

DATED 19 NOVEMBER 2013 AS AMENDED AND RESTATED ON 25 NOVEMBER 2014,
ON 25 NOVEMBER 2015, ON 27 JUNE 2016, ON 26 MAY 2017, ON 25 MAY 2018
ON 28 MAY 2019, ON 26 MAY 2020, ON 25 NOVEMBER 2020 AND ON 25
NOVEMBER 2021

DRIVER UK MASTER S.A.
ACTING FOR AND ON BEHALF OF ITS COMPARTMENT 2
as Issuer

- and -

VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED
as Seller

- and -

LLOYDS BANK CORPORATE MARKETS PLC
as Arranger, Lead Manager and Manager

- and -

WILMINGTON TRUST (LONDON) LIMITED
as Security Trustee

- and -

the further parties listed on pages 1 et seq.
of this Memorandum

INCORPORATED TERMS MEMORANDUM



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THIS INCORPORATED TERMS MEMORANDUM is dated 19 November 2013 as amended and restated on 25 November 2014, on 25 November 2015, on 27 June 2016, on 26 May 2017, on 25 May 2018, on 28 May 2019, on 26 May 2020, on 25 November 2020 and on 25 November 2021

BETWEEN:

- (1) **Albion Capital Corporation S.A.**, a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office at 6, Rue Eugène Ruppert, L – 2453 Luxembourg and registered with Register under registration number B51791 (the "**Class A Series 2013-5 Note Purchaser**", "**Class B Series 2021-2 Note Purchaser**" and a "**Note Purchaser**");
- (2) **Banco Santander S.A.**, a banking entity incorporated under the Laws of the Kingdom of Spain whose company registration number is A-39000013, with its registered office at Paseo de Pereda, 9-12, Santander (Spain) (as a "**Manager**");
- (3) **Banco Santander, S.A., London Branch**, a Spanish "*Sociedad Anónima*" (public limited company), incorporated under the laws of Spain and regulated by the Bank of Spain (*Banco de España*) and the CNMV (*Comisión Nacional de Mercado de Valores*) having its registered office at Paseo de Pereda 9-12, 39004 Santander, Spain, with registration number A-39000013, acting through its London Branch at 2 Triton Square, London NW1 3AN, U.K (the "**Class A Series 2016-2 Note Purchaser**" and a "**Note Purchaser**");
- (4) **Bank of America N.A., London Branch**, a national banking association incorporated under the laws of California, USA, with registered number C2551762 and registered address at 101 South Tryon Street, Charlotte, North Carolina, USA, acting through its London Branch, with its principal place of business in the United Kingdom at 2 King Edward Street, London EC1A 1HQ (the "**Class A Series 2018-1 Note Purchaser**", "**Class B Series 2018-1 Note Purchaser**", a "**Manager**" and a "**Note Purchaser**");
- (5) **Barclays Bank PLC**, a public limited company incorporated in England with registered number 1026167 and having its registered office at 1 Churchill Place, London E14 5HP, acting through its investment bank whose principal place of business is 5 The North Colonnade, Canary Wharf, London E14 4BB (the "**Class A Series 2013-4 Note Purchaser**", a "**Manager**" and a "**Note Purchaser**");
- (6) **BNP Paribas**, a French *société anonyme* with its registered Office at 16 boulevard des Italiens, 75009 Paris, France (as a "**Class A Series 2015-1 Note Purchaser**", a "**Manager**" and a "**Note Purchaser**" and together with Matchpoint Finance plc, the "**Class A Series 2015-1 Note Purchasers**");
- (7) **Circumference FS (Luxembourg) S.A.**, a *société anonyme* organised under the laws of Luxembourg, having its registered office at 22-24 Boulevard Royal, L-2449 Luxembourg, registered with the Register under number B 58 628, acting in the capacity of domiciliation agent according to article 1 of the Luxembourg law of 31 May 1999, as amended (hereafter referred as to the "**Domiciliation Law**") (the "**Corporate Services Provider**");
- (8) **Citibank Europe PLC, UK Branch**, registered in Ireland with number 132781, with its registered office at 1 North Wall Quay, Dublin 1, acting through its UK branch at Citigroup Centre, 33 Canada Square, London E14 5LB, United Kingdom (as a "**Manager**");
- (9) **Citibank N.A., London Branch**, a national banking association incorporated in New York acting through its London branch at Citigroup Centre, 33 Canada Square, London E14 5LB, United Kingdom (the "**Class B Series 2013-3 Note Purchaser**" and a "**Note Purchaser**");
- (10) **Crédit Agricole Corporate and Investment Bank** a French *société anonyme*, duly licensed as a credit institution in France by the Autorité de Contrôle Prudentiel et de

Résolution, whose registered office is at 12, Place des Etats-Unis, CS 70052, 92547 Montrouge CEDEX, France, registered with the Registre du Commerce et des Sociétés of Nanterre under number 304 187 701 and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority (as a "**Manager**");

- (11) **DBS Bank Ltd. London Branch**, a company incorporated in Singapore and registered with the UK Companies House with company number FC010036 and having its registered office at Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB United Kingdom (the "**Class A Series 2019-2 Note Purchaser**", a "**Note Purchaser**" and a "**Manager**");
- (12) **Driver UK Master S.A.**, a public company (*société anonyme*) incorporated with limited liability under the laws of Luxembourg and registered with the Luxembourg register of commerce and companies (the "**Register**") under registration number B 162723 and having its registered office at 22-24 Boulevard Royal, L-2449 Luxembourg, acting for and on behalf of its Compartment 2 (the "**Issuer**" and the "**Purchaser**");
- (13) **DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main**, having its registered office at Platz der Republik, 60265 Frankfurt am Main, Germany (as a "**Class A Series 2014-1 Note Purchaser**", a "**Manager**" and a "**Note Purchaser**");
- (14) **HSBC Bank plc**, a company with limited liability incorporated under the laws of England and Wales and registered under registration number 14259 having its office at 8 Canada Square, London E14 5HQ, United Kingdom (the "**Account Bank**", "**Cash Administrator**", "**Principal Paying Agent**", "**Calculation Agent**", "**Custodian**" and "**Interest Determination Agent**");
- (15) **HSBC Bank plc**, a public company with limited liability incorporated under the laws of England and Wales, with registered number 14259 and having its office at 8 Canada Square, London E14 5HQ, United Kingdom (as a "**Manager**");
- (16) **HSBC Continental Europe, Luxembourg** (SIREN number 775 670 284 RCS Paris), a company incorporated under the laws of France as a *société anonyme* having its registered office at 38 avenue Kléber, Paris, 75016 acting through its Luxembourg branch registered with the Luxembourg Trade and Companies' Register under number B227159 and having its registered office 16 Boulevard d'Avranches, L-1160 Luxembourg (the "**Registrar**");
- (17) **J.P. Morgan AG**, having its registered offices at Taunustor 1, 60310 Frankfurt am Main, Germany (the "**Class A Series 2020-2 Note Purchaser**", "**Class B Series 2020-2 Note Purchaser**", a "**Note Purchaser**" and "**Manager**");
- (18) **Lloyds Bank Corporate Markets plc**, a public company with limited liability incorporated under the Laws of England and Wales whose company registration number is 10399850, with its registered office at 25 Gresham Street, London, EC2V 7HN, United Kingdom (as "**Lead Manager**", "**Arranger**" and a "**Manager**");
- (19) **Lloyds Bank plc**, a public company with limited liability incorporated under the Laws of England and Wales whose company registration number is 00002065, with its registered office at 25 Gresham Street, London, EC2V 7HN, United Kingdom (as "**Class A Series 2013-2 Note Purchaser**", "**Class B Series 2019-1 Note Purchaser**" and a "**Note Purchaser**");
- (20) **LMA S.A.**, a French *société anonyme* à directoire et conseil de surveillance having its registered office at 12, Place des Etats-Unis, CS 70052, 92547 Montrouge CEDEX, France, registered with the Registre du Commerce et des Sociétés of Nanterre under number 383 275 187 (the "**Class A Series 2014-3 Note Purchaser**" and a "**Note Purchaser**");

- (21) **Matchpoint Finance plc**, a public limited company (registered no. 386704) duly organised and validly existing under the laws of Ireland, located at 4th floor, 25-28 Adelaide Road, Dublin 2, Republic of Ireland (as a "**Class A Series 2015-1 Note Purchaser**" and a "**Note Purchaser**" and together with BNP Paribas, the "**Class A Series 2015-1 Note Purchasers**");
- (22) **Mizuho Bank Ltd.**, a company incorporated in Japan with limited liability whose registered office is at Otemachi Tower 1-5-5 Otemachi, Chiyoda-Ku, Tokyo 100-8176, Japan, acting through its London Branch (registered number BR002048) from its offices at Mizuho House 30 Old Bailey, London, EC4M 7AU, United Kingdom (the "**Class A Series 2019-1 Note Purchaser**", the "**Class B Series 2020-1 Note Purchaser**", a "**Note Purchaser**" and a "**Manager**");
- (23) **MUFG Bank, Ltd., London Branch**, a public company limited by shares, incorporated under the laws of Japan and having its UK establishment office at Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AN, United Kingdom (as a "**Manager**");
- (24) **Regency Assets Designated Activity Company**, a designated activity company incorporated under the laws of Ireland, registered under number 272959 and having its registered office at Block A, George's Quay Plaza, George's Quay, Dublin 2, Ireland (the "**Class A Series 2014-2 Note Purchaser**", a "**Note Purchaser**" and "**Regency**");
- (25) **Royal Bank of Canada**, a public company with limited liability incorporated under the Bank Act and having its office at 1 Place Ville Marie, Montreal, Quebec H3C 3A9, Canada (the "**Swap Counterparty**");
- (26) **Scotiabank (Ireland) Designated Activity Company**, having its registered offices at 4th Floor, I.F.S.C. House, Custom House Quay, Dublin 1, Ireland (the "**Class A Series 2013-8 Note Purchaser**", a "**Manager**" and a "**Note Purchaser**");
- (27) **Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch**, a public company with limited liability, incorporated under the laws of Sweden whose company registration number is 502032- 9081 acting through its branch at Stephanstrasse 14-16, 60313 Frankfurt am Main, Germany (the "**Class A Series 2018-3 Note Purchaser**", the "**Class B Series 2018-3 Note Purchaser**", a "**Manager**" and a "**Purchaser**");
- (28) **Société Générale**, a limited liability company duly organised and existing under the laws of France, having its registered office at 29, boulevard Haussmann, 75009 Paris, France, registered with the trade and companies registry of Paris under number 552 120 222 (a "**Manager**");
- (29) **Société Générale Capital Market Finance S.A.**, a société anonyme incorporated under the laws of Luxembourg, whose registered office is located at 16 boulevard Royal, L-2449 Luxembourg, registered with the Trade and Companies Registry of Luxembourg under number B180290, with tax identification number 2013 2218 162 (the "**Class A Series 2020-1 Note Purchaser**", "**Class B Series 2021-1 Note Purchaser**" and a "**Note Purchaser**");
- (30) **Sumitomo Mitsui Banking Corporation, Brussels Branch**, a company incorporated in Japan, acting through its Brussels Branch with a registered office at Neo Building, Rue Montoyer 51, Box 6, 1000 Brussels, Belgium (as "**Class A Series 2020-3 Note Purchaser**", a "**Note Purchaser**" and a "**Manager**");
- (31) **Volkswagen Financial Services (UK) Limited**, a company incorporated in England with registered number 02835230 and having its registered office at Brunswick Court, Yeomans

Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom ("**VWFS**", the "**Subordinated Lender**", the "**Seller**" and the "**Servicer**");

- (32) **Wells Fargo Bank, National Association (London Branch)**, organised under the laws of the United States and registered with the UK's Companies House under number FC026633, with its head office at 420 Montgomery Street, San Francisco, CA 94104, USA and acting through its London Branch with offices at 33 King William Street, London EC4R 9AT, United Kingdom, United Kingdom (the "**Class A Series 2018-2 Note Purchaser**", the "**Class B Series 2018-2 Note Purchaser**", a "**Manager**" and a "**Note Purchaser**" and, together with each other Note Purchaser, the "**Note Purchasers**" and, together with other Manager, the "**Managers**");
- (33) **Wilmington Trust (London) Limited**, a company with limited liability incorporated under the laws of England and registered under registration number 5650152 and having its office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom (the "**Security Trustee**"); and
- (34) **Wilmington Trust SP Services (Frankfurt) GmbH**, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of the Federal Republic of Germany, registered in the commercial register of the court of Frankfurt am Main under registration number HRB 76380 and having its registered office at Steinweg 3-5, 60313 Frankfurt am Main, Germany (the "**Data Protection Trustee**").

MASTER DEFINITIONS SCHEDULE

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 Transaction Documents, the English Transaction Documents any Scottish Declaration of Trust and any Assignment in Security and any further documents entered into pursuant to any of them.

"12-Months Average Dynamic Net Loss Ratio" means, for any Payment Date, a fraction, expressed as a percentage rate, the numerator of which is the sum of the Dynamic Net Loss Ratios calculated with respect the last 12 calendar months preceding such Payment Date and the denominator of which is 12.

"2016 Accession Agreement" means the Accession and Note Purchase Agreement in relation to the Note Purchase Agreement entered into by, amongst others, the Issuer and the Security Trustee on 25 October 2016.

"2018 Accession Agreement" means the Accession and Note Purchase Agreement in relation to the Note Purchase Agreement entered into by, amongst others, the Issuer and the Security Trustee on 21 February 2018.

"Accession Agreement" means the agreement set out as a schedule to the Note Purchase Agreement and signed by any additional Note Purchaser or transferee of any Noteholders and the Security Trustee.

"Account Agreement" means the account agreement between the Issuer, VWFS, the Account Bank and the Security Trustee governing the Accounts dated on 19 November 2013, as amended from time to time.

"Account Bank" means HSBC Bank plc, acting as the Accumulation Account Bank, the Distribution Account Bank, the Counterparty Downgrade Collateral Account Bank and the Cash Collateral Account Bank.

"Account Bank Required Rating" means ratings, solicited or unsolicited, of:

- (a) a short-term rating of at least "A-1" and a long-term rating of at least "A" from S&P, or, if such entity is not subject to a short-term rating from S&P, long-term ratings of at least "A+" from S&P;
- (b) a short-term rating of at least "P-1" and long-term rating of at least "A2" from Moody's, or, if such entity is only subject to a short-term rating from Moody's or a long-term rating from Moody's, a short-term rating of at least "P-1" or long-term rating of at least "A2" from Moody's; and
- (c) from Fitch (i) an issuer default or deposit long-term rating of at least "A" or (ii) an issuer default or deposit short-term rating of at least "F1".

