Date confirming, inter alia, under (c) that the Leased Assets comply as of the respective Cut-Off Date with the Eligibility Criteria and under (f) that the Lease Agreements constitute legal, valid and enforceable rights and obligations of the parties thereto. The Eligibility Criteria contained in Schedule 1 Part C of the Master Hire Purchase Agreement provide in No. 10 that each Lease Agreement is governed by the laws of the Netherlands; in No. 15 that it is entered into in the forms and upon terms and conditions which are common in the Dutch auto lease market (which did not materially differ from the terms and conditions applies by a prudent lessor of vehicles in the Netherlands) and under No.16 that it is a legally valid and binding agreement. A form of the standard lease agreement will be attached to the Purchase Agreement as Schedule 6.</p>

#	Criterion Article 20 (1)	Verification Report
2	Requirements for the external legal opinion	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>The Legal Opinion is provided by Hogan Lovells International LLP, a well-known law firm with expertise in the area of securitisation.</p> <p>The LO is made available to SVI as third-party verification agent and to competent supervisory authorities.</p>

#	Criterion Article 20 (2)	Verification Report
3	Specification of severe claw-back provisions : Are there any provisions in the respective national insolvency law, which could allow the insolvency administrator to invalidate the transfer of the underlying exposures?	<p><u>Verification Method:</u> Legal (Legal opinion, Master Hire Purchase Agreement)</p> <p>Other than as provided under Dutch insolvency laws in case of fraudulent, unfair prejudicial or improperly favourable transfers, there are no such increased risks. Such laws are considered non-increased claw-back risks under Art. 20 (3) of the Securitisation Regulation.</p> <p>In respect of a transfer within certain time periods prior to and after the filing of insolvency proceedings, the SPV must demonstrate that it had no knowledge of the Seller's insolvency. However, Section 10.2 (vii) of the Master Hire Purchase Agreement provides for a warranty by the Seller as of the Closing Date and each Payment Date to the effect that no Insolvency Event with respect to itself has occurred or will occur as a consequence of its entering into the Programme Documents and effecting the sale and transfer of Leased Vehicles under the Purchase Agreement and the Combined Transfer Deed and the assignment of Lease Receivables under the Combined Transfer Deed. The statement and repetition of such warranty as of the Closing Date and each Payment Date may be used by the SPV to demonstrate its non-knowledge of the Seller's insolvency.</p> <p>To the extent the transfer constitutes a satisfaction (voldoening) of a contractual obligation due by the Seller such obligation can only be voided by the trustee in the bankruptcy of the Seller if the bankruptcy trustee proves (i) that the SPV knew that the petition for bankruptcy of the Seller had been filed before the moment of satisfaction or (ii) that the Seller intentionally agreed to grant the SPV a benefit over other creditors. With respect to any prejudicial effect of the envisaged transactions on other creditors, the Legal Opinion states that the board resolutions with respect to the Dutch Entities confirm that the entering into the transactions to be not prejudicial to the interests of other creditors of such Dutch Entities.</p>

#	Criterion Article 20 (3)	Verification Report
4	Clarification that certain provisions in the national insolvency laws do not constitute severe claw-back provisions	<p><u>Verification Method:</u> Legal (Legal opinion)</p> <p>No separate verification required.</p>
#	Criterion Article 20 (4)	Verification Report
5	If the sale and transfer is not taking place directly between the seller and the SPV but intermediate sales take place, is the true sale still fulfilled?	<p><u>Verification Method:</u> Legal (Legal opinion, Master Hire Purchase Agreement)</p> <p>Under the Transaction structure used by VCL Master Netherlands, the sale and transfer take place directly between the Seller (following a corporate restructuring the previous seller DutchLease B.V. merged into Volkswagen Leasing B.V. following which merger and pursuant to a second merger Volkswagen Pon Financial Services B.V. merged into Volkswagen Leasing B.V. Volkswagen Leasing B.V. subsequently changed its legal name to Volkswagen Pon Financial Services B.V., VWPFS) and the SPV acting as Issuer, i.e. without any intermediate sale taking place.</p>
#	Criterion Article 20 (5)	Verification Report
6	If the transfer of receivables and the perfection take place at a later stage , are the trigger events in relation to the seller's credit quality standing sufficiently defined?	<p><u>Verification Method:</u> Legal (Legal opinion, Master Hire Purchase Agreement)</p> <p>The transfer of the Initial Leased Vehicles and associated Lease Receivables and Additional Leased Vehicles and associated Lease Receivables has occurred since the Closing Date of 26 May 2016 and on an ongoing basis due to the revolving character of the Transaction until the Renewal Date of the Transaction (scheduled for on or around 25 November 2022). Within the Revolving Period (please also refer to the criteria # 8, 17, 33) the transfer of Additional Leased Vehicles and associated Lease Receivables will occur on each Additional Purchase Date. In summary, it can be stated that the Leased Vehicles and associated Lease Receivables have been transferred and will be transferred on each Additional Purchase Date. There will be no other transfer of Leased Vehicles and associated Lease Receivables at a later stage.</p>

#	Criterion Article 20 (6)	Verification Report
7	Representations and warranties of the seller regarding to the legal condition of the underlying exposures	<p><u>Verification Method:</u> Legal (Master Hire Purchase Agreement)</p> <p>The Seller (who is the original lender/lessor) warrants that the Leased Vehicles and the associated Lease Agreements and Lease Receivables are legal, valid, binding and enforceable contractual obligations of the relevant lessee, see in this regard Section "HIRE PURCHASE OF LEASED VEHICLES", Subsection "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Representations and Warranties", Item 6. of the Base Prospectus.</p>
#	Criterion Article 20 (7)	Verification Report
8	Predetermined, clear and documented selection criteria (' eligibility criteria ') (I/II)	<p><u>Verification Method:</u> Legal (Base Prospectus, Master Hire Purchase Agreement)</p> <p>The Leased Vehicles and the associated Lease Agreements and Lease Receivables transferred from the Seller to the Issuer are selected according to predetermined, clear and documented eligibility criteria, see in this regard Section "HIRE PURCHASE OF LEASED VEHICLES", Subsections "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Representations and Warranties" and "Eligibility Criteria" of the Base Prospectus.</p> <p>A Revolving Period is provided for in the Transaction structure. Under the MHPA (see Section 4 "HIRE PURCHASE OF ADDITIONAL LEASED VEHICLES" in connection with Section 10 "REPRESENTATIONS AND WARRANTIES" of the MHPA), the Seller may offer to sell Additional Leased Vehicles and associated Lease Receivables to the Issuer on each Additional Purchase Date during the Revolving Period provided that certain pre-defined conditions precedent (which include the non-occurrence of a Series Revolving Period Expiration Date or an Early Amortisation Event on each Additional Purchase Date) are met.</p> <p>Under Clause 10 of the MHPA, the Seller warrants and guarantees that, with respect to the Leased Vehicles and associated Lease Receivables, the selection criteria are met on each Cut-Off Date (Initial Cut-Off Date and on each Additional Cut-Off Date). As a consequence, consistent selection criteria apply to both the purchased Initial Leased Vehicle and associated Lease Receivables purchased by the Issuer on the Original Closing Date and the Additional Leased Vehicles and associated Lease Receivables purchased by the issuer on each subsequent Additional Purchase Date.</p>

#	Criterion Article 20 (7)	Verification Report
9	Predetermined, clear and documented selection criteria ('eligibility criteria') (II / II)	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The asset audit, whereby the audit company performs certain Agreed-upon Procedures with respect to the compliance of the underlying exposures in a randomly selected sample, covers the key selection criteria specified for the Transaction. Please also refer to #40 for a summary of the scope of the asset audit.</p>
10	No active portfolio management	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The underlying exposures in the pool are selected based on a well-established, random selection process.</p> <p>In case an underlying exposure should turn out to be not eligible and the interests of the Issuer or noteholders are materially and adversely affected, VWPFS has the obligation to either remedy the matter or repurchase the underlying exposure, see Clause 10.7 of the MHPA.</p> <p>Furthermore, the Transaction features a Clean-Up Call option. VWPFS as the Seller will have the right at its option to exercise the Clean-Up Call on a Payment Date and to terminate all Hire Purchase Contracts and repay all Issuer Advances at any time when the Aggregate Discounted Receivables Balance is less than 10% of the Maximum Aggregate Discounted Receivables Balance provided that all payment obligations under the Notes will thereby be fulfilled (please refer to Clause 14 "CLEAN-UP CALL OPTION / SALE OF PURCHASED VEHICLES TO OTHER SECURITISATION VEHICLES" of the MHPA).</p> <p>The above-described instances that allow for a repurchase of underlying exposures fall under the individual techniques of portfolio management listed in the EBA Guidelines that should not be considered active portfolio management (e.g. breach of representations or warranties and the exercise of clean-up call options).</p> <p>Generally, the above described repurchase mechanism used in the Transaction (a) does not make the performance of the Transaction dependent both on the performance of the underlying exposures and on the performance of the portfolio management, and (b) is not performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit.</p> <p>As a result of the above, the criterion "no active portfolio management" is fulfilled.</p>

#	Criterion Article 20 (8)	Verification Report
11	Securitisation of a homogeneous portfolio in terms of asset classes (I / III)	<u>Verification Method</u> : Legal (Transaction documents)
		The underlying exposures fall into the asset type according to Art. 1 (a) (v) of the RTS on Homogeneity (i.e. auto loans and leases).
		The Seller has chosen the homogeneity factor according to Art. 2 (4) (b) of the RTS on Homogeneity, i.e. jurisdiction, whereby the pool shall consist of underlying exposures relating to obligors with residence in one jurisdiction (The Netherlands) only, see Section "HIRE PURCHASE OF LEASED VEHICLES", Subsections "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Eligibility Criteria", Item 7. of the Base Prospectus. The requirement of lessees being resident in The Netherlands is part of the selection criteria
#	Criterion Article 20 (8)	Verification Report
12	Securitisation of a homogeneous portfolio in terms of asset classes (II / III)	<u>Verification Method</u> : Due Diligence (Underwriting and Servicing Policy)
		The underlying exposures have been originated in accordance with consistent underwriting standards, as presented in the Due Diligence Presentation and further described in #17. No distinction is made between securitised and non-securitised receivables.
		The processes assure that only lessees resident in The Netherlands are originated according to the underwriting policy.
#	Criterion Article 20 (8)	Verification Report
13	Securitisation of a homogeneous portfolio in terms of asset classes (III / III)	<u>Verification Method</u> : Data (AuP Report)
		The homogeneity factor "residence in The Netherlands" is, through the check of the data field "Borrower Address/ Post Code (original)" part of the Pool Data and Eligibility Criteria Verification as further described in #40.
		The Lease Agreements have been entered into exclusively with Lessees which have their registered office (for corporate entities) or place of residence (for individuals) in The Netherlands, see Section "HIRE PURCHASE OF LEASED VEHICLES", Subsection "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Representations and Warranties", Item 7. of the Base Prospectus.