"Accounts" means the Accumulation Account, the Distribution Account, the Counterparty Downgrade Collateral Accounts and the Cash Collateral Account.

"Accrued Interest" means in respect of a Note the interest which has accrued up to the relevant date.

"Accumulation Account" means the accumulation account specified in clause 3.1(a) (*The Security Trustee as a Party*) of the Account Agreement.

"Accumulation Account Bank" means HSBC Bank plc.

"Accumulation Amount" means the sum of the Class A Accumulation Amount and the Class B Accumulation Amount.

"Accumulation Balance" means on a Payment Date during the Revolving Period the Accumulation Balance brought forward at the beginning of the Monthly Period plus the Accumulation Amount for the relevant Payment Date.

"Additional Borrowing Date" shall mean the Closing Date and any Further Issue Date or any date on which a drawing under the Subordinated Loan Agreement is made.

"Additional Cut-Off Date" means the last day of a Monthly Period elapsing prior to an Additional Purchase Date.

"Additional Discounted Receivables Balance" means, on any Additional Purchase Date, the sum of the Discounted Receivables Balance on the relevant Additional Cut-Off Date of the Additional Receivables to be purchased by Driver UK Master S.A., acting for and on behalf of its Compartment 2 on such Additional Purchase Date.

"Additional Offer Date" means the second Business Day prior to a Payment Date.

"Additional Purchase Date" means a Payment Date falling in the Revolving Period, when an additional purchase is made pursuant to clause 2 (*Agreement for sale and purchase*) of the Receivables Purchase Agreement.

"Additional Receivables" means the Receivables purchased by the Issuer from VWFS on any Additional Purchase Date in accordance with the Receivables Purchase Agreement.

"Additional Receivables Purchase Price" means the purchase price in respect of the Purchased Additional Receivables calculated as follows:

The Additional Receivables Purchase Price must not exceed the sum of the funds available from (without double counting):

- (i) the issuance of the Further Notes in accordance with clause 3.2 (*Purchase and Sale of the Further Notes*) of the Note Purchase Agreement at the Additional Purchase Date;
- (ii) the amount of funds available from the Order of Priority for the purchase of Additional Receivables at the Additional Purchase Date; and
- (iii) the amount, if any, available on any Purchase Date under the Subordinated Loan.

The Additional Receivables Purchase Price shall equal the sum of:

- (i) the sum of the relevant Class A Notes Increase Amount and the relevant Class B Notes Increase Amount, plus (B) any Subordinated Loan Increase Amount less (C) where applicable, amounts required for the endowment of the Cash Collateral Account with the respective General Cash Collateral Amount to equal the Specified General Cash Collateral Account Balance and less (D) certain costs related to the issue of such Further Notes,
- (ii)

- (a) the Replenished Additional Discounted Receivables Balance, multiplied by
- (b) one (1) minus the Replenished Receivables Overcollateralisation Percentage.

The Additional Receivables Purchase Price is to be paid by the Purchaser.

The Additional Receivables Purchase Price shall be free of VAT and shall be debited at the Additional Purchase Date from the Accumulation Account (if not already netted) and/or funded from the issuance of Further Notes.

"Administrator Recovery Incentive" means any incentive fee, costs and/or expenses payable, pursuant to the Servicing Agreement, to an Insolvency Official of VWFS in relation to the sale of Vehicles after an Insolvency Event of VWFS.

"Adverse Claim" means any mortgage, charge, pledge, hypothecation, lien, floating charge, security assignment or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any Person's assets or properties in favour of any other Person.

"Affiliate" means, in relation to any Person, any entity controlled, directly or indirectly by the Person, any entity that controls, directly or indirectly the Person or any entity directly or indirectly under common control with such Person (for this purpose, "control" of any entity of Person means ownership of a majority of the voting power of the entity or Person). For the purposes of this definition, with respect to the Issuer, "Affiliate" does not include the Corporate Services Provider or any entities which the Corporate Services Provider controls.

"Agency Agreement" means the agency agreement between, *inter alios*, the Issuer, the Principal Paying Agent, the Calculation Agent, the Registrar, the Interest Determination Agent and the Security Trustee dated 19 November 2013, 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 Financing Contracts relating to Purchased Receivables provided that the Discounted Receivables Balance of any Defaulted Receivable will be zero.

"Aggregate Redeemable Amount" means, at any time, the difference between (i) the aggregate outstanding nominal amount of Notes of a certain Class and (ii) the Targeted Remaining Class A Note Balance or Targeted Remaining Class B Note Balance, as the case may be.

"AIFM Regulation" means the EU AIFM Regulation and the UK AIFM Regulation.

"Alternative Benchmark Rate" has the meaning given to it in Condition 14 (*Amendments to the Conditions and Benchmark Rate Modification*).

"Amortisation Factor" means, with respect to an Amortising Series and a certain Payment Date, the ratio of the principal amount outstanding of such Amortising Series of Notes immediately before it commences amortisation as numerator and the sum of the principal amount outstanding of all Non-Amortising Series of Notes of the same class issued on the day immediately preceding the commencement of the amortisation of such Amortising Series as denominator, stated as a percentage.

"Amortising Series" means, on any Payment Date:

- (a) any Series of Notes for which on or prior to such Payment Date the Series Revolving Period Expiration Date has occurred; or
- (b) following the occurrence of an Early Amortisation Event, all Series of Notes.

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

- (a) the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due whether or not from Obligors or guarantors under or relating to the Financing Contract to which such Purchased Receivable relates and all guarantees (if any) (including, for the avoidance of doubt, any Enforcement Proceeds received by the Seller or its agents);
- (b) the benefit of all covenants and undertakings from Obligors and from guarantors under the Financing Contract to which such Receivable relates and under all guarantees (if any);
- (c) the benefit of all causes and rights of actions against Obligors and guarantors under and relating to the Financing Contract to which such Receivable relates and under and relating to all guarantees (if any);
- (d) the benefit of any other rights, title, interest, powers and benefits of the Seller into, under, pursuant to or in relation to such Financing Contract (including the right (but not the obligation) to make any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the Seller would otherwise be entitled to make in connection with any Vehicle related to such Purchased Receivable) other than rights specifically relating to the Vehicle itself (with such rights specifically relating to the Vehicle including, without limitation, the right of ownership but excluding the rights to any PCP Recoveries and (as referred to above) to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995);
- (e) any Insurance Proceeds received by the Seller or its agents pursuant to Insurance Claims in each case insofar as the same relate to the Financing Contract to which such Receivable relates; plus
- (f) the benefit of any rights, title, interest, powers and benefits of the Seller in and to PCP Recoveries.

"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 Lloyds Bank Corporate Markets plc.

"Articles of Incorporation" means the Status of Driver UK Master S.A. under Luxembourg law.

"Assignment in Security" means any assignment in security of the Issuer's interest in the Scottish Trust Property granted pursuant to the terms of the Deed of Charge and Assignment and being substantially in the form set out in Schedule 3 (*Assignment in Security*) of the Deed of Charge and Assignment.

"Authorised Representative" shall mean the persons set out in Part A of Schedule 3 (*Authorised Representative and Callback Contacts*) of the Account Agreement, as

amended pursuant to clause 6.6 (*Operating/Release Procedure*) of the Account Agreement.

"Available Distribution Amount" on each Payment Date shall equal the sum of the following amounts:

- (a) interest accrued on the Accumulation Account and the Distribution Account; plus
- (b) amounts received as Collections received or collected by the Servicer, inclusive, for avoidance of doubt, the Monthly Collateral Part 1 and Monthly Collateral Part 2 (after any relevant netting); plus
- (c) payments from the Cash Collateral Account as provided for in clauses 19.3 and 19.13 (*Distribution Account; Cash Collateral Account; Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement; plus
- (d) (i) Net Swap Receipts under the Swap Agreements, (ii) where a Swap Agreement has been terminated and any Swap Termination Payments due by the Issuer to the departing Swap Counterparty have been paid (after returning any Excess Swap Collateral to the Swap Counterparty) and no replacement Swap Counterparty has been found, an amount equal to the lesser of (A) the balance standing to the credit of the Swap Counterparty Downgrade Collateral Account and (B) the Net Swap Receipts that would have been due from the relevant Swap Counterparty on such date assuming that there had been no termination of such Swap Agreement; plus
- (e) in case of the occurrence of an Early Amortisation Event or after the end of the Revolving Period, transfers from the Accumulation Account to the Distribution Account pursuant to the Trust Agreement; less
- (f) the Buffer Release Amount to be paid to VWFS, provided that no Insolvency Event occurred in respect of VWFS; plus
- (g) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus
- (h) any amounts provided for or converted into another currency which are not used and reconverted (if applicable) in accordance with clause 20.5 (*Order of Priority*) of the Trust Agreement; plus
- (i) the Interest Compensation Order of Priority Amount; less
- (j) the Interest Compensation Amount.

For the avoidance of doubt, interest accruing on the Counterparty Downgrade Collateral Accounts (other than amounts payable under clause 19.10 (*Distribution Account, Cash Collateral Account, Counterparty Downgrade Collateral Account, Swap Provisions*) of the Trust Agreement) and the Cash Collateral Account will not form part of the Available Distribution Amount. Such accrued interest and earned income will be retained on the relevant Account and (i) in the case of the Counterparty Downgrade Collateral Accounts, interest accruing in respect of amounts other than Swap Termination Payments received by the Issuer, be paid to the relevant Swap Counterparty in accordance with the Swap Agreements and (ii) in the case of the Counterparty Downgrade Collateral Account, interest accruing in respect of Swap Termination Payments received by the Issuer, be paid to the Subordinated Lender and 19.12 (*Distribution Account; Cash Collateral Account, Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement unless otherwise specified therein; (iii) in the case of interest accruing on the Cash

Collateral Account form part of the General Cash Collateral Amount and will be applied in accordance with clause 19.3 (*Distribution Account, Cash Collateral Account, Counterparty Downgrade Collateral Account, Swap Provisions*) and clause 20.3 (*Order of Priority*) of the Trust Agreement.

"**Banks**" means each of the Lead Manager and the Managers.

"**Base Prospectus**" means the base prospectus for the issuance of Notes under the Programme.

"**Benchmark Rate Modification**" has the meaning given to it in Condition 14 (*Amendments to the Conditions and Benchmark Rate Modification*).

"**Benchmark Rate Modification Certificate**" has the meaning given to it in Condition 14 (*Amendments to the Conditions and Benchmark Rate Modification*).

"**Borrowing Date**" shall have the meaning assigned to such term in clause 2.1 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

"**Buffer Release Amount**" means on any Payment Date, the product of (a) the Buffer Release Rate, and (b) the Future Discounted Receivables Balance.

"**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 Notes and the outstanding principal amount of the Subordinated Loan at the end of the Monthly Period) of the fixed rates (stated as a percentage) payable by the Issuer under the Swap Agreements and the Theoretical Subordinated Loan Swap Rate, less (iii) the Servicer Fee at a rate of 1 per cent. per annum, less (iv) 0.03 per cent. for any administrative costs and fees less (v) the Interest Compensation Rate, divided by (b) 12, provided that the rate so calculated may in no event be less than zero.

"**Business Day**" means any day on which TARGET2 or the successor system to TARGET2 is open for business, provided that this day is also a day on which banks are open for business in London and Luxembourg.

"**Calculation Agent**" means HSBC Bank plc.

"**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.

"**Callback Contact**" shall mean the persons set out in Part B of Schedule 3 (*Authorised Representative and Callback Contact*), as amended pursuant to clause 6.6 (*Operating/Release Procedure*) of the Account Agreement.

"**Cash Administrator**" means HSBC Bank plc.

"**Cash Administration Services**" has the meaning as set forth in clause 9.2 (*Cash Administration Services*) of the Account Agreement.

"**Cash Collateral Account**" means the account specified in clause 3.1(b) (*The Security Trustee as a Party*) of the Account Agreement.

"Cash Collateral Account Bank" means HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

"Cash Collateral Amount" means:

- (a) on the Initial Issue Date, an amount equal to GBP 28,681,200 (representing 1.20 per cent. of the aggregate outstanding nominal amount of the Initial Notes issued on the Initial Issue Date); and
- (b) on each Further Issue Date, an amount equal to 1.20 per cent. of the aggregate nominal amount of the Further Notes to be issued on such Further Issue Date.

"CCA" means the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006 and associated secondary legislation.

"CCJ Receivables" means a Receivable where either (A) the related Obligor has had a county court judgment (or its equivalent in any relevant jurisdiction) entered into in respect of it within a period of 3 years prior to the date on which the related Receivable was originated or (B) the Receivable is categorised as "Credit Band D" in accordance with the Servicer's Customary Operating Practices. No CCJ Receivables will be included in the Portfolio from the Closing Date.

"CET" means Central European Time as being the local time in Frankfurt am Main and Luxembourg.

"Charged-Off Amount" in relation to a Charged-Off Receivable the sum of the accounting write-off in accordance with the Servicer's Customary Operating Practices that reduces the Discounted Receivables Balance (where the adjustment for Defaulted Receivables being zero shall not be applied) associated with the Vehicle to zero with regard to a Charged-Off Receivable and/or plus, if appropriate the accounting write off in accordance with the Servicer's Customary Operating Practices of past due Receivables that remain unpaid and reduced to a value of zero.

"Charged-Off Receivable" means a Terminated Receivable upon the occurrence of the earlier of the following events (i) the Vehicle associated to a Terminated Receivable is being sold or written-off (as having a value of zero) or (ii) the value of the associated Terminated Receivable (excluding the Vehicle) is written off in accordance with the Servicer's Customary Operating Practices.

"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 Deed of Charge and Assignment.

"Charged Transaction Documents" means the English Transaction Documents other than the Deed of Charge and Assignment.

"Check Information" has the meaning as set forth in clause 6.3(a) (*Limitation of Liability*) of the Agency Agreement.

"Class A Accumulation Amount" means, on any Payment Date during the Revolving Period, an amount not less than zero equal to the lesser of (a) the Class A Principal Payment Amount and (b) (i) the Class A Available Redemption Collections minus (ii) the sum of the Class A Amortisation Amount to be paid with respect to the Class A Notes on such Payment Date.