#	Criterion Article 20 (8)	Verification Report
14	The underlying exposures contain obligations that are contractually binding and enforceable	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>Section "HIRE PURCHASE OF LEASED VEHICLES", Subsection "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Representations and Warranties", Item 6. of the Base Prospectus contains warranties by the Seller as to the legally valid, binding and enforceable nature of the underlying exposures, i.e. the Lease Agreements. Please also refer to #1.</p>
#	Criterion Article 20 (8)	Verification Report
15	The underlying exposures have defined periodic payment streams and do not include transferable securities other than unlisted corporate bonds	<p><u>Verification Method:</u> Legal (Legal opinion, Transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The underlying exposures for the Transaction represent standard lease contracts originated by VWPFS in respect of commercial and private clients. For the purposes of the Transaction, two contract types form part of the securitised portfolio as further detailed in the Due Diligence: (1) Operational Lease Contracts (2) Full Operational Lease Contracts.</p> <p>The underlying exposures represent both (i) the finance portion (itself comprising a claim against the lessees in respect of principal, interest and insurance-related payments or to any other right to receive income from assets supporting such payments, see in this regard Definition of "Lease Receivable") paid by the lessee during the term of the Lease Agreement and (ii) the residual value component. The finance portion has defined periodic payment streams during that term. The amortisation occurs on a monthly basis and results in monthly instalment payments (see Section "HIRE PURCHASE OF LEASED VEHICLES", Subsections "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Eligibility Criteria", Item 27. in the Base Prospectus).</p> <p>The Eligibility Criteria restrict the underlying exposures to Lease Receivables originated under a Lease Agreement, thereby eliminating any transferable security from the portfolio.</p> <p>The compliance of the provisional pool with the Eligibility Criteria has been verified through the Eligibility Criteria Verification (see #40).</p>

#	Criterion Article 20 (9)	Verification Report
16	Are there any securitisation positions in the portfolio?	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The Eligibility Criteria restrict the underlying exposures to Lease receivables originated under a Lease Agreement, thereby assuring that no securitisation position may become part of the portfolio. The compliance of the provisional pool with the Eligibility Criteria and has been verified through the Eligibility Criteria Verification (see #40).</p> <p>As demonstrated during the Due Diligence, the origination and/or resale of securitisation positions is not part of the business model of the Originator / Seller and not permitted under the Originator's underwriting policy.</p>
#	Criterion Article 20 (10)	Verification Report
17	Origination of underlying exposures in the ordinary course of business of the originator or the original lender	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence (Underwriting and Servicing Policy)</p> <p>VWPFS is a subsidiary of VWFS and thus part of the VW AG. VWPFS specialises in providing financing at the point of sale and has been active in The Netherlands since 2001. It operates through agreements with dealerships (mainly distributors) which then offer the final customer the financing for their products, even though the underwriting and risk assessment is performed by VWPFS. The Lease Agreement is signed between VWPFS and the customer.</p> <p>As presented and discussed in the Due Diligence Presentation, the well-developed, highly professional and reasonably automated organisation of its business procedures coincides with the volume and quantity of business transactions. The car dealers do form an integral part of the origination process with sales representatives acting as agents for the Originator / Seller.</p> <p>Accordingly, the business procedures assure that securitised exposures have been originated in the ordinary course of business and in accordance with uniform standards, see in this regard Section "HIRE PURCHASE OF LEASED VEHICLES", Subsection "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement" of the Base Prospectus. Deviations from the underwriting policy are only permissible in well-defined and documented instances. The underlying exposures are selected for securitisation using a random selection process.</p> <p>The underlying exposures are similar to the non-securitised exposures in the asset type "auto loans and leases" due to the strictly random selection process.</p>

#	Criterion Article 20 (10)	Verification Report
18	Underwriting standards for securitised exposures are no less stringent than those applied to non-securitised exposures	<p><u>Verification Method:</u> Due Diligence</p> <p>As presented and discussed in the Due Diligence Presentation, no distinction is made between securitised and non-securitised exposures in any respect, be it applicable regulatory standards, competence grid and involvement of decision-makers, distribution channels, product types and product characteristics, annual agreements on (sales) objectives, sales management measures and bonus systems, lending standards, approval processes and incentive measures, credit processing, dunning procedures, debt collection, realisation of collateral, customer service, outsourcing of sales, underwriting and servicing activities or areas of risk controlling, accounting and reporting (except for the required reporting of ABS transactions).</p> <p>Employees of the Originator / Seller or at the car dealers involved in the underwriting do not know whether a risk position currently being processed for application will be securitised at a later stage or not.</p>

#	Criterion Article 20 (10)	Verification Report
19	Where the underlying exposures are residential mortgage loans , does the portfolio include loans that have been self-certified by the loan applicants?	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>The Eligibility Criteria restrict the underlying exposures to Lease Receivables which relates to a Leased Vehicle leased under a Lease Agreement. Therefore, residential mortgage loans do not form part of the portfolio, see Schedule 1 "Eligibility Criteria" of the MPHA.</p>

#	Criterion Article 20 (10)	Verification Report
20	Assessment of the borrower's creditworthiness performed in accordance with certain EU Directives on credit agreements for consumers or on credit agreements for consumers relating to residential immovable property or, if applicable, the analogous provisions of a third country	<p><u>Verification Method:</u> Regulatory / Legal / Due Diligence / Data</p> <p>VWPFS is a company that offers financial services in the field of automotive and mobility. With respect to the portfolio of the Transaction, the company offers operational leasing for companies, SMEs and consumers. A license to offer these contracts is not required. These contracts are not covered by any financial legislation. There is no financial supervision by a government agency for this activity.</p> <p>As such, the products, services and activities of VWPFS are not governed by Directives 2008/48/EC and 2014/17/EU. Notwithstanding this, VWPFS performs the „Assessment of the borrower's creditworthiness" and related procedures for lease contracts in accordance with the basic principles, where appropriate, as specified in Directives 2008/48/EC and 2014/17/EU and described in marginal number 33 of the EBA Guidelines.</p> <p>For example, the conclusion of a credit agreement takes place on the basis of sufficient information, on which a thorough assessment of borrowers' creditworthiness is made, which is documented and maintained. Furthermore, any significant increase in exposure will lead to a reassessment of creditworthiness.</p>
#	Criterion Article 20 (10)	Verification Report
21	Originator's experience (as an entity or through management and senior staff) in origination of similar risk positions	<p><u>Verification Method:</u> Legal (Transaction documents), Regulatory (suitable proof incl. Website) / Due Diligence</p> <p>As a financial services institution, the Originator does have at least 5 years of experience in origination and underwriting of exposures similar to those securitised, see Section "BUSINESS AND ORGANISATION OF VOLKSWAGEN PON FINANCIAL SERVICES B.V.", Subsection "Origination and Securitisation Expertise" of the Base Prospectus.</p>
#	Criterion Article 20 (11)	Verification Report
22	The underlying exposures are transferred without undue delay after selection	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The Lease Agreements (in relation to both Initial Leased Vehicles/Initial Lease Receivables and Additional Leased Vehicles/Additional Lease Receivables) are transferred from the Seller to VCL Master Netherlands without undue delay after selection.</p>