"Class A Actual Overcollateralisation Percentage" means, with respect to any Payment Date, one (1) minus the quotient of (a) the Nominal Amount of all outstanding Class A Notes divided by (b) the sum of (i) the Aggregate Discounted Receivables Balance and (ii) any amounts standing to the credit of the Accumulation Account, in each case of (a) and (b) as determined immediately after the preceding Payment Date.

"Class A Aggregate Discounted Receivables Balance Increase Amount" means in respect of a Payment Date the amount necessary to increase the Aggregate Discounted Receivables Balance as at the end of the Monthly Period to the Class A Targeted Aggregate Discounted Receivables Balance.

"Class A Amortisation Amount" means, for any Series of Class A Notes, an amount calculated as follows:

- (a) if on the relevant Payment Date all of the outstanding Series of Class A Notes are Non-Amortising Series of Class A Notes, zero; or
- (b) where on the relevant Payment Date some of the outstanding Series of Class A Notes but not all Series of Class A Notes are Amortising Series, then for any Series of Class A Notes which on the relevant Payment Date qualifies as an Amortising Series for the first time (such Payment Date with respect to such Series referred to as the **"Class A Series Amortisation Date"**), the Class A Amortisation Amount applicable to such Series with respect to all Payment Dates following such qualification shall be determined as the lesser of (i) the principal amount outstanding of such Series and (ii) the product of (1) the positive difference between (A) the Class A Available Redemption Collections and (B) the sum of the Class A Amortisation Amounts in respect of the other Amortising Series of Class A Notes with an earlier Class A Series Amortisation Date and (2) the Amortisation Factor applicable to such Amortising Series; or
- (c) if on the relevant Payment Date all Series of Class A Notes are Amortising Series, the Class A Amortisation Amount for any Series of Class A Notes will be determined as the product of (i) the Class A Principal Payment Amount multiplied by (ii) the ratio of the principal amount outstanding of the relevant Amortising Series of Class A Notes on such Payment Date as numerator and the sum of the principal amount outstanding of all Series of Class A Notes on such Payment Date as denominator.

"Class A Available Redemption Collections" means an amount equal to the Available Distribution Amount less any amounts due and payable on the relevant Payment Date under items first through eighth of the Order of Priority set out in clause 20.3(a) (*Order of Priority*) of the Trust Agreement.

"Class A Cash Component" shall be equal to the Class A Aggregate Discounted Receivables Balance Increase Amount multiplied by one (1) minus the Replenished Receivables Overcollateralisation Percentage.

"Class A Notes" means all Series of Class A Notes including the Initial Class A Notes, any Series of Notes issued since the Initial Issue Date and the Further Class A Notes, collectively.

"Class A Notes Increase Amount" means, with respect to the Closing Date and any Further Issue Date an amount equal to the product of 70.80 per cent. and the Further Discounted Receivables Balance rounded down to the nearest GBP 100,000.

"Class A Notes Interest Rate" shall have the meaning ascribed to such term in Condition 8(c) (Payments of Interest) of the Class A Notes.

"Class A Principal Payment Amount" means:

- (a) during the Revolving Period, an aggregate amount equal to the Class A 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 Class A Notes to the Class A Targeted Note Balance.

"Class A Targeted Aggregate Discounted Receivables Balance" means (i) the remaining balance of all Class A Notes after application of any Class A Amortisation Amount to the Amortising Series of Class A Notes divided by (ii) 100% minus the Class A Targeted Overcollateralisation Percentage.

"Class A Targeted Note Balance" means for each Series of Class A Notes:

- (a) if the Aggregate Discounted Receivables Balance as of the end of the Monthly Period is less than 10 per cent. of the Maximum Discounted Receivables Balance, zero; otherwise
- (b) the excess of the sum of:
 - (i) the Aggregate Discounted Receivables Balance as of the end of the 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 Class A Targeted Overcollateralisation Amount.

"Class A Targeted Overcollateralisation Amount" means, on each Payment Date the Class A Targeted Overcollateralisation Percentage multiplied by the sum of:

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

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

"Class A Targeted Overcollateralisation Percentage" means:

- (a) 30.40 per cent. during the Revolving Period until a Credit Enhancement Increase Condition shall be in effect;
- (b) 33.40 per cent. after expiration of the Revolving Period until the Credit Enhancement Increase Condition is in effect; and
- (c) 100 per cent. until the Final Maturity Date once the Credit Enhancement Increase Condition has occurred.

"Class B Accumulation Amount" means, on any Payment Date during the Revolving Period, an amount not less than zero equal to the lesser of (a) the Class B Principal Payment Amount and (b) (i) the Class B Available Redemption Collections minus (ii) the

sum of the Class B Amortisation Amount to be paid with respect to the Class B Notes on such Payment Date.

"Class B Actual Overcollateralisation Percentage" means, with respect to any Payment Date, one (1) minus the quotient of (a) the Nominal Amount of all outstanding Class A Notes and Class B Notes divided by (b) the sum of (i) the Aggregate Discounted Receivables Balance and (ii) any amounts standing to the credit of the Accumulation Account, in each case of (a) and (b) as determined immediately after the preceding Payment Date.

"Class B 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 Class B Targeted Aggregate Discounted Receivables Balance in excess of the Class A Aggregate Discounted Receivables Balance Increase Amount on such Payment Date.

"Class B Amortisation Amount" means, for any Series of Class B Notes, an amount calculated as follows:

- (a) if on the relevant Payment Date all of the outstanding Series of Class B Notes are Non-Amortising Series, zero; or
- (b) where on the relevant Payment Date some of the outstanding Series of Class B Notes but not all Series of Class B Notes are Amortising Series, then for any Series of Class B Notes which on the relevant Payment Date qualifies as an Amortising Series for the first time (such Payment Date with respect to such Series referred to as the **"Class B Series Amortisation Date"**), the Class B Amortisation Amount applicable to such Series with respect to all Payment Dates following such qualification shall be determined as the lesser of (i) the principal amount outstanding of such Series and (ii) the product of (1) the positive difference between (A) the Class B Available Redemption Collections and (B) the sum of the Class B Amortisation Amounts in respect of the other Amortising Series of Class B Notes with an earlier Class B Series Amortisation Date and (2) the Amortisation Factor applicable to such Amortising Series; or
- (c) if on the relevant Payment Date all Series of Class B Notes are Amortising Series, the Class B Amortisation Amount for any Series of Class B Notes will be determined as the product of (i) the Class B Principal Payment Amount multiplied by (ii) the ratio of the principal amount outstanding of the relevant Amortising Series of Class B Notes on such Payment Date as numerator and the sum of the principal amount outstanding of all Series of Class B Notes on such Payment Date as denominator.

"Class B Available Redemption Collections" means an amount equal to the Available Distribution Amount less any amount due and payable on the relevant Payment Date under items first through ninth of the Order of Priority set out in clause 20.3(a) (*Order of Priority*) of the Trust Agreement.

"Class B Cash Component" shall be equal to the Class B Aggregate Discounted Receivables Balance Increase Amount multiplied by one (1) minus the Replenished Receivables Overcollateralisation Percentage.

"Class B Notes" means all Series of Class B Notes including the Initial Class B Notes, any Series of Notes issued since the Initial Issue Date and any Further Class B Notes, collectively.

"Class B Notes Increase Amount" means, with respect to the Closing Date and any Further Issue Date an amount equal the product of 8.40 per cent. and the Further Discounted Receivables Balance rounded down to the nearest GBP 100,000.

"Class B Notes Interest Rate" shall have the meaning ascribed to such term in Condition 8(c) (Payments of Interest) of the Class B Notes.

"Class B Principal Payment Amount" means:

- (a) during the Revolving Period, an aggregate amount equal to the Class B 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 Class B Notes to the Class B Targeted Note Balance.

"Class B Targeted Aggregate Discounted Receivables Balance" means the remaining balance of all Notes after application of any Class B Amortisation Amount to the Amortising Series of Class B Notes and Class A Amortisation Amount to the Amortising Series of Class A Notes divided by 100% minus the Class B Targeted Overcollateralisation Percentage.

"Class B Targeted Note Balance" means for each Series of Class B Notes,

- (a) if the Aggregate Discounted Receivables Balance as of the end of the Monthly Period is less than 10 per cent. of the Maximum Discounted Receivables Balance, zero; otherwise
- (b) the excess of the sum of:
 - (i) the Aggregate Discounted Receivables Balance as of the end of the 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 Class A Targeted Note Balance,over the Class B Targeted Overcollateralisation Amount.

"Class B Targeted Overcollateralisation Amount" means, on each Payment Date the Class B Targeted Overcollateralisation Percentage multiplied by the sum of:

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

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

"Class B Targeted Overcollateralisation Percentage" means:

- (a) 20.80 per cent. during the Revolving Period until a Credit Enhancement Increase Condition shall be in effect;
- (b) 23.80 per cent. after expiration of the Revolving Period until the Credit Enhancement Increase Condition is in effect; and

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

"Class of Notes" means the Class A Notes outstanding or the Class B Notes outstanding, as applicable.

"Clean-Up Call Option" means, with respect to Notes, VWFS's right at its option to exercise a clean-up call in accordance with the Receivables Purchase Agreement.

"Clean-Up Call Option Notice" means the notice served pursuant to clause 12.1 (*Clean-Up Call Option*) the Receivables Purchase Agreement for a Clean-Up Call Option.

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

for the purposes of calculating the Clean-Up Call Option Settlement Amount, the risk of losses inherent to the relevant Purchased Receivables shall be taken into account on the basis of the risk status of such Purchased Receivables assessed by VWFS immediately prior to the buyback becoming effective. The Clean-Up Call Option Settlement Amount shall be due on the Payment Date following the Clean-Up Call Option Notice and, for the purposes of the definition of Collections shall be treated as a Settlement Amount.

"Clearing System" means each of Clearstream, Luxembourg and Euroclear.

"Clearstream Luxembourg" means the Clearstream clearance system for inter-nationally traded securities operated by Clearstream Banking, société anonyme, Luxembourg, 42 Avenue JF Kennedy, L-1885 Luxembourg, and any successor thereto.

"Client Money Distribution Rules" means the client money distribution rules as set out in Chapter 7A of the Client Assets Sourcebook.

"Client Money Rules" means the client money rules set out in Chapter 7 of the Client Assets Sourcebook of the FCA Handbook.

"Closing Date" means 25 November 2021.

"Collateral RV Ledger" means the ledger maintained on the Cash Collateral Account. Amounts standing to the credit of the Collateral RV Ledger shall not form part of the General Cash Collateral Amount. The Collateral RV Ledger will, on the Collateral RV Buffer Start Date and each subsequent Payment Date, be credited with Collateral RV Buffer Amounts in respect of each Purchased Receivable which has, during the relevant Monthly Period been subject to a Payment Holiday With Term Extension.

"Collateral RV Buffer Amount" means, (i) in respect of a Purchased Receivable which is subject to a Payment Holiday with Term Extension, £300 and (ii) in respect of a Purchased Receivable which is subject to a Further Payment Holiday with Term Extension, an additional amount equal to £300 in respect of such Purchased Receivable.

"Collections" means, with respect to any Purchased Receivable, the following amounts received during the relevant Monthly Period:

- (a) all payments received by the Servicer related to such Purchased Receivable in the form of cash, cheques, SWIFT payments, wire transfers, direct debits, bank giro credits or other form of payment made by an Obligor in respect of such Purchased Receivable, including PCP Recoveries, excess mileage charges, Enforcement Proceeds and Insurance Proceeds and any Written-Off Purchased Receivable Repurchase Price;
- (b) any payments received by the Servicer under any Ancillary Rights related to such Purchased Receivable;
- (c) any and all amounts received by the Servicer (or the Seller) (after expenses of recovery, repair and sale in accordance with Customary Operating Practices) in connection with any sale or other disposition of the Vehicle related to such Purchased Receivable, including, except where included in (d) below, an amount equal to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the Seller (or, the Servicer, exercising the Ancillary Rights assigned to the Issuer on the Issuer's behalf) is entitled to make in connection with any Vehicle related to such Purchased Receivable not including any amount in respect of VAT for which the Seller is required to account to the relevant tax authority in relation to such sale or other disposition;
- (d) any payments received by the Servicer (or the Seller) by way of recoveries in respect of any such Purchased Receivable that has become a Defaulted Receivable or a Terminated Receivable including an amount equal to any VAT adjustment under regulation 38 of the Value Added Tax Regulations 1995 that the Seller (or, the Servicer, exercising the Ancillary Rights assigned to the Issuer on the Issuer's behalf) is entitled to make in connection with any Vehicle related to such Purchased Receivable; plus
- (e) the aggregate Settlement Amounts paid by VWFS to the Issuer on such Payment Date pursuant to clause 9 (*Repurchase*) of the Receivables Purchase Agreement or any payment received by the Issuer on such Payment Date pursuant to clause 10 (*Payment for Non-existent Receivables*), clause 15 (*Late Payment/Indemnity*) of the Receivables Purchase Agreement and Clause 3 (*Redelivery Repurchase Price*) of the Redelivery Repurchase Agreement,

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

"Common Depository" means HSBC Bank plc.

"Common Safekeeper" or **"CSK"** means the entity appointed by the ICSDs to provide safekeeping for the Class A Notes under the new safekeeping structure (NSS).

"**Common Services Provider**" or "**CSP**" means the entity appointed by the ICSDs to provide asset servicing for the Class A Notes under the new safekeeping structure (NSS).

"**Common Terms**" means clauses 3 (*Limited Recourse; No Lien Or Set-Off; No Petition*) through 8 (*Confidentiality*) of the Incorporated Terms Memorandum.

"**Compartment**" means a compartment of Driver UK Master S.A. within the meaning of the Luxembourg Securitisation Law.

"**Compartment 2**" means the second Compartment of Driver UK Master S.A. designated to acquire the Purchased Receivables and related collateral from the Seller under the Receivables Purchase Agreement.

"**Compounded Daily SONIA**" means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Interest Determination Agent as at the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"**d₀**" is the number of London Banking Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to **d₀**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

"**LBD**" means a London Banking Day;

"**n_i**", for any day "**i**", means the number of calendar days from and including such day "**i**" up to but excluding the following London Banking Day; and

"**p**" means, for any Interest Period, 5 London Banking Days; and

"**SONIA_{i-pLBD}**" means, in respect of any London Banking Day falling in the relevant Interest Period, SONIA for the London Banking Day falling "**p**" London Banking Days prior to that London Banking Day "**i**".