#	Criterion Article 20 (11)	Verification Report
23	The underlying exposures do not include any defaulted exposures or to debtors/guarantors with impaired creditworthiness	<p><u>Verification Method:</u> Regulatory (suitable proof incl. Imprint Website) / Legal (Transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The Originator is not an institution subject to Regulation (EU) 575/2013. It does, however, apply the requirements of Art. 178 (1) by analogy, as presented in the Due Diligence Presentation and confirmed by the Originator.</p> <p>The Seller warrants that the underlying exposures will not include lease receivables relating to exposures in default (i.e. lessees who are past due more than 90 days on any material obligation to VWPFS or who VWPFS considers as unlikely to pay their obligations to VWPFS) (see Section "HIRE PURCHASE OF LEASED VEHICLES", Subsection "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Eligibility Criteria", Items 9., 25. and 31. of the Base Prospectus). Furthermore, the underlying exposures will not include lease receivables relating to credit-impaired lessees or guarantors who (1) 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; (2) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Seller; or (3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by the Seller which are not securitised (see Section "HIRE PURCHASE OF LEASED VEHICLES", Subsection "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Eligibility Criteria", Item 31. of the Base Prospectus).</p> <p>The Originator represents, with regards to the question which sources of information it has used to identify defaulted exposures and to determine if a lessees or guarantor is credit-impaired, that it has obtained information (1) from a Lessee of the Lease Receivables, (2) in the course of the Seller's servicing of the Lease Receivables, or of the Seller's risk management procedures or (3) from a third party (including publicly available information), see Section "HIRE PURCHASE OF LEASED VEHICLES", Subsection "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Eligibility Criteria", Item 31 b. of the Base Prospectus. This is in line with the 'best knowledge' standard stipulated in the EBA Guidelines.</p> <p>Lessee and guarantors (i) declared insolvent and/or undergone a debt-restructuring process, or (ii) found on a public or other credit registry of persons with adverse credit history are generally not eligible according to the underwriting policy, as discussed in the Due Diligence.</p> <p>The Originator has IT systems in place to ensure that defaulted exposures or exposures to lessee/guarantors with impaired creditworthiness are excluded from the provisional or final pool cut.</p>

#	Criterion Article 20 (11)	Verification Report
24	The risk positions do not have a credit assessment or a credit score that allows a significantly higher default risk to be expected than for non-securitised risk positions	<p><u>Verification Method:</u> Due Diligence</p> <p>The most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio are the customer profile and credit bureau information (for private individuals), credit agencies' information and financial information (for commercial clients) and past payment behaviour (for both). All of these factors have an impact on the credit score.</p> <p>These factors are the same for securitised and non-securitised exposures due to the strictly random selection process.</p> <p>On this basis, it can be reasonably assumed that no worse performance should occur for securitised exposures for the term of the Transaction.</p> <p>The requirement that the underlying exposures do not have 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 Originator which are not securitised" is considered to be met as (i) the underlying exposures do not include exposures that are classified as doubtful, impaired, non-performing or similar at the time of selection, and (ii) exposures whose credit quality (based on credit ratings or other credit quality thresholds) significantly differs from the quality of other exposures ordinarily originated by the Originator due to the strictly random selection process.</p>

#	Criterion Article 20 (12)	Verification Report
25	At the time of the transfer, the debtor has paid at least 1 instalment	<p><u>Verification Method:</u> Legal (Transaction documents) / Data (AuP Report)</p> <p>The Seller warrants that on the Cut-Off Date at least 2 instalments have been paid in respect of each Lease Agreement, see Section "HIRE PURCHASE OF LEASED VEHICLES", Subsection "The hire purchase of Leased Vehicles under the Master Hire Purchase Agreement – Eligibility Criteria", Item 21. of the Base Prospectus.</p>

#	Criterion Article 20 (13)	Verification Report
26	The repayment of the securitisation position should not be predominantly dependent on the sale of assets securing the underlying exposures	<p data-bbox="645 363 1447 389"><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence / Data</p> <p data-bbox="645 411 2000 501">The underlying exposures for the Transaction consist of (i) Lease Receivables (i.e. payment claims in respect of Lease Instalments) payable by the lessees and (ii) Vehicle Realisation Proceeds (i.e. all proceeds from a sale or other disposal of the vehicle, including the repurchase of a Purchased Vehicle by VWPFS in case of exercise of the repurchase option).</p> <p data-bbox="645 523 2024 612">Regarding the Lease Receivables, the repayment comes from a granular portfolio of lessees with a steady cash flow of monthly instalments with no material reliance on sale of assets, since only in case of lessee defaults there will be recovery proceeds from the remarketing of the leased vehicle, leading to only very minor and limited dependence on the sale of assets.</p> <p data-bbox="645 635 2040 778">With respect to the Vehicle Realisation Proceeds, every car returned from a lessee is subject to the obligation of VWPFS to repurchase the Leased Vehicles under the Put Option arrangements in place between the Seller and the Issuer, see Section 9 of the MHPA. As presented and discussed in the Due Diligence, the risk management of VWPFS carefully manages the projected vehicle values. As a result, the primary source of repayment for the Vehicles Realisation Proceeds relates to VWPFS, and secondly (in case of a default of VWPFS) on the sale of assets, hence no predominant dependence on the sale of assets exists.</p> <p data-bbox="645 801 2040 916">Furthermore, the above mentioned right of the Issuer to sell the leased vehicle to VWPFS (which fulfils the conditions referred to in the EBA Guidelines, #50, i.e. (i) is not insolvent, and (ii) there is no reason to believe that it would not be able to meet its obligations under the Put Option) ensures that the repayment of the securitisation position does not predominantly depend on the sale of assets (i.e. vehicles) securing the underlying exposures.</p> <p data-bbox="645 938 1946 963">As a result, the Transaction is not structured in a way to predominantly rely on assets securing the underlying exposures.</p>

#	Criterion Article 21 (1)	Verification Report
27	<p>Risk retention (Art. 6.1 of the Securitisation Regulation), usually by the Originator</p>	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>VWPFS as the Seller and Originator will act as holder of the risk retention (Retention Holder) and retain on an ongoing basis a material net economic interest of not less than 5% of the nominal value of the securitised exposures, see Section "RISKS RELATED TO REGULATORY CHANGES", Subsection "Risk retention and due diligence requirements" of the Base Prospectus.</p> <p>The type of risk retention will be a net economic interest through an interest in randomly selected exposures, which has been and will be equivalent to no less than 5% of the nominal value of the securitised exposures on an ongoing basis for the life of the Transaction, in accordance with Article 6 (3) (c) of the Securitisation Regulation and as specified in more detail in Article 8 of the RTS on Risk Retention, see Section "RISKS RELATED TO REGULATORY CHANGES", Subsection "Risk retention and due diligence requirements" of the Base Prospectus.</p> <p>The Seller does select the risk retention pool and does earmark the selected receivables in its IT systems in a similar way as the receivables that have actually been sold in the Transaction. The procedures to select and earmark receivables both for the retention pool cut and for the actual sale are documented and well established. In addition, they are subject to regular internal and external auditing procedures. The same applies for the ongoing monthly reporting procedures, as confirmed during the Due Diligence.</p> <p>The Monthly Investor Reports will also set out monthly confirmation regarding the continued holding the original retained exposures by the Seller, as confirmed by the Originator.</p> <p>The legal obligation of the seller to hold the risk retention during the lifetime of the Transaction is entered into according to Section "RISKS RELATED TO REGULATORY CHANGES", Subsection "Risk retention and due diligence requirements" of the Base Prospectus.</p>

#	Criterion Article 21 (2)	Verification Report
28	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (I / II)	<u>Verification Method:</u> Due Diligence
		Since the Lease Receivables are fixed rate and the Class A Notes and the Class B Notes are floating rate, interest rate risks arise from such mismatch. Both assets and liabilities of the Issuer are EUR denominated hence no currency risk occurs.
		Interest rate risks are hedged appropriately with fixed-floating interest rate swaps (one swap for each of the Series of Notes) where the swap notional is always equal to the outstanding notes' balance. All swap agreements contain a floor of zero for the 1-M-Euribor plus spread, hence the hedging is appropriate, see Section "SWAP AGREEMENTS AND SWAP COUNTERPARTIES" in the Base Prospectus. The Swap Agreement is construed to fulfil the relevant Rating Agencies' criteria. In addition, the swap agreements provide for provisions in case of a replacement of Euribor by €STR or another suitable generally used reference rate, which should mitigate potential risks due to the expected IBOR transitions and change in reference rates.
		No further risks in addition to interest rate risks are hedged under the interest rate hedge agreements.
#	Criterion Article 21 (2)	Verification Report
29	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (II / II)	<u>Verification Method:</u> Legal (Transaction documents)
		The legal instruments used by the Issuer to hedge interest rate risks are the Swap Agreements, see Section "SWAP AGREEMENTS AND SWAP COUNTERPARTIES" of the Base Prospectus.
		All swap agreements do consider any potential asset liability mismatch by referencing to the outstanding notes balance, and the agreements are based on market standard ISDA Master Agreements, see Section "ANNEX B MASTER DEFINITIONS SCHEDULE", Definitions of "Swap Agreement" of the Base Prospectus.
		The requirements for eligible swap counterparties are market standard in international finance, see Section "SWAP AGREEMENTS AND SWAP COUNTERPARTIES" of the Base Prospectus.

#	Criterion Article 21 (3)	Verification Report
30	Generally used reference rates for interest payments	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>No reference rates apply to the Purchased Receivables which bear fixed interest rates.</p> <p>The Notes will bear interest at floating rates based on 1-M-Euribor, see Section "FORM OF FINAL TERMS" of the Base Prospectus, constituting a market standard reference rate.</p> <p>The interest for the Cash Accounts will be based on EONIA, also constituting a market standard reference rate.</p> <p>Currency hedges are not provided for in the Transaction structure.</p>

#	Criterion Article 21 (4)	Verification Report
31	Requirements in the event of an enforcement or delivery of an acceleration notice	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>After the occurrence of a Foreclosure Event:</p> <ul style="list-style-type: none"> - no cash will be retained with the Issuer, see Section "OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES", Subsection "Order of Priority" of the Base Prospectus. - the principal receipts from the underlying exposures will be used for the fully sequential amortisation of the securitisation positions, see Section "OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES", Subsection "Order of Priority" of the Base Prospectus. - all creditors of a class of notes will be served equally. - interest and principal payments are first made for the Class A Notes and then interest and principal payments are made for the Class B Notes, hence repayments are not reversed with regard to their seniority. - no automatic liquidation or sale of risk positions or assets is provided for.