"**Conditions**" means the terms and conditions of the relevant Class of Notes.

"**Consumer Protection Regulation**" means the Consumer protection from Unfair Trading Regulations 2008, which implement the UCPD.

"**Consumer Credit Sourcebook**" means the consumer credit sourcebook as set out in the FCA Handbook.

"**Corporate Services Agreement**" means the corporate services agreement entered into by Driver UK Master S.A. and the Corporate Services Provider on or about 21 November 2011 under which, the Corporate Services Provider is responsible for the day to day

activities of Driver UK Master S.A, and shall provide secretarial, clerical, administrative and related services to Driver UK Master S.A. and maintain the books and records of Driver UK Master S.A. in accordance with applicable laws and regulations of Luxembourg.

"Corporate Services Provider" means Circumference FS (Luxembourg) S.A.

"Counterparty Downgrade Collateral Account" means each counterparty downgrade collateral account established by the Security Trustee for collateral provided by the relevant Swap Counterparty pursuant to clause 19.6 (*Distribution Account, Cash Collateral Account, Counterparty Downgrade Collateral Account, Swap Provisions*) of the Trust Agreement.

"Counterparty Downgrade Collateral Account Bank" means HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

"Corona Pandemic" means the COVID-19 pandemic.

"COVID-19 Eligible Obligor" means, with respect to a VWFS Payment Deferral or a Further VWFS Payment Deferral, an Obligor which, subject to a suitability check, satisfied the following criteria:

- (a) The Obligor has confirmed to VWFS that it is impacted by the Corona Pandemic.
- (b) The Obligor must be an individual, partnership or sole trader. The Obligor cannot be a corporate Obligor.
- (c) The Obligor has a PCP Agreement or HP Agreement with VWFS.
- (d) As at 16 March 2020, the Obligor must have been up to date with respect to all payments or parts thereof due under its Financing Contract (or no more than 30 days overdue in respect of a payment or part thereof due under its Financing Contract).
- (e) After 16 March 2020, the Obligor may either:
 - (i) be up to date with respect to all payments or parts thereof due under its Financing Contract; or
 - (ii) be in arrears in respect of any payments or parts thereof under its Financing Contract solely to the extent that such payments fall due after 16 March 2020 and if the Obligor is in arrears then the Obligor must be in arrears by no more than 2 consecutive rentals in respect of a payment or part thereof due under its Financing Contract.

"COVID-19 Extension" means, in respect of a Purchased Receivable under which the related Financing Contract is a PCP Agreement, upon maturity of the PCP Agreement, an informal extension to the term of a maturing PCP Agreement of up to 6 months, as agreed between the Servicer (where the Servicer is VWFS) acting on the basis of its Customary Operating Practices and the Obligor (for the avoidance of doubt irrespective of whether or not the Obligor is a COVID-19 Eligible Obligor).

"COVID-19 Overcollateralisation Percentage" means a percentage rate determined by VWFS which is no greater than the Replenished Receivables Overcollateralisation Percentage.

"COVID-19 Purchased Receivable" means a Purchased Receivable under which the related Financing Contract is a PCP Agreement which is subject to a COVID-19 Extension.

"CPR" means constant prepayment rate.

"**CRA15**" means the Consumer Rights Act 2015.

"**CRA Regulation**" means Regulations (EC) No 1060/2009 of the European Parliament on credit rating agencies, as amended by Regulation (EU) no 513/2011 and by Regulation (EU) No 462/2013 ("**CRA3**").

"**CRD**" means 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 Directives 2006/48/EC and 2006/49/EC.

"**CRD IV-Package**" means CRD and CRR.

"**Credit**" has the meaning given to that term in Clause 20 (*Order of Priority*) of the Trust Agreement.

"**Credit Enhancement Increase Condition**" shall be deemed to be in effect if:

- (f) the Dynamic Net Loss Ratio for three consecutive Payment Dates exceeds (i) 0.25 per cent., if the Weighted Average Seasoning is less than or equal to 12 months (inclusive) (ii) 0.75 per cent., if the Weighted Average Seasoning is between 12 months (exclusive) and 22 months (inclusive), (iii) 2.00 per cent. if the Weighted Average Seasoning is between 22 months (exclusive) and 34 months (inclusive), or (iv) if the Weighted Average Seasoning is greater than 34 months, the Dynamic Net Loss Ratio shall not apply; or
- (g) the 12-Months Average Dynamic Net Loss Ratio exceeds (i) 0.60 per cent. during the Revolving Period or (ii) 1.20 per cent. after the end of the Revolving Period; or
- (h) the Late Delinquency Ratio exceeds 1.30 per cent. on any Payment Date on or before 25 November 2022, provided that this event will be waived following a Term Takeout if the Issuer receives a Rating Agency confirmation that the sale of the Receivables will not result in a downgrade of the outstanding Notes on or before the Payment Date immediately following the occurrence of such event; or
- (i) a Servicer Replacement Event occurs and is continuing; or
- (j) an Insolvency Event occurs with respect to VWFS; or
- (k) the Cash Collateral Account does not contain (A) the Specified General Cash Collateral Account Balance on three consecutive Payment Dates or (B) the Minimum Cash Collateral Account Balance at any Determination Date.

"**CRR**" means EU CRR and UK CRR.

"**CSSF**" means the Commission de Surveillance du Secteur Financier of Luxembourg.

"**Cure Period**" means the period until the end of the Monthly Period, which includes the sixtieth (60th) day (or, if the Seller elects an earlier date) after the date when VWFS became aware or was notified by the Servicer that: (i) a breach of any of the warranties set forth at the Initial Cut-Off Date, 20 November 2013, the Additional Cut-Off Dates or Additional Purchase Dates (as applicable), which VWFS has to cure or correct pursuant to clause 9 (*Repurchase*) of the Receivables Purchase Agreement, has occurred; or (ii) a payment is required under clause 14.3 (*Prepayments of Purchased Receivables*) of the Receivables Purchase Agreement (each as applicable).

"**Custodian**" means HSBC Bank plc.

"Custody Agreement" means the custody agreement dated on or about 20 November 2013, as amended from time to time, entered into between the Custodian and the Issuer.

"Customary Operating Practices" means the normal operating policies and practices in respect of the origination, management, administration and Collection of receivables adopted by (as the case may be) VWFS or the Servicer from time to time with respect to HP Agreements and PCP Agreements entered into by VWFS.

"Cut-Off Date" means each of the Initial Cut-Off Date and each Additional Cut-Off Date.

"Data File" means the encrypted list (with only the names, addresses and contact numbers of the respective Obligor) made available by VWFS to the Issuer.

"Data Protection Rules" means:

- (a) until 24 May 2018 (inclusive) the Data Protection Act 1998; and
- (b) from and including 25 May 2018, the EU General Data Protection Regulation, and all related national laws, regulations, rules and secondary legislation, including the Data Protection Act 2018, and any amendment, update or replacement to those laws as may occur from time to time and together with any subordinate or related legislation made under any of the foregoing and the UK General Data Protection Regulation.

"Data Protection Trust Agreement" means the data protection trust agreement entered into on 25 May 2018 as amended from time to time and as amended and restated on the Closing Date and entered into between the Seller, the Data Protection Trustee, the Security Trustee and the Issuer.

"Data Protection Trustee" means Wilmington Trust SP Services (Frankfurt) GmbH.

"Deed of Amendment and Restatement" means the deed entered into on or about the Closing Date between, *inter alios*, Driver UK Master S.A. acting for and on behalf of its Compartment 2, VWFS, the Note Purchasers, the Managers and the Security Trustee.

"Deed of Charge and Assignment" means the English law deed of charge governing the granting of security and declaration of trust entered into, *inter alios*, between Driver UK Master S.A. acting for and on behalf of its Compartment 2 and the Security Trustee dated on or about 20 November 2013 as supplemented by a Supplement to the Deed of Charge and Assignment dated 25 November 2014, a Second Supplement to the Deed of Charge and Assignment dated 27 June 2016, and a Third Supplement to the Deed of Charge and Assignment dated 26 May 2017.

"Defaulted Receivable" means (without double-counting):

- (a) any Purchased Receivable which has been written off as without value in accordance with the Customary Operating Practices; or
- (b) any Purchased Receivable which has been "hostile terminated" in accordance with the Customary Operating Practices; or
- (c) any PCP Receivable in respect of which (i) the related Obligor has elected to exercise its right to return the Vehicle related to such PCP Receivable pursuant to the PCP Agreement related to such PCP Receivable, and (ii) the Vehicle related to such PCP Receivable has not been sold or otherwise disposed of for more than 91 days from the date on which such Vehicle was returned.

"Delinquent Receivable" means any Receivable (other than a Defaulted Receivable) in respect of which any payment, or part thereof, remains unpaid by the relevant Obligor for more than 30 days but less than 91 days as calculated in accordance with the Customary Operating Practices.

"Determination Date" means the second (2nd) Business Day prior to the first (1st) day of a Monthly Period.

"Direct Debit" means a written instruction of an Obligor authorising its bank to honour a request of VWFS to debit a sum of money on specified dates from the account of the Obligor for credit to an account of VWFS.

"Direct Debiting Scheme" means the system for the manual or automated debiting of bank accounts by Direct Debit operated in accordance with the principal rules of certain members of the Association for Payment Clearing Services.

"Discount Rate" means 5.872 per cent. per annum, whereby discounting shall take place on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days.

"Discounted Receivables Balance" means, in respect of a Purchased Receivable, its scheduled cash flow (including amounts of Principal and interest that are overdue) discounted as at the relevant date by applying the Discount Rate. For the avoidance of doubt, the Discounted Receivables Balance excludes any Written-Off Purchased Receivable.

"Distribution Account" means the account specified in clause 3.1(d) (*The Security Trustee as a Party*) of the Account Agreement.

"Distribution Account Bank" means HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

"Domiciliation Law" means article 1 of the Luxembourg law of 31 May 1999.

"Dynamic Net Loss Ratio" means for any Payment Date, a fraction expressed as a percentage rate, the numerator of which is the sum of the aggregate Charged-Off Amounts for the Monthly Period less any recoveries made in relation to the Receivables that were previously Charged-Off Receivables during the Monthly Period (including Receivables which were not received on time, Receivables remaining to be paid in the future and any Redelivery Purchased Receivables which became Charged Off Receivables after being repurchased by VWFS) and the denominator of which is the Discounted Receivables Balance as at the beginning of the Monthly Period.

"Early Amortisation Event" shall mean any of the following:

- (a) the occurrence of a Servicer Replacement Event;
- (b) the Accumulation Balance on two consecutive Payment Dates exceeds 15 per cent. of the Discounted Receivables Balance after application of the relevant Order of Priority on such Payment Date;
- (c) on any Payment Date falling after six consecutive Payment Dates following the Initial Issue Date, the Class A Actual Overcollateralisation Percentage is determined as being lower than 29.20 per cent.;

- (d) VWFS ceases to be an Affiliate of Volkswagen Financial Services AG or any successor thereto;
- (e) the Seller fails to perform its obligations under clause 9 (*Repurchase*) or clause 10 (*Payment for Non-existent Receivables*) of the Receivables Purchase Agreement or clause 3 (*Repurchase*) of the Redelivery Repurchase Agreement provided that, in the case of the Seller's failure to perform its obligations under clause 3 (*Repurchase*) of the Redelivery Repurchase Agreement, such failure subsists for two Payment Dates following the Payment Date on which such Redelivery Purchased Receivables were required to be repurchased;
- (f) the Issuer fails to enter into a replacement Swap Agreement within 30 calendar days following the termination of a Swap Agreement or the respective Swap Counterparty fails to post collateral, in each case within the time period specified in the applicable Swap Agreement (each as provided for in clause 19 (*Distribution Account; Cash Collateral Account; Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement or to take any other measure which does not result in a downgrade of the Notes);
- (g) the Credit Enhancement Increase Condition is in effect; or
- (h) the occurrence of a Foreclosure Event.

"Early Settlement" means where (i) the Obligor of a Purchased Receivable requests from the Servicer that the Servicer allows the Obligor on payment to the Servicer of the requested early settlement amount calculated in accordance with the Customary Operating Practices to terminate the Financing Contract and (ii) the requested early settlement amount is paid in accordance with the Customary Operating Practices with the result that no further liability exists from the Obligor under the Financing Contract that is the subject of the early settlement request.

"Early Settlement Regulations" means the Consumer Credit (Early Settlement) Regulations 2004.

"EBA" means the European Banking Authority.

"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).

"Eligible Bank" means an internationally recognised bank with the Account Bank Required Ratings.

"Eligible Collateral Bank" means an international recognised bank with the Account Bank Required Ratings.

"Eligible Receivable" means a VWFS Receivable that complies with the representations and warranties set out in clause 8 (*Warranties and Representations*) of the Receivables Purchase Agreement.

"Eligible Swap Counterparty" means, subject to section 2.4 of the Master Definitions Schedule, any entity:

- (a) having (i) a rating of not less than the counterparty ratings for the S&P Collateral Framework Option then in effect pursuant to the Swap Agreement; or (ii) having the Minimum S&P Collateralised Counterparty Rating and posts collateral in the amount and manner set forth in the Swap Agreements or (iii) obtaining a guarantee from a party having the minimum required counterparty ratings for the S&P Collateral Framework Option then in effect;
- (b) having a long-term counterparty risk assessment of, or if it does not have such counterparty risk assessment, having long-term, unsecured and unsubordinated debt or counterparty obligations rated, (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; and
- (c) having (i) an issuer default rating or derivative counterparty rating from Fitch of at least "A" or a short-term rating from Fitch of at least "F1" or (ii) an issuer default rating or derivative counterparty rating from Fitch of at least "BBB-" or a short-term rating from Fitch of at least "F3" 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.

"**EMIR**" means Regulation (EU) No 548/2012 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 Regulations including any implementing laws or regulations in force in the United Kingdom in relation to EMIR or amending EMIR as it applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom).

"**Encumbrances**" has the meaning as set forth in clause 1.8 (*No Encumbrances/Security*) of Annex 3 (*Further Representations and Warranties*) of the Note Purchase Agreement.

"**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 judgement of the Security Trustee or upon request of the Noteholders holding not less than 66⅔ per cent. of the outstanding principal amount of the Class A Notes or, if no Class A Notes are outstanding, more than 66⅔ per cent. of the outstanding principal amount of the Class B Notes (whereby Notes owned by VW Bank or its affiliates will not be taken into account for the determination of the required majority of 66⅔ per cent. of the aggregate outstanding principal amount of the Notes)) 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.

"**English Purchased Receivable**" means a Purchased Receivable that is governed by English law.

"English Transaction Documents" means the Receivables Purchase Agreement, the Account Agreement, the Deed of Amendment and Restatement, the Servicing Agreement, each Swap Agreement, the Redelivery Repurchase Agreement and the Deed of Charge and Assignment and any other documents designated as an English Transaction Document by the Issuer and the Security Trustee.

"ESMA" means the European Securities Market Authority.

"EU" means European Union.

"EU AIFM Regulation": means Regulation (EU) No 231/2013 of 19 December 2012.

"EU CRR" means Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and amending Regulation (EU) No 648/2012, as amended.

"EU General Data Protection Regulation" means Regulation (EU) 2016/679 of 27 April 2016.

"EU Insolvency Regulation" means Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

"EU Securitisation Regulation" means Regulation (EU) No 2017/2402 dated 12 December 2017, as amended, and any relevant regulatory and/or implementing technical standards adopted by the European Commission in relation thereto, any relevant regulatory and/or implementing technical standards applicable in relation thereto pursuant to any transitional arrangements made pursuant to the EU Securitisation Regulation, 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 national competent authorities.

"EU Securitisation Repository" means European DataWarehouse GmbH, in its capacity as securitisation repository and registered in accordance with Article 10 of the EU Securitisation Regulation.

"EU Solvency II Regulation" means Regulation (EU) 2015/35 of 10 October 2014 on the taking up and pursuit of the business of insurance and reinsurance.

"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.

"Euroclear" means Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and any successor thereto.

"Eurosystem" comprises the European Central Bank and the national central banks of those countries that have adopted the euro.

"EUWA" means the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020.

"EU Insolvency Regulation" means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

"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.

"Excluded Amounts" comprise the following, which are not sold to the Issuer: (a) any Supplemental Servicer Fee, (b) any credit protection, asset value or other insurance premiums payable by Obligors to the relevant insurers via the Servicer, (c) the VAT Component on payments received by the Servicer, (d) any amounts (together with any VAT thereon) payable by an Obligor in respect of refurbishment charges, wear-and-tear and other similar types of recoveries and charges (other than excess mileage charges); (e) any amount of VAT payable by an Obligor in respect of excess mileage charges, (f) any option to purchase fee specified in the Financing Contract; and (g) any cashflows from maintenance contracts.

"Expenses" has the meaning as set forth in clause 8.1 (*Indemnity and Liability*) of the Agency Agreement.

"Existing COVID-19 Eligible Obligor" means a COVID-19 Eligible Obligor which had previously received a VWFS Payment Deferral and applied for a Further VWFS Payment Deferral.

"Extended Forbearance" means the additional forbearance measures offered as per the notice dated 30 March 2020.

"FATCA" means:

- (a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 and the Treasury regulations and official guidance issued thereunder, as amended from time to time ("**US FATCA**");
- (b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with US FATCA (an "**IGA**");
- (c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of US FATCA or an IGA ("**Implementing Law**"); and
- (d) any agreement entered into with the US Internal Revenue Service, the US government or any governmental or Tax authority in any other jurisdiction in connection with US FATCA, an IGA or any Implementing Law.

"FATCA Costs" means any costs or expenses with respect to compliance with, or implementation of, FATCA.

"FATCA Deduction" means a deduction or withholding from a payment under a Transaction Document required by FATCA.

"FCA" means the Financial Conduct Authority of the United Kingdom.

"FCA Handbook" means the handbook of rules promulgated by the FCA under FSMA as amended or replaced from time to time.

"Final Discharge Date" means the date on which the Security Trustee notifies the Issuer and the Transaction Creditors that it is satisfied that all the Secured Obligations and/or all other moneys and other liabilities due or owing by the Issuer have been paid or discharged in full.

"Final Maturity Date" means, for each Series of Notes, the date specified as such in the respective Final Terms.

"Final Rental Amount" means, if any, the larger final payment due under the Financing Contracts.

"Final Terms" means the final terms to this Base Prospectus which will be prepared for each issue of Notes.

"Fitch" means Fitch Ratings Limited, or any successor to its rating business.

"Financing Contract" means an agreement for the provision of credit for the purchase of motor vehicles taking the form of hire purchase agreements ("**HP Agreements**" or "**HP No Balloon**") and personal contract purchase agreements ("**PCP Agreements**") between VWFS and an Obligor.

"Force Majeure Event" means an event beyond the reasonable control of the person affected including, strike, lock-out, sit-in, labour dispute, act of God, war, insurrection, riot, epidemic, civil commotion, governmental directions and regulations, malicious damage, accident, breakdown of plant of machinery, computer software, hardware or system failure, earthquake, fire, flood, storm and other circumstances affecting the supply of goods or services.

"Foreclosure Event" means any of the following events:

- (a) with respect to Driver UK Master S.A. an Insolvency Event occurs; or
- (b) the Issuer defaults in the payment of any interest on the most senior Class of Notes then outstanding when the same becomes due and payable, and such default continues for a period of five Business Days; or
- (c) the Issuer defaults in the payment of principal of any Note on the Final Maturity Date.

It is understood that the interest and principal on the Notes other than interest on the Class A Notes 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.

"FSMA" means the UK Financial Services and Markets Act 2000, as amended from time to time.

"Funding" means the Notes and the Subordinated Loan.

"Further Discounted Receivables Balance" means on any Additional Purchase Date, the Additional Discounted Receivables Balance less the Replenished Additional Discounted Receivables Balance.

"Further Issue Date" means each day which shall be a Payment Date on which Further Notes are issued, provided that with respect to each existing Series of Notes such date shall in no event be later than the Payment Date immediately preceding the Series Revolving Period Expiration Date applicable to such Series (excluding, for the avoidance of doubt, in respect of a Series of Notes, the first issuance of Notes of a particular Series).

"Further Note Purchase Price" has the meaning as set forth in clause 3.3(c) (*Further Notes to be issued after the Closing Date*) of the Note Purchase Agreement.

"Further Notes" means any notes of each class and each series of floating rate asset backed notes issued by Driver UK Master S.A., acting for and on behalf of its Compartment 2 on any Further Issue Date with a maximum total nominal amount of GBP 10,000,000,000.

"Further Payment Holiday With No Term Extension" means, in respect of a Financing Contract with more than 36 months to its contractual maturity date, a payment holiday offered by VWFS to an Existing COVID-19 Eligible Obligor in respect of the next three unbilled rental payments due under the Financing Contract, provided that the contractual maturity date remains unchanged. Payment holidays do not extend beyond 31 July 2021 and Obligors may no longer receive a VWFS Payment Deferral.

"Further Payment Holiday With Term Extension" means, in respect of a Financing Contract with 3 to 36 months to its contractual maturity date, a payment holiday offered by VWFS to an Existing COVID-19 Eligible Obligor in respect of the next three unbilled rental payments due under the Financing Contract with the maturity date under the Financing Contract being extended by up to 3 months from its original scheduled contractual maturity date. Payment holidays do not extend beyond 31 July 2021 and Obligors may no longer receive a VWFS Payment Deferral.

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

"Further Receivables Overcollateralisation Percentage" means 2.84 per cent.

"Further VWFS Payment Deferral" means either a Further Payment Holiday With Term Extension or a Further Payment Holiday With No Term Extension.

"Future Discounted Receivables Balance" means at the beginning of the relevant Monthly Period, the present value of the Purchased Receivables scheduled to be paid in the future calculated by using the same mechanism as to calculate the Discounted Receivables Balance, excluding any arrears and stock.

"GBP" or **"Sterling"** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

"General Cash Collateral Amount" means the outstanding balance of the Cash Collateral Account from time to time, other than the balance standing to the credit of the Interest Compensation Ledger, the Retained Profit Ledger and the Collateral RV Ledger.

"German Civil Code" means the civil code (*Bürgerliches Gesetzbuch*) of Germany, as amended or restated from time to time.

"German Commercial Code" means the commercial code (*Handelsgesetzbuch*) of Germany, as amended or restated from time to time.

"German Transaction Documents" means the Conditions of the Class A Notes, the Conditions of the Class B Notes, the Trust Agreement, the Agency Agreement, the Incorporated Terms Memorandum, the Note Purchase Agreement, the Subordinated Loan Agreement, the Deed of Amendment and Restatement, the Data Protection Trust Agreement, the 2016 Accession Agreement, the 2018 Accession Agreement and any other documents designated as a German Transaction Document by the Issuer and the Security Trustee.

"Global Notes" means, in respect of each Series of Notes, the global registered notes without coupons attached representing such Series of Notes, as set out in the Agency Agreement.

"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.

"HP Agreement" means an agreement for the provision of credit for the purchase of motor vehicles, taking the form of a hire purchase agreement between VWFS and an Obligor.

"Initial Class A Notes" means any class A notes issued by the Issuer on the Initial Issue Date.

"Initial Class B Notes" means any class B notes issued by the Issuer on the Initial Issue Date.

"Initial Cut-Off Date" means 31 October 2013.

"Initial Issue" means the issue of the Initial Notes by the Issuer.

"Initial Issue Date" means 20 November 2013.

"Initial Notes" means the registered notes of each series and class issued by the Issuer on the Initial Issue Date.

"Initial Offer Date" means any Business Day on or prior to 20 November 2013.

"Initial Receivables" means the Initial VWFS Receivables.

"Initial VWFS Receivables" means the Receivables purchased by the Issuer from VWFS on 20 November 2013 in accordance with the Receivables Purchase Agreement.

"Initial VWFS Receivables Purchase Price" means an amount equal to GBP 532,564,970.45.

"Insolvency Event" means, with respect to Driver UK Master S.A., the Seller, the Servicer, the Security Trustee, as the case may be, each of the following events:

- (a) the making of an assignment, assignation, trust, conveyance, composition of assets for the benefit of its creditors generally or any substantial portion of its creditors;
- (b) the application for, seeking of, consents to, or acquiescence in, the appointment of a receiver, custodian, trustee, liquidator or similar official for it or a substantial portion of its property;
- (c) the initiation of any case, action or proceedings before any court or Governmental Authority against Driver UK Master S.A., the Seller, the Servicer or the Security Trustee under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same;

- (d) the levy or enforcement of a distress, diligence or execution or other process upon or sued out against the whole or any substantial portion of the undertaking or assets of Driver UK Master S.A., the Seller, the Servicer or the Security Trustee and such possession or process (as the case may be) shall not be discharged or otherwise shall not cease to apply within sixty days;
- (e) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to Driver UK Master S.A., the Seller, the Servicer or the Security Trustee under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws;
- (f) an order is made against Driver UK Master S.A., the Seller, the Servicer or the Security Trustee or an effective resolution is passed for its winding-up; and
- (g) Driver UK Master S.A., the Seller, the Servicer or the Security Trustee is deemed generally unable to pay its debts within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment (provided that, for the avoidance of doubt, any assignment, assignation, charge, pledge or lien made by the Issuer for the benefit of the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment shall not constitute an Insolvency Event in respect of the Issuer).

"Insolvency Official" means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian, the Viscount or other similar official in respect of such company or in respect of all (or substantially all) of the company'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.

"Interest" means in respect of a Receivable each of the scheduled periodic payments of interest (if any) payable by the respective Obligor as provided for in accordance with the terms of the relevant Financing Contract plus any applicable later payment penalties.

"Interest Accrual Period" means in respect of the first Payment Date, the period commencing on the Initial Issue Date and ending on the calendar day preceding the first Payment Date (both days inclusive) and in respect of any subsequent Payment Date, the period commencing on the preceding Payment Date and ending on the calendar day preceding the relevant Payment Date (both days inclusive).

"Interest Compensation Amount" means the element of the Discount Rate which is available to compensate the Issuer for interest shortfalls suffered by the Issuer as a result of the Early Settlement of Purchased Receivables during the relevant Monthly Period. The Interest Compensation Amount shall be calculated on each Payment Date as the product of (a) the Interest Compensation Rate divided by 12, and (b) the Future Discounted Receivables Balance. If, on any Payment Date, the Interest Compensation Amount is greater than the Interest Compensation Order of Priority Required Amount, the excess shall be credited to the Interest Compensation Ledger.

"Interest Compensation Ledger" means the ledger maintained on the Cash Collateral Account. The Interest Compensation Ledger will not form part of the General Cash Collateral Amount. The Interest Compensation Ledger will be available to pay Interest Compensation Order of Priority Required Amounts on any Payment Date. VWFS will be entitled to receive any Interest Compensation Ledger Release Amounts outside of the Order of Priority.

"Interest Compensation Ledger Release Amount" means:

- (a) if an Insolvency Event in respect of VWFS has occurred and is continuing, zero; or
- (b)
 - (i) on any Payment Date prior to the exercise of the Clean-Up Call Option the amount standing to the credit of the Interest Compensation Ledger in excess of GBP 8,000,000.00; and
 - (ii) following the exercise of the Clean-Up Call Option, the balance standing to the credit of the Interest Compensation Ledger,

which shall be paid to the Seller.

"Interest Compensation Order of Priority Amount" means, on any Payment Date, the sum of:

- (a) the amount of the Interest Compensation Amount necessary to satisfy the Interest Compensation Order of Priority Required Amount due on such date; and
- (b) if the Interest Compensation Amount is insufficient to satisfy the Interest Compensation Order of Priority Required Amount due on such date, a drawing from the Interest Compensation Ledger in an amount equal to the shortfall, until the balance of the Interest Compensation Ledger is equal to zero.

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

"Interest Compensation Rate" means 1.30% per annum.

"Interest Determination Agent" means HSBC Bank plc.

"Interest Determination Date" means the fifth London Banking Day before the Payment Date for which the Class A Notes Interest Rate and the Class B Notes Interest Rate, as applicable, will apply.

"Interest Period" means, 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 Period shall be the period from (and including) the Initial Issue Date to (but excluding) the first Payment Date.

"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 the correction of any miscalculation of interest payable on a Note related to the last Interest Accrual Period immediately preceding to the Payment Date.