#	Criterion Article 21 (5)	Verification Report
32	Sequential repayment as fall-back in the event of a deterioration in portfolio quality for Transactions that feature a non-sequential priority of payments	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>As usual in VCL transactions, the amortisation structure does provide for a pro-rata amortisation subject to the performance of the underlying portfolio and after the initial credit enhancement has increased to the required levels.</p> <p>The amortisation concept is based on the Class A/B Principal Payment Amounts, the Class A/B Targeted Note Balances, the Class A/B Targeted Overcollateralization Amounts and the Class A/B Targeted Overcollateralization Percentages, see the respective Definitions in Section "ANNEX B MASTER DEFINITIONS SCHEDULE" of the Base Prospectus.</p> <p>Performance triggers specifying if and to what extent a pro-rata amortisation can occur are based on the Dynamic Gross Loss Ratio as specified in the Credit Enhancement Increase Condition, see the respective Definition in Section "ANNEX B MASTER DEFINITIONS SCHEDULE" of the Base Prospectus.</p> <p>Upon occurrence of a Credit Enhancement Increase Condition the amortisation switches back to fully sequential.</p> <p>The occurrence of a Credit Enhancement Increase Condition is not reversible, see the Definition of Class A Targeted Overcollateralization Percentage in Section "ANNEX B MASTER DEFINITIONS SCHEDULE" of the Base Prospectus.</p> <p>As a result of the above, the amortisation mechanism complies with Art. 21 (5) of the Securitisation Regulation.</p>

#	Criterion Article 21 (6)	Verification Report
33	Early amortisation provisions or triggers for termination of the revolving phase to include at least the following:	<u>Verification Method:</u> Legal (Transaction documents)
		General: The Issuer will only be allowed to purchase Additional Leased Vehicles and associated Lease Receivables until an Early Amortisation Event (see Definition in Section "ANNEX B MASTER DEFINITIONS SCHEDULE" in the Base Prospectus) has occurred. Thus, the revolving period will end upon the occurrence of an Early Amortisation Event. The following events trigger an Early Amortisation Event:
	a) deterioration in the credit quality of the underlying exposures below a predefined threshold	A deterioration in the credit quality of the Purchased Receivables to or below a predetermined threshold (as set out in Item (iii) of the Definition of "Early Amortisation Event" and in connection with the Definition of "Credit Enhancement Increase Condition").
	b) insolvency-related events in relation to the Originator or the Servicer	The occurrence of an insolvency-related event with regard to the Originator or the Servicer (as set out in Item (iii) of the Definition of "Early Amortisation Event" and in connection with the Definition of "Credit Enhancement Increase Condition").
	c) decline in value of the underlying exposures below a predefined threshold	The value of the Purchased Receivables held by the Issuer (measured by the Class A Actual Overcollateralisation Percentage and Class B Actual Overcollateralisation Percentage, respectively) falls below a predetermined threshold (early amortisation event as set out in Item (v) of the Definition of Early Amortisation Event).
d) failure to generate sufficient new underlying exposures for replenishments under revolving Transactions	A failure to generate sufficient new Additional Lease Receivables that meet the predetermined credit quality (as set out in Item (ii) of the Definition of Early Amortisation Event).	

#	Criterion Article 21 (7)	Verification Report
34	<p>Clear rules in the Transaction documentation regarding obligations, tasks and responsibilities of the Servicer, trustees and other ancillary service providers</p>	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The Servicing Agreement provides for a clear specification of the contractual obligations, duties and responsibilities of the servicer, especially with regard to the servicing, monitoring, reporting and monthly advances to mitigate for commingling risk, as well as the provisions for a potential replacement in case of a Servicer Replacement Event, see summary of the Servicing Agreement in Section "SERVICER, MAINTENANCE COORDINATOR AND SERVICING AGREEMENT" of the Base Prospectus.</p> <p>Similar provisions for the obligations, duties and responsibilities are provided for the following parties, see the respective descriptions in the Base Prospectus:</p> <ul style="list-style-type: none"> • Security Trustee (see Section "SECURITY TRUSTEE" of the Base Prospectus) • Cash Administrator (see Section "CASH MANAGEMENT, ADMINISTRATION AND ACCOUNTS" of the Base Prospectus) • Account Bank, Principal Paying Agent, Interest Determination Agent, Calculation Agent and Registrar (see Sections "ACCOUNT BANK, PRINCIPAL PAYING AGENT, INTEREST DETERMINATION AGENT, CALCULATION AGENT AND REGISTRAR" of the Base Prospectus) <p>The Transaction documentation specifies clearly provisions that ensure the replacement of derivative counterparties, liquidity providers and the Account Bank in the case of their default, insolvency, and other specified events, where applicable. In respect of the Account Bank does not meet the requirements for the "Account Bank Required Rating" as set out in the Section "ANNEX B MASTER DEFINITIONS SCHEDULE" of the Base Prospectus, provisions exist for its replacement in accordance with Section "CASH MANAGEMENT, ADMINISTRATION AND ACCOUNTS", Subsection "Account Agreement" of the Base Prospectus.</p> <p>Also, detailed provisions exist for the obligations, duties and responsibilities of the Swap Counterparty (see Sections "SWAP AGREEMENTS AND SWAP COUNTERPARTIES" and the Definition of "Eligible Swap Counterparty" in Section "ANNEX B MASTER DEFINITIONS SCHEDULE" of the Base Prospectus).</p>

#	Criterion Article 21 (8)	Verification Report
35	Experience of the Servicer (management and senior staff) in the servicing of exposures of a similar nature to those securitised	<u>Verification Method:</u> Regulatory (suitable proof) / Legal (Transaction documents) / Due Diligence
		VWPFS is a company that has been offering financial services in the field of automotive and mobility for at least two decades. Please refer to # 20 above for a more detailed description of the activities and services of VWPFS in the various services categories.
		The Base Prospectus contains information on the experience of VWPFS as a seller and servicer. VWPFS has been successfully doing securitisations of lease receivables since 2016 and the management has sufficient experience.
		The experience of the Managements Board and Senior Staff is summarised in Section "BUSINESS AND ORGANISATION OF VOLKSWAGEN PON FINANCIAL SERVICES B.V.", Subsection "Origination and Securitisation Expertise" of the Base Prospectus.
		As a result, VWPFS as servicer is deemed to have the relevant expertise as an entity being active as servicer of lease receivables for at least two decades and as servicer of lease receivables securitisations for 3 years, and no contrary findings were observed in the Due Diligence.
#	Criterion Article 21 (8)	Verification Report
36	Appropriate and well documented risk management and service policies , procedures and controls	<u>Verification Method:</u> Regulatory (suitable proof) / Due Diligence
		As a result of the regulatory status (see #35 above), VWPFS has well established procedures with regard to risk management, servicing and internal control systems in place, and no contrary findings were observed in the Due Diligence.

#	Criterion Article 21 (9)	Verification Report
37	Clear and coherent definitions, regulations and possible measures with regard to the servicing of non-performing exposures , specification of the priorities of payment	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>The description of the business procedures of VWPFS (see Section "BUSINESS PROCEDURES OF VOLKSWAGEN PON FINANCIAL SERVICES B.V." of the Base Prospectus) and the Servicing Agreement (as summarised in the Section "SERVICER, MAINTENANCE COORDINATOR AND SERVICING AGREEMENT" of the Base Prospectus) contain a description of procedures related to:</p> <ul style="list-style-type: none"> • Underwriting • Collection of Lease Receivables and Arrears Management <ul style="list-style-type: none"> ○ General arrears Management ○ Special arrears Management ○ Litigation Recovery ○ Write off • Residual Value • Leased Vehicles Sales Procedures • Internal Audit <p>The loss definition used in the Transaction is based on the Write-off (see the Definitions of "Write-off" and "Written-Off Purchased Receivables" in the Section "Annex B. MASTER DEFINITIONS SCHEDULE" of the Base Prospectus) and this definition is consistently used in the Base Prospectus, especially with respect to the Dynamic Gross Loss Ratio and the 12-month Average Dynamic Gross Loss Ratio and with respect to the question whether the Credit Enhancement Increase Condition is in effect.</p> <p>The investor report provides inter alia for the monthly reporting of the status of the Credit Enhancement Increase Conditions.</p> <p>The Transaction documentation clearly specifies the priorities of payment (Order of Priority prior to the occurrence of an Enforcement Event and Order of Priority following the occurrence of an Enforcement Event), see Section "OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES", Subsection "Order of Priority" of the Base Prospectus and the events which trigger changes in such priorities of payment, see Definition of "Enforcement Event" in the Section "Annex B. MASTER DEFINITIONS SCHEDULE" of the Base Prospectus.</p>

#	Criterion Article 21 (10)	Verification Report
38	Clear rules in the event of conflicts between the different classes of noteholders	<p><u>Verification Method:</u> Regulatory / Legal (Transaction documents)</p> <p>The notes are issued on the basis of the German Debenture Act (Gesetz über Schuldverschreibungen aus Gesamtemissionen - Schuldverschreibungsgesetz SchVG), see Section "TERMS AND CONDITIONS OF THE CLASS A NOTES", Subsection "Miscellaneous" and Section "TERMS AND CONDITIONS OF THE CLASS B NOTES", Subsection "Miscellaneous" of the Base Prospectus, enabling noteholders to take resolutions within one class of notes. In addition, Section "ANNEX A. TRUST AGREEMENT", Subsection "Order of Priority" provides for clear instructions for the trustee as regards the treatment of the interests of different classes of notes and their ranking in line with the applicable Priority of Payments.</p>
#	Criterion Article 22 (1)	Verification Report
39	Provision of historical performance data before pricing	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence / Data</p> <p>The Transaction is exposed, among others, to (i) lessee default risk and (ii) market value decline risk in relation to the Vehicle Realisation Proceeds arising from the RV portion of a Lease Agreement. Any market value decline could result in a loss to noteholders in case the Leased Vehicle's market value falls below the purchase price, and there is a default by a third party (in particular VWPFS under the MHPA between VWPFS and the Issuer) covering such shortfall.</p> <p>Based on the above, the Seller has provided historical performance data covering the following areas:</p> <p>a) Losses (i.e., net losses after recoveries) in static format (covering the period from January 2014 until July 2022)</p> <p>It should be noted that these net losses (calculated by deducting recoveries from the outstanding balances of the respective leases up to the Write-Off of the lease) have been provided by the Originator / Seller in a detailed and consistent manner for the overall portfolio of substantially similar auto lease contracts covering a meaningful period of the credit cycle. The approach using write-off data is consistent with the business procedures of the Originator and the well documented processes for servicing of non-performing auto lease contracts until the point of write-off.</p> <p>Additionally, the Originator discloses very detailed information on a single contract basis as part of the monthly investor reports for the VCL Master Netherlands transaction, see the link to the website of VWFS as shown below. These data allow to derive and analyze in detail the information on the recovery proceeds from the vehicle disposal, other recoveries, breakdown by region, brand, customer type (corporate/retail), vehicle type (new, used, demonstration vehicle) as well as date of origination and date of default. As a result, information about static or dynamic defaults (i.e., gross losses before recoveries) is disclosed.</p> <p>https://www.vwfs.com/investor-relations/volkswagen-financial-services-ag/refinancing.html#</p> <p>b) Losses in dynamic format (covering the period from January 2014 until July 2022)</p> <p>c) Gross Losses in static format (covering the period from January 2014 until July 2022)</p>