"International Central Securities Depository" or **"ICSD"** means Clearstream Luxembourg or Euroclear, and **"ICSDs"** means both Clearstream Luxembourg and Euroclear collectively.

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended from time to time.

"Investor Report Performance Date" means the second Business Day prior to each Payment Date.

"IP Completion Time" means 11pm (London time) on 31 December 2020.

"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 the Initial Issue Date and each Further Issue Date.

"Issue Outstanding Amount" or **"IOA"** means, in respect of a Series of Class A Notes held under the new safekeeping structure (NSS), the total outstanding indebtedness of the Issuer as determined from time to time by reference to the Register. Where relevant, the IOA is the result of the product between the Nominal Amount and the Notes Factor of the Class A Notes held under the new safekeeping structure (NSS).

"Issuer" means Driver UK Master S.A., acting for and on behalf of its Compartment 2.

"Issuer-ICSDs Agreement" means the Issuer-ICSD's agreement entered into by the Issuer and the ICSDs before the Class A Notes will be accepted by the ICSDs to be held under the new safekeeping structure (NSS).

"Late Delinquency Ratio" means for any Monthly Period, the ratio expressed as a percentage of (i) the aggregated Discounted Principal Balance of all Late Delinquent Receivables as nominator and (ii) the Aggregate Discounted Receivables Balance (other than Defaulted Receivables) as at the beginning of the Monthly Period as denominator.

"Late Delinquent Receivable" means any Receivable (other than a Terminated Receivable or a Defaulted Receivable) in respect of which any payment, or part thereof, remains unpaid by the relevant Obligor for more than 180 days as calculated in accordance with the Customary Operating Practices.

"Lead Manager" means Lloyds Bank Corporate Markets plc.

"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.

"London Banking Day" means any day upon which banks are open for general banking business in London (excluding for the avoidance of doubt any bank holidays or a Saturday or a Sunday).

"**Losses**" has the meaning as set forth in clause 8.1 (*Indemnity and Liability*) of the Agency Agreement.

"**LPA**" means the Law of Property Act 1925.

"**Luxembourg**" means the Grand Duchy of Luxembourg.

"**Luxembourg Securitisation Law**" means the Luxembourg law on securitisation of 22 March 2004, as amended from time to time.

"**Luxembourg Stock Exchange**" means the Société de la Bourse de Luxembourg.

"**Luxembourg Transaction Documents**" means the Corporate Services Agreement and any other documents designated as a Luxembourg Transaction Document by the Issuer and the Security Trustee.

"**Market Abuse Regulation**" means Regulation EU 596/2014 and any implementing laws or regulations in force in the United Kingdom in relation to the Market Abuse Regulation or amending the Market Abuse Regulation as it applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom).

"**Manager**" means each of Banco Santander S.A., Bank of America N.A., London Branch, Barclays Bank PLC, BNP Paribas, Citibank Europe PLC, UK Branch, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd. London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, HSBC Bank plc, J.P. Morgan AG, Lloyds Bank Corporate Markets plc, Mizuho Bank, Ltd., MUFG Bank, Ltd., London Branch, Scotiabank (Ireland) Designated Activity Company, Sumitomo Mitsui Banking Corporation, Brussels Branch, Société Générale, Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch, Wells Fargo Bank, National Association (London Branch) and any additional Managers appointed under the Programme and together the "**Managers**".

"**Margin**" means the margin specified under item 6 in the Final Terms of the relevant Series of Notes.

"**Material Adverse Effect**" means, as the context may require:

- (a) a material adverse effect on the validity or enforceability of any of the Transaction Documents; or
- (b) in respect of a Transaction Party, a material adverse effect on:
 - (i) the business, operations, assets property, condition (financial or otherwise) or prospects of such Transaction Party; or
 - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents; or
 - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents.

"**Maximum Discounted Receivables Balance**" means the highest Aggregate Discounted Receivables Balance at any time during the Transaction.

"Maximum Issuance Amount" means the maximum issuance amount up to which the Issuer may offer Notes to the relevant Note Purchaser as specified in relation to such Note Purchaser in the Note Purchase Agreement from time to time.

"MiFID II" means directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

"Minimum Cash Collateral Account Balance" means an amount equal to 0.80 per cent. of the aggregate outstanding principal amount of the Notes.

"Minimum S&P Collateralised Counterparty Rating" shall have the meaning given to it in the relevant Swap Agreements.

"Minimum S&P Uncollateralised Counterparty Rating" shall have the meaning given to it in the relevant Swap Agreements.

"Monthly Collateral Part 1" means in respect of a Monthly Period an amount equal to the sum of (i) the Purchased Receivables becoming due in the period from (and including) the first until (and including) the fourteenth calendar day of such Monthly Period and (ii) the expected prepayments of the Purchased Receivables in the period from (and including) the first until (and including) the fourteenth calendar day of such Monthly Period, calculated on the basis of a constant prepayment rate of 20 per cent. *per annum*.

"Monthly Collateral Part 2" means in respect of a Monthly Period an amount equal to the sum of (i) the Purchased Receivables becoming due in the period from (and including) the fifteenth calendar day of the relevant Monthly Period until (and including) the last calendar day of such Monthly Period and (ii) the expected prepayments of the Purchased Receivables in the period from (and including) the fifteenth until (and including) the last calendar day of such Monthly Period, calculated on the basis of a constant prepayment rate of 20 per cent. *per annum*.

"Monthly Investor Report" means the report so named prepared by the Servicer in accordance with the Servicing Agreement.

"Monthly Period" means a calendar month, and with respect to any Payment Date, 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) either Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) (i) no longer has a short-term rating for unsecured and un-guaranteed debt of at least "A-2" from S&P or a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, or (ii) where Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) is not the subject of an S&P short-term rating, a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P, or (iii) S&P notifies the Issuer and/or the Servicer that VWFS is no longer deemed eligible under the applicable rating criteria by S&P, or (iv) either (A) Volkswagen Financial Services AG (or any of its successors within the VW Group as parent of Volkswagen Finance Overseas B.V.) holds less than 100 per cent. of the shares of Volkswagen Finance Overseas B.V. (or any of its

successors within the VW Group as parent of the Servicer), or (B) Volkswagen Finance Overseas B.V. (or any of its successors within the VW Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS; or

- (b) Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) no longer has a long-term rating for unsecured and unguaranteed debt of at least "Baa1" from Moody's; or
- (c) Volkswagen AG no longer has (i) (A) a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch or (B) a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch; or (ii) the profit and loss sharing agreement (Gewinnabführungsvertrag) between Volkswagen AG and Volkswagen Financial Services AG, as parent of Volkswagen Finance Overseas B.V. which is the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer, as applicable) ceases to be in effect or (iii) either (A) Volkswagen Financial Services AG (or any of its successors within the VW Group as parent of Volkswagen Finance Overseas B.V.) holds less than 100 per cent. of the shares of Volkswagen Finance Overseas B.V. (or any of its successors within the VW Group as parent of the Servicer), or (B) Volkswagen Finance Overseas B.V. (or any of its successors within the VW Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS.

"Moody's" means Moody's Investors Service Limited and any successor to the debt rating business thereof.

"Net Swap Payment" means for any 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 any 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.

"New COVID-19 Eligible Obligor" means a COVID-19 Eligible Obligor which had not previously received a VWFS Payment Deferral. Payment holidays will not be extended beyond 31 July 2021 and Obligors may no longer receive a VWFS Payment Deferral.

"Nominal Amount" means the amount issued for any Series of Class A Notes or any Series of Class B Notes, as applicable.

"Non-Amortising Series" means, on any Payment Date, any Series of Notes which does not qualify as an Amortising Series.

"Non-Conforming Receivable" means each VWFS Receivable in respect of which any representations and warranties set out in clause 8.1 (*Warranties and Representations*) of the Receivables Purchase Agreement proves to have been incorrect and has not been remedied by VWFS pursuant to the terms of clause 9.1 (*Repurchase*) of the Receivables Purchase Agreement.

"Noteholders" means the holders of the Notes.

"Notes Factor" means, on any Payment Date after the occurrence of the Series Revolving Period Expiration Date in respect of a Series of Notes, the ratio of the outstanding nominal amount of such Amortising Series to the nominal amount of such Series of Notes as determined on the Series Revolving Period Expiration Date.

"Note Principal Amount Outstanding" means, in relation to a Series of Notes on any day, the principal amount of such Note upon issue as reduced by all amounts paid prior to such date on such Series of Notes in respect of principal.

"Note Purchase Agreement" means the agreement dated 19 November 2013, as amended from time to time and as amended and restated the Closing Date, and entered into between, *inter alios*, the Issuer, the Security Trustee and the Note Purchasers.

"Note Purchase Price" has the meaning as set forth in clause 2.2(a) (*Undertaking in relation to the Purchase and Sale of the Initial Notes*) of the Note Purchase Agreement.

"Note Purchaser" means each purchaser of a particular Series of Notes under the Note Purchase Agreement.

"Notes" means the Initial Class A Notes, the Initial Class B Notes issued in registered form on 20 November 2013 and the Further Notes.

"Notice of Sale" means a notice in writing regarding the sale of Receivables in the form set out in Schedule 1 (Form of Notice of Sale) to the Receivables Purchase Agreement.

"Notification Event" means the occurrence of any of the following events:

- (a) Non-Payment: VWFS or its guarantor fails to pay any amount due under any Transaction Documents within three Business Days after the earlier of its becoming aware of such default and its receipt of written notice by or on behalf of the Security Trustee requiring the same to be remedied;
- (b) Attachment: all or any part of the property, business, undertakings, assets or revenues of VWFS having an aggregate value in excess of GBP 20 million has been attached as a result of any distress, execution or diligence being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within 30 days, unless in any such case the Security Trustee certifies that in its reasonable opinion such event will not materially prejudice the ability of VWFS to observe or perform its obligations under the Transaction Documents or the enforceability or collectability of the Receivables;
- (c) Insolvency Event: an Insolvency Event, in respect of VWFS or the Servicer;
- (d) Security Interest: VWFS creates or grants any Security Interest or permits any Security Interest to arise or purports to create or grant any Security Interest or purports to permit any Security Interest to arise (i) over or in relation to (1) any Purchased Receivable; (2) any right, title or interest of the Issuer in relation to a Purchased Receivable or the Collections; or (3) any proceeds of or sums received or payable in respect of a Purchased Receivable, in each case other than as permitted under the Transaction Documents;
- (e) Dispute: VWFS disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under the Receivables Purchase Agreement and as a result, in the reasonable opinion of the Security Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of VWFS to perform its obligations under the

Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables is or is likely to be materially prejudiced;

- (f) **Illegality:** it becomes impossible or unlawful for VWFS to continue its business and/or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Security Trustee, there is, or is likely to be, a Material Adverse Effect on the ability of VWFS to perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Purchased Receivables is or is likely to be materially prejudiced;
- (g) **Failure to repurchase:** VWFS fails to (i) repurchase a Non-Conforming Receivable having become obliged to do so pursuant to clause 9 (*Repurchase*) of the Receivables Purchase Agreement or (ii) pay any amount required pursuant to clause 9 (*Repurchase*) of the Receivables Purchase Agreement; and
- (h) **Failure to perform:** the Seller shall fail to perform or observe any material term, covenant or agreement under the Receivables Purchase Agreement applicable to it (other than as referred to in paragraphs (a) or (g) above) and such failure shall remain unremedied for 180 days (or if such failure is not capable of remedy, in the Seller's sole discretion, 15 Business Days after receipt by the Seller of written notice from the issuer or any Noteholder requiring the failure to be remedied (which Notification Event shall be deemed to occur only upon the last day of the relevant period)) and the Security Trustee certifies that in its reasonable opinion such failure is materially prejudicial to the Noteholders.

"Notification Event Notice" means a notice to be given pursuant to clause 13 (*Notification*) of the Receivables Purchase Agreement in the form set out in Schedule 4 (*Form of Notification Event Notice*) of the Receivables Purchase Agreement.

"NSS" means new safekeeping structure.

"Obligor" means, with respect to any Receivable, the person or persons obliged directly or indirectly to make payments in respect of such Receivable, including any person who has guaranteed the obligations in respect of such Receivable.

"Observation Period" means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Closing Date) and ending on, but excluding, the date falling five Business Days prior to the Interest Payment Date for such Interest Period (or, if applicable, the date falling five Business Days prior to any other date on which a payment of interest is to be made in respect of the Notes).

"Offer Date" means the Initial Offer Date and each Additional Offer Date.

"Order of Priority" means the order of priority according to which the payments of interest and principal to the Noteholders are distributed and other payments due and payable by the Issuer are made as more specifically described in clause 20.3 (*Order of Priority*) of the Trust Agreement.

"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 Holiday With No Term Extension" means, in respect of a Financing Contract with more than 18 months to its contractual maturity date, a payment holiday offered by

VWFS to a New COVID-19 Eligible Obligor in respect of the next three unbilled rental payments due under the Financing Contract, provided that the contractual maturity date remains unchanged. Payment holidays do not extend beyond 31 July 2021 and Obligors may no longer receive a VWFS Payment Deferral.

"Payment Holiday With Term Extension" means, in respect of a Financing Contract with 3 to 18 months to its contractual maturity date, a payment holiday offered by VWFS to a New COVID-19 Eligible Obligor in respect of the next three unbilled rental payments due under the Financing Contract with the maturity date under the Financing Contract being extended by up to 3 months from its original scheduled contractual maturity date. Payment holidays do not extend beyond 31 July 2021 and Obligors may no longer receive a VWFS Payment Deferral.

"Payment Instruction" shall have the meaning it is given in clause 6.1 (*Operating/Release Procedure*) of the Account Agreement.

"PCP Agreement" or **"PCP"** means each personal contract plan agreement entered into between an Obligor and VWFS in the form of standard business terms or otherwise pursuant to which VWFS has provided financing to an Obligor where the Final Rental Amount is substantially greater than the previous payments due under such contract and such Final Rental Amount is optional pursuant to the terms of such contract.

"PCP Receivables" means the Purchased Receivables owing by the Obligors under the PCP Agreements.

"PCP Recoveries" means, with respect to any calendar month, an amount equal to the aggregate of all amounts (other than scheduled payments) received during such month in respect of PCP Agreements with respect to which the related Vehicle was finally sold (whether to the user thereof or any other party), including the proceeds received during such month in respect of Vehicles sold pursuant to such PCP Agreements and the amounts received during such month in respect of excess mileage pursuant to such PCP Agreements.