		<p>d) Delinquencies as a monthly delinquency rate for the ageing buckets 1-30 days, 31-60 days, 61-90 days, 91-120 days, 121-150 days, 151-180 days and more than 180 days past due (covering the period from January 2014 until July 2022 on monthly basis)</p> <p>Given that the most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio, namely the factors described in #23, are the same to the overall portfolio for which the above-mentioned historical performance data have been procured, comparability between the securitised portfolio and the Originator's overall portfolio ("substantially similar exposures") is ensured.</p> <p>The data history, which is provided prior to pricing, covers a period of at least 5 years required under Article 22 (1) of the Securitisation Regulation, see Section "THE PORTFOLIO", Subsection "Historical Lease Receivables Performance Data" of the Base Prospectus.</p> <p>Given that the most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio, namely the factors described in #23, are the same to the overall portfolio for which the above-mentioned historical performance data have been procured, comparability between the securitised portfolio and the Originator's overall portfolio ("substantially similar exposures") is ensured.</p>
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#	Criterion Article 22 (2)	Verification Report
40	Performance of an asset audit on the basis of a sample and defined audit steps (Agreed upon Procedures, AuP) by an external independent party	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The Seller has mandated a qualified and experienced audit firm to perform the asset audit followed by the audit firm. The asset audit and the AuP include both of the following:</p> <ul style="list-style-type: none"> a) a verification of the compliance of the underlying exposures in the portfolio with the key eligibility criteria (the "Eligibility Criteria Verification and Pool Data Verification"); b) a verification that the data disclosed to investors in the Prospectus in respect of the underlying exposures is accurate (the "Prospectus Data Verification"). <p>The sample drawn for the Pool Data Verification and Eligibility Criteria Verification are representative of the securitised portfolio, based on the preliminary pool cut dated 31 August 2022. This is ensured by a sufficiently large sample and random selection, applying a 95% confidence level. The final report prepared by the audit firm with regards to the Pool Data Verification has been made available to SVI on 10 November 2022. The final report confirms that the Pool Data Verification has occurred and that no significant adverse findings have been found.</p> <p>Please note that, for the purpose of compliance with the requirements of Art. 22 (2) of the Securitisation Regulation, the AuP can be based on either the preliminary or the final pool cut.</p> <p>The Prospectus Data Verification has been performed by the audit firm based on the final pool cut as of 31 October 2022. The final report prepared by the audit firm with regards to the Prospectus Data Verification has been made available to SVI on 22 November 2022.</p>

#	Criterion Article 22 (3)	Verification Report
41	Provision of a precise liability cash flow model to the investors prior to pricing by the Originator; "precise" refers to the possibility for the investor to calculate the amortisation rate and, based on this, the pricing of the securitisation position	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence (Cash flow model)</p> <p>The CF-Model has been prepared by Moody's Analytics on behalf of the Originator, and it is provided as web-based tool and can be accessed via www.sfportal.com. SVI has been granted access to the website and the cash flow model for the VCL MASTER NETHERLANDS B.V. transaction prior to announcement in order to perform the steps necessary to verify the compliance under Article 22 (3) of the Securitisation Regulation. It should be noted that the statements below do reflect the result of SVI's review of the functionality of the cash flow model and can be considered as a check of plausibility, however no assurance can be given that the CF-Model does calculate correctly in each and every scenario.</p> <p>The CF-Model accurately reflects the contractual relationships and cash flows from and to the securitised portfolio, cash accounts, swap counterparties, Class A and Class B Noteholders, the Subordinated Lender, the Originator, a potential back-up servicer as well as other parties involved (summarised as senior expenses).</p> <p>A certain range of different scenarios can be modelled, including but not limited to prepayments, delinquencies, defaults (gross losses), recoveries, swap payments, coupon on the notes and senior expenses. Both size as well as timing of payments or defaults can be varied. Also, digital scenarios such as default of swap counterparties (yes/no) or exercise of call options (yes/no) can be considered. As a result, both base case scenarios for pricing as well as stress scenarios for credit analysis purposes can be modelled.</p> <p>The Originator has confirmed that the CF-Model has been made available before pricing.</p> <p>The Originator undertakes to provide potential investors with the CF-Model upon request.</p>

#	Criterion Article 22 (4)	Verification Report
42	<p>For residential mortgage loan and auto loan/auto leasing portfolios: publication of information on the environmental performance of the assets financed by such underlying exposures (energy performance certificates)</p> <p>Alternatively: publication of the available information related to the principal adverse impacts of the assets financed by such underlying exposures on sustainability factors</p>	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>The Originator has confirmed that information on the environmental performance of the assets financed by such underlying exposures (in this case: auto leases) is not captured in its internal database or IT systems and hence not available for reporting in this Transaction.</p>

#	Criterion Article 22 (5)	Verification Report
43	<p>Compliance with the provisions of Art. 7 of the Securitisation Regulation (regarding Transparency) is the responsibility of the Originator or Sponsor</p>	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>The Originator confirms that it will fulfil the provisions of Art. 7 of the Securitisation Regulation as follows:</p> <ul style="list-style-type: none"> - Art. 7 (1) (a): Loan level data has already been made available since the Original Closing Date of VCL Master Netherlands and will continue to be available on a monthly basis. - Art. 7 (1) (b): The draft of the Base Prospectus and draft programme documentation has been made available prior to pricing. - Art. 7 (1) (c): Not applicable. - Art. 7 (1) (d): In accordance with the RTS for notification, the notification has been provided to investors in draft form prior to pricing and in final form at closing. - Art. 7 (1) (e): The Investor Report has already been made available on each payment date since the Original Closing Date. - Art. 7 (1) (f): Not applicable. - Art. 7 (1) (g): If a "Significant Event" occurs, investors will be informed immediately.

As a result of the verifications documented above, we confirm to Volkswagen Pon Financial Services B.V. that the STS criteria pursuant to Article 19 to 22 of the European Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 for the transaction “**VCL Master Netherlands**” have been fulfilled.

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