"PCP Return Balance" means the Discounted Receivables Balance of any Purchased Receivable which is subject to an RV Event.

"Person" means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

"Portfolio" means the portfolio of Receivables purchased by the Issuer pursuant to the Transaction.

"Portfolio Decryption Key" means the portfolio decryption key for the decryption of the list of names and addresses of the respective Obligors for each contract number relating to a Financing Contract.

"Principal" means with respect to a Receivable each of the scheduled periodic payments of principal payable by the respective Obligor as provided for in accordance with the terms of the relevant Financing Contract as may be modified from time to time to account e.g. for the unscheduled prepayments by the Obligor.

"Principal Paying Agent" means HSBC Bank plc.

"Process Agent" means Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Federal Republic of Germany.

"Programme" means the programme for the issuance of the Notes of the Issuer in an amount equal to the Programme Amount.

"Programme Amount" means GBP 10,000,000,000.

"Prospectus Regulation" means Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

"Purchase Date" means 20 November 2013 or an Additional Purchase Date, as applicable.

"Purchased Receivables" means the Initial Receivables and the Additional Receivables.

"Purchased Receivable Records" means the original and/or any copies of the Financing Contracts and all documents, books, records and information, in whatever form or medium, relating to the Financing Contracts, including all computer tapes and discs specifying, among other things, Obligor details, the amount and dates on which payments are due and are paid under the Financing Contracts, which are from time to time maintained by the Servicer or the Seller with respect to the Purchased Receivables and/or the related Obligors.

"Purchaser" means the Issuer.

"Rating Agencies" means Moody's, S&P and Fitch.

"Receivable" means any amount (other than Excluded Amounts) owing by an Obligor to a Seller under a Financing Contract and sold to the Issuer by VWFS, including, for the avoidance of doubt but without limitation, the Ancillary Rights relating to such Receivable.

"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 Deed of Charge and Assignment in respect of the security and includes more than one such receiver and any substituted receiver.

"Receivables Purchase Agreement" means the Receivables Purchase Agreement dated 20 November 2013, as amended from time to time and amended and restated on or about the Closing Date, entered into between VWFS and the Issuer.

"Redeemable Amount" means, with respect to each outstanding Note of any Class and the Payment Date on which Receivables are sold pursuant to clause 11 (*Sale of Receivables to Other Secured Vehicles*) of the Receivables Purchase Agreement, an amount determined as the quotient of (A) the Aggregate Redeemable Amount, divided by (B) the number of Notes of such Class then outstanding.

"Redelivery Financing Contract" means a Redelivery PCP Financing Contract or a Redelivery VT Financing Contract, as applicable.

"Redelivery PCP Financing Contract" means a PCP Agreement under which the Obligor opts to make full and final settlement of a PCP Agreement by redelivery to the Seller of the Vehicle financed by such PCP Agreement.

"Redelivery Repurchase Agreement" means the Redelivery Repurchase Agreement between VWFS, the Issuer and the Security Trustee dated the Closing Date.

"Redelivery Repurchase Date" means the Payment Date on which a Redelivery Purchased Receivable is repurchased by VWFS pursuant to the terms of the Redelivery Repurchase Agreement.

"Redelivery Repurchase Price" means an amount equal to (i) the outstanding principal balance of a Redelivery Purchased Receivable as at the first day of the Monthly Period in which such Purchased Receivable becomes a Redelivery Purchased Receivable together with any arrears outstanding on such date but excluding any future interest payments (calculated on the basis of the Obligor internal rate of return) multiplied by (ii) one (1) minus the Replenished Receivables Overcollateralisation Percentage.

"Redelivery Purchased Receivable" means a Purchased Receivable, in respect of which the related Financing Contract is a Redelivery Financing Contract.

"Redelivery VT Financing Contract" means a Regulated Financing Contract which is subject to Voluntary Termination.

"Register" means the register kept and maintained by the Registrar on which the names and addresses of the Noteholders and the particulars of the Notes held by such Noteholders and all transfers and payments (of interest and principal) of such Notes will be entered.

"Registered Holder" means 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 relevant Global Note has been registered.

"Registered Notes" means the Class A Notes and the Class B Notes, issued in registered form under the new safekeeping structure and in the form of a classic global note, respectively.

"Registrar" means HSBC Continental Europe, Luxembourg.

"Regulated Financing Contracts" means the Financing Contracts which are regulated by the CCA.

"Regulation S" means Regulation S under the Securities Act, as amended from time to time.

"Relevant Clearing System" means either Clearstream Luxembourg or Euroclear and **"Relevant Clearing Systems"** means both Clearstream Luxembourg and Euroclear collectively.

"Relevant Controller" means VWFS until the first to occur of (i) the Servicer Termination Date or (ii) the service of a Notification Event Notice on the Obligors and thereafter the Issuer.

"Relevant Information" means any information relating to the transaction (or any individual item comprised therein) that is likely to have a material impact on the value or price of all or certain of the Notes and which is not already publicly available information.

"Relevant Principal Amount" has the meaning as set forth in clause 4.8 (*Form, Authentication, Effectuation and Delivery of the Notes*) of the Agency Agreement.

"Repayment Date" shall mean the date specified as such in the relevant Final Terms which shall in any event be a Payment Date.

"Replenished Additional Discounted Receivables Balance" means on any Additional Purchase Date, the Accumulation Amount used to purchase Additional Receivables in order to maintain the then outstanding principal amount of Class A Notes and then outstanding principal amount of Class B Notes divided by one (1) minus the Replenished Receivables Overcollateralisation Percentage, all as determined with respect to such Additional Purchase Date.

"Replenished Receivables Overcollateralisation Percentage" means 3.79 per cent.

"Repurchase Date" means any date on which Receivables are repurchased by VWFS following the retransfer of a Non-Conforming Receivable pursuant to the terms of the Receivables Purchase Agreement.

"Reserved Matter" has the meaning as set forth in clause 40.2 (*Amendments*) of the Trust Agreement.

"Retained Profit Amount" means, subject to and in accordance with the relevant Order of Priority, a profit for the Issuer of GBP 10 payable on each Payment Date.

"Retained Profit Ledger" means the ledger maintained on the Cash Collateral Account. Amounts standing to the credit of the Retained Profit Ledger shall not form part of the General Cash Collateral Amount. The Retained Profit Ledger will on each Payment Date, be credited with the Retained Profit Amount.

"Revolving Period" means the period from (and including) 20 November 2013 and ending on (and including) the earlier of (i) the Series Revolving Period Expiration Date of the last outstanding Series of Notes, (ii) the occurrence of an Early Amortisation Event.

"RV Event" means that a PCP Agreement matures and the relevant Vehicle is returned to VWFS for sale.

"Santander Corporate & Investment Banking" means Banco Santander S.A. (trading as Santander Global Corporate Banking).

"S&P" means S&P Global Ratings UK Limited and any successor to the debt rating business thereof.

"S&P Collateral Framework Option" shall have the meaning given to it in the relevant Swap Agreements.

"Scottish Declaration of Trust" means a declaration of trust, substantially in the form of Schedule 5 (*Form of Scottish Declaration of Trust*) to the Receivables Purchase Agreement entered into by VWFS in favour of the Purchaser.

"Scottish Receivables" means all Purchased Receivables which are governed by or otherwise subject to Scottish law (including, without limitation, those arising under Financing Contracts in respect of which the address for invoicing of the relevant Obligor is situated in Scotland) and all rights (other than Excluded Amounts) of the Seller under the Financing Contracts from which those Purchased Receivables are derived including (without limitation) all Ancillary Rights.

"Scottish Trust" means the trust in respect of, *inter alia*, Scottish Receivables constituted pursuant to any Scottish Declaration of Trust.

"Scottish Trust Property" means the Scottish Receivables, the Vehicles relating to such Scottish Receivables and all Collections received in respect of such Scottish Receivables,

together with all Ancillary Rights, funds, property, interest, right, title and proceeds, deriving from or relating to such Scottish Receivables (other than Excluded Amounts) held in trust pursuant to a Scottish Declaration of Trust.

"**Screen**" means Reuters Screen SONIA; or

- (a) such other page as may replace Reuters Screen SONIA on that service for the purpose of displaying such information; or
- (b) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously selected by the Issuer) as may replace such screen;

"**Secured Obligations**" means all present and future duties and liabilities of the Issuer which the Issuer has covenanted with the Security Trustee to pay to the Noteholders and the other Transaction Creditors pursuant to clause 4.1 (*Position of the Security Trustee in Relation to the Issuer*) of the Trust Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended from time to time.

"**Securitisation Regulation Disclosure Requirements**" means the Securitisation Regulation (EU) Disclosure Requirements and the Securitisation Regulation (UK) Disclosure Requirements.

"**Securitisation Regulation (EU) Disclosure Requirements**" means the disclosure requirements set out in Article 7 of the EU Securitisation Regulation and Commission Delegated Regulation (EU) 2020/1224.

"**Securitisation Regulation (UK) Disclosure Requirements**" means the disclosure requirements set out in Articles 7 and 43(8) of the UK Securitisation Regulation including (for the avoidance of doubt) the Technical Standards (Specifying the Information and the Details of a Securitisation to be made available by the Originator, Sponsor and SSPE) (EU Exit) Instrument 2020 as modified by the standstill direction issued by the FCA under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 until March 2022.

"**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 Transaction Creditors) pursuant to the provisions of the Deed of Charge and Assignment, any Assignment in Security and the Trust Agreement.

"**Security Documents**" means the Trust Agreement, the Deed of Charge and Assignment, any Assignment in Security and any other security documents executed pursuant to the Deed of Charge and Assignment collectively.

"**Security Interest**" means any mortgage, charge, assignment or assignment by way of security, lien, pledge, hypothec, counterclaim or right of set-off (or other analogous rights), options, rights to acquire, retention of title, flawed asset or blocked-deposit arrangement, right of recession, defence or any other encumbrance or security interest or security arrangement whatsoever created or arising under any relevant law or any agreement or arrangement having the effect of or performing the economic function of conferring security howsoever created or arising.

"**Security Trustee**" means Wilmington Trust (London) Limited.

"**Seller**" means Volkswagen Financial Services (UK) Limited.

"Series" means in respect of the Notes, any series of Class A Notes or Class B Notes issued on a given Issue Date.

"Series Nominal Amount" has the meaning given to it in the Final Terms of the relevant Series of Notes.

"Series of Class A Notes" means any Series of Class A Notes issued by the Issuer on the Initial Issue Date or any Further Issue Date.

"Series of Class B Notes" means any Series of Class B Notes issued by the Issuer on the Initial Issue Date or any Further Issue Date.

"Series of Notes" means in respect of the Notes, each series issued on a given Issue Date.

"Series Revolving Period Expiration Date" means with respect to each Series of Notes the revolving period expiration date as specified for such Series in the applicable Final Terms.

"Servicer" means VWFS unless the engagement of VWFS as servicer of the Issuer is terminated in which case Servicer shall mean the replacement Servicer (if any).

"Servicer Fee" means, on any Payment Date, an amount equal to one per cent. per annum (calculated on the basis of a 365 day year for days actually elapsed) of the Discounted Receivables Balance for such Payment Date.

"Servicer Records" means the original and/or any copies of all documents and records, in whatever form or medium, relating to the Services including all computer tapes, files and discs relating to the Services.

"Servicer Replacement Event" means the occurrence of any event described in paragraphs (a) to (e) below:

- (a) the Servicer fails to make any payment or deposit to be made by it to the Distribution Account and such failure to pay has not been remedied within five (5) Business Days after the earliest of (i) receipt by the Servicer of notice from the Issuer or any Noteholder or (ii) the Servicer becoming aware of such failure to pay;
- (b) the Servicer fails to perform or observe in any material respect any material term, covenant or agreement hereunder applicable to it (other than as referred to in 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 Noteholder requiring the failure to be remedied, (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period);
- (c) any material written representation or warranty made by the Servicer in its capacity as such in the Servicing Agreement or any of the Transaction Documents proves to have been incorrect, in any material respect, when made or deemed to be made by reference to the facts and circumstances then subsisting (provided, that repurchase or exchange of a Receivable by VWFS in accordance with the Receivables Purchase Agreement shall be deemed to remedy such circumstances with respect to such Receivable), and such incorrect representation or warranty shall remain unremedied for sixty (60) days (or, if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Noteholder requiring the circumstances causing or responsible for such misrepresentation to be remedied (which Servicer

Replacement Event shall be deemed to occur only upon the last day of the relevant period);

- (d) the Servicer becomes subject to an Insolvency Event; or
- (e) the Servicer fails to renew, or suffers the revocation of, the necessary permissions pursuant to the Financial Services and Markets Act 2000 or licences to conduct its business under the Data Protection Rules, and such authorisations or licences are not replaced or reinstated within sixty days,

provided, however, that if a Servicer Replacement Event referred to under paragraph (a) to (c) above has occurred and was caused by an event beyond the reasonable control of the Servicer and if the respective delay or failure of performance is cured within a period of 150 days from the date on which the original failure to make payment, breach of term, covenant or agreement or breach of representation or warranty referred to under paragraph (a) to (c) occurred, a Servicer Replacement Event will be deemed not to have occurred.

"Servicer Termination Date" means the date specified by the Issuer and/or the Security Trustee in the Servicer Termination Notice.

"Servicer Termination Notice" means the notice given by the Issuer and by the Security Trustee to the Servicer pursuant to clause 6.1 (*Servicer Replacement and Termination*) of 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 20 November 2013, as amended from time to time and as amended and restated on or about the Closing Date.

"Settlement Amount" means the amount payable by VWFS to the Issuer pursuant to clause 9.2 (*Repurchase*) or clause 10 (*Repurchase for non-existent Receivables*) of the Receivables Purchase Agreement, Clause 3 (*Redelivery Repurchase Price*) of the Redelivery Repurchase Agreement and (when applicable), following the exercise of the Clean-Up Call Option, includes the Clean-Up Call Option Settlement Amount.

"SFTR" means the European Regulation 2015/2365 of 25 November 2015, known as the Securities Financing Transactions Regulation and any implementing laws or regulations in force in the United Kingdom in relation to the Securities Financing Transactions Regulation or amending the Securities Financing Transactions Regulation as it applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom=.

"Shortfall" has the meaning as set forth in clause 7.3 (*Duties of the Principal Paying Agent and the Calculation Agent*) of the Agency Agreement.

"Signing Date" means 22 November 2021.

"Solvency II Regulation" means the EU Solvency II Regulation and the UK Solvency II Regulation.

"SONIA" means the Sterling Overnight Index Average.

"SONIA Reference Rate" means, in respect of any London Banking Day, a reference rate equal to the daily SONIA rate for such London Banking Day as provided by the SONIA Administrator to authorised distributors and as then published on the Screen or, if the Screen is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day).

"Specified General Cash Collateral Account Balance" means, on each Payment Date, the greater of (a) 1.2 per cent. of the aggregate nominal amount of the Notes outstanding as at the end of the Monthly Period and (b) the lesser of (i) 0.6 per cent. of the Maximum Discounted Receivables Balance, and (ii) the aggregate nominal amount of the Notes outstanding as of the end of the Monthly Period.

"Sponsor Bank" means, in respect of any conduit lender, the sponsor bank for such conduit lender.

"Standstill Period" means the period commencing on (and including) 1 January 2021 and ending on (and including) 31 March 2022, or such later date as specified by the FCA under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019.

"Subordinated Lender" means the subordinated lender under the Subordinated Loan Agreement, being Volkswagen Financial Services (UK) Limited.

"Subordinated Loan" means the loan received (or to be received) by the Issuer under the Subordinated Loan Agreement.

"Subordinated Loan Advance Notice" shall have the meaning assigned to such term in clause 2.3 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

"Subordinated Loan Agreement" means the subordinated loan agreement dated on or about 19 November 2013, as amended from time to time and as amended and restated on or about the Closing Date, 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 Amount" means GBP 390,427,064.35 on the Initial Issue Date in respect of the acquisition of the Initial Receivables and GBP 811,228,537.57 on the Closing Date.

"Subordinated Loan Balance" means the amount drawn and outstanding under the Subordinated Loan on the relevant Payment Date.

"Subordinated Loan Increase Amount" means, with respect to any Further Issue Date, an amount equal to the difference of (a) the Further Discounted Receivables Balance less (b) the sum of the Class A Notes Increase Amount and the Class B Notes Increase Amount and less (c) the Further Receivables Overcollateralisation Amount, all such amounts as of such Further Issue Date.

"Successor Bank" means the successor account bank determined in accordance with the Account Agreement.

"Supplemental Servicer Fees" means any and all amounts charged to or payable by an Obligor under or in respect of a Financing Contract in respect of (a) charges payable as a result of a late payment of a Receivable owing under such Financing Contract, (b) fees for any extension of the term of that Financing Contract, and (c) any other administrative fees payable under that Financing Contract;

"Swap Agreements" means (i) 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, (ii) the associated schedule, (iii) the credit support annex dated on or about 25 November 2021 and (iv) a confirmation dated on or about 25 November 2021 or any amendments thereto to swap a floating interest rate under such Series of Class A Notes or Series of Class B Notes against a fixed rate.

"Swap Counterparty" means the counterparty to the respective Swap Agreement.

"Swap Replacement Proceeds" means any amounts received by the Issuer 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 payment due to a Swap Counterparty by the Issuer or to the Issuer by a Swap Counterparty, including interest that may accrue thereon, under the relevant Swap Agreement due to a termination of any Swap Agreement due to an "event of default" or "termination event" under that Swap Agreement.

"TARGET 2" means the second generation of the Trans-European Automated Real-time Cross-Settlement Express Transfer System and was launched on 19 November 2007 by the European Central Bank.

"Targeted Aggregate Discounted Receivables Balance" means the division of (i) the aggregate nominal amount of the Class A Notes at the end of the Monthly Period by (ii) the sum of (a) 1 minus the Class A Targeted Overcollateralisation Percentage and (b) the Class B Targeted Overcollateralisation Percentage plus the Class A Targeted Overcollateralisation Percentage.

"Targeted Delinquent Receivables Class A Note Balance" means the Discounted Receivables Balance of Delinquent Receivables not sold pursuant to clause 11 (*Sale of Receivables to other Secured Vehicles*) of the Receivables Purchase Agreement on the respective Payment Date multiplied by 30 per cent.

"Targeted Delinquent Receivables Class B Note Balance" means the Discounted Receivables Balance of Delinquent Receivables not sold pursuant to clause 11 (*Sale of Receivables to other Secured Vehicles*) of the Receivables Purchase Agreement on the respective Payment Date multiplied by 9 per cent.

"Targeted Non-Delinquent Receivables Class A Note Balance" means the product of (i) the sum of (A) the Discounted Receivables Balance of Receivables that are not Delinquent Receivables and that are not sold pursuant to clause 11 (*Sale of Receivables to other Secured Vehicles*) of the Receivables Purchase Agreement on the respective Payment Date and (B) the Replenished Additional Discounted Receivables Balance on the respective Payment Date, and (ii) 70.80 per cent.

"Targeted Non-Delinquent Receivables Class B Note Balance" means the product of (i) the sum of (A) the Discounted Receivables Balance of Receivables that are not Delinquent Receivables and that are not sold pursuant to clause 11 (*Sale of Receivables to other Secured Vehicles*) of the Receivables Purchase Agreement on the respective Payment Date and (B) the Replenished Additional Discounted Receivables Balance on the respective Payment Date, and (ii) 8.40 per cent.

"Targeted Remaining Class A Note Balance" means the sum of (i) the Targeted Non-Delinquent Receivables Class A Note Balance and (ii) the Targeted Delinquent Receivables Class A Note Balance.

"Targeted Remaining Class B Note Balance" means the sum of (i) the Targeted Non-Delinquent Receivables Class B Note Balance and (ii) the Targeted Delinquent Receivables Class B Note Balance.

"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.

"Tax Information Arrangement" means any governmental or inter-governmental arrangement, or other arrangement between competent authorities, for the cross-border exchange of Tax information applicable in any jurisdiction (or any treaty, law, regulation, or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of such arrangement) including (without limitation) FATCA, the OECD global standard for automatic and multilateral exchange of financial information between tax authorities (also known as the **"Common Reporting Standard"**), any arrangement analogous to FATCA, and any bilateral or multilateral tax information arrangement.

"Term Takeout" means any disposal of any or all Purchased Receivables by the Issuer, directly or indirectly, to a company that issues asset backed securities secured by Receivables or other assets originated or acquired by a member of Volkswagen Group in connection with term issuances of debt instruments of such separate company.

"Term Takeout Receivables" shall have the meaning assigned to such term in clause 11.1 (*Sale of Receivables to other Secured Vehicles*) of the Receivables Purchase Agreement.

"Terminated Receivable" means any Purchased Receivable where:

- (a) the Obligor related to such Purchased Receivable has elected to exercise its right to return such Vehicle and terminate the Financing Contract to which such Purchased Receivable relates under the Consumer Credit Act 1974; or
- (b) any Receivable which has been "Hostile Terminated" in accordance with the Servicer's Customary Operating Practices; or
- (c) any Receivable that has been subject to a RV Event.

"Theoretical Subordinated Loan Swap Rate" means 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 which estimate is 3.4289% on the Closing Date.

"Transaction" means the Transaction 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.

"Transaction Creditors" means the Noteholders, the Note Purchasers, the Security Trustee, any Receiver, VWFS in its capacity as a seller, the Servicer, the Subordinated Lender, the Principal Paying Agent, the Registrar, the Custodian, the Swap Counterparties, the Cash Administrator, the Interest Determination Agent, the Calculation Agent, the

Account Bank, the Data Protection Trustee, the Arranger, the Managers, the Lead Manager and the Corporate Services Provider.

"Transaction Documents" means the English Transaction Documents, the German Transaction Documents, the Luxembourg Transaction Documents any Scottish Declaration of Trust and any Assignment in Security and any further documents entered into pursuant to any of them.

"Transaction Parties" means all transaction parties to the Transaction Documents.

"Transferee" means, in respect of a Term Takeout, a member of Volkswagen Group or a securitisation vehicle nominated by the Seller.

"Trust Agreement" means the trust agreement dated on or about 19 November 2013, as amended from time to time and amended and restated on or about the Closing Date, and entered into by, *inter alios*, the Issuer and the Security Trustee.

"Trustee Claim" shall have the meaning ascribed to such term in clause 4.1 (*Position of the Security Trustee in Relation to the Issuer*) of the Trust Agreement.

"UCPD" means the Unfair Commercial Practices Directive No 2005/29.

"UK" or the **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

"UK AIFM Regulation" means Regulation (EU) No 231/2013 of 19 December 2012, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom in relation to the EU AIFM Regulation or amending the EU AIFM Regulation as applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom).

"UK CRR" means Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and amending Regulation (EU) No 648/2012, as amended, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom in relation to EU CRR or amending EU CRR as applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom).

"UK General Data Protection Regulation" means Regulation (EU) 2016/679 of 27 April 2016 as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom in relation to EU General Data Protection Regulation or amending EU General Data Protection Regulation as applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom).

"UK Securitisation Regulation" means Regulation (EU) No 2017/2402 dated 12 December 2017, as it forms part of domestic law of the United Kingdom by virtue of the EUWA, and any implementing laws or regulations in force in the United Kingdom in relation to the EU Securitisation Regulation or amending the EU Securitisation Regulation as it applies in the United Kingdom (together with applicable directions, secondary legislation,

guidance, binding technical standards and related documents published by the FCA and the PRA of the United Kingdom).

"UK Solvency II Regulation" means Regulation (EU) 2015/35 of 10 October 2014 on the taking up and pursuit of the business of insurance and reinsurance as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom in relation to the EU Solvency II Regulation or amending the EU Solvency II Regulation as applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom).

"United States" or **"U.S."** means, for the purpose of issue of the Notes and the Transaction 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, American 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.

"UTCC Regulations" means the Unfair Terms in Consumer Contracts Regulations 1999.

"Value Added Tax" or **"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 notional amount of each payment made by an Obligor under a Financing Contract in respect of a Purchased Receivable which constitutes VAT thereof.

"Vehicle" means, with respect to any Receivable, any vehicle the subject of the Financing Contract related to such Receivable.

"Voluntary Termination" means the voluntary termination of a Regulated Financing Contract by an Obligor pursuant to sections 99 and 100 of the CCA.

"VW Bank" means Volkswagen Bank GmbH.

"VW Group" means Volkswagen Aktiengesellschaft and any of its Affiliates.

"VWFS" means Volkswagen Financial Services (UK) Limited.

"VWFS Payment Deferral" means either a Payment Holiday With Term Extension or a Payment Holiday With No Term Extension.

"VWFS Power of Attorney" means the power of attorney granted in favour of the Issuer pursuant to the Receivables Purchase Agreement.

"VWFS Receivables" means the Initial VWFS Receivables and the Additional Receivables.

"Weighted Average Seasoning" means, on each Payment Date, the weighted average seasoning of the Receivables, calculated on a Contract by Contract basis as the original term minus the remaining term of such Contract.

"Written-Off Purchased Receivables" means Purchased Receivables which have been reduced by recoveries and finally written off by VWFS in its capacity as Servicer in accordance with its customary accounting practice in effect from time to time.

"Written-Off Purchased Receivable Repurchase Price" means, regarding a Written-Off Purchased Receivable and a Monthly Period, the amount received by the Issuer under clause 9.8 (*Repurchase*) of the Receivables Purchase Agreement.

1.2 In this Incorporated Terms Memorandum 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 Transaction 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 Transaction 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 and all related withholdings or deductions and including, without limitation, any penalty, charge or interest payable relating to any of the foregoing;
- 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 Transaction 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 Transaction Document and shall not affect its construction or interpretation. Unless otherwise indicated, all references in any Transaction Document to clauses, schedules, sections, articles and exhibits refer to

the corresponding clauses, schedules, sections, articles or exhibits of that Transaction Document;

- 2.11 unless specified otherwise, "promptly" or "immediately" shall mean without undue delay (*ohne schuldhaftes Zögern*); and
- 2.12 "novation" shall, for the purposes of documents governed by German law, be construed as *Vertragsübernahme*. "To novate" shall be interpreted accordingly.

COMMON TERMS

3. LIMITED RECOURSE; NO LIEN OR SET-OFF; NO PETITION

3.1 In relation to the Issuer

Save as provided to the contrary in any Transaction Document:

- (a) The rights of the Transaction Creditors under the Transaction Documents are limited to those funds standing to the credit of the Accounts at any given time, any other assets of the Issuer and the proceeds of the enforcement of the Security, as payable to the relevant Transaction Creditor pursuant to the Order of Priority; the Issuer has no further obligations. To the extent that the funds in the Accounts and any other assets of the Issuer and the proceeds of the enforcement of the Security allocated to its Compartment 2 are determined by the Security Trustee to be ultimately insufficient to satisfy in full the claims of all Transaction Creditors after exhausting all available remedies, legally and otherwise, any amounts remaining unpaid shall be extinguished and the Issuer shall have no further obligations thereto. The recourse of the Transaction Creditors under the relevant Transaction Document(s) is limited to the assets allocated to the Compartment 2 of the Issuer.
- (b) No shareholder, officer or director of the Issuer shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations hereunder. Any recourse against such a person is excluded accordingly.
- (c) The Transaction Creditors shall under no circumstances have any lien, right of retention, right of set-off or similar right in respect of any moneys paid or payable to it or assets delivered or deliverable into its custody under this Agreement vis-à-vis the Issuer. For the avoidance of doubt, the Security Trustee is not subject to the aforementioned restrictions if the Security Trustee is acting in its capacity as Security Trustee on behalf of the Transaction Creditors.
- (d) Until one year and one day has passed after the last payment is effected on the Notes and the Subordinated Loan, none of the Transaction Creditors shall (i) take or induce any action the subject of which is a dissolution, liquidation, or bankruptcy or other insolvency proceedings with respect to the Issuer of any or all of its revenue or property or the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Issuer, that could impair or threaten the performance of obligations of the Issuer under the Notes, the Subordinated Loan or the Transaction Documents or that could jeopardise the Security, and (ii) assert judicially or extra-judicially claims for payment against the Issuer to which the relevant Transaction Creditor is entitled under or in connection with this Agreement and its performance, nor to permit third parties to assert such claims on their behalf. For the avoidance of doubt, the Security Trustee is not subject to the aforementioned restrictions if the Security Trustee is acting in its capacity as Security Trustee on behalf of the Transaction Creditors.

3.2 In relation to the Class A Series 2013-5 and Class B Series 2021-2 Note Purchaser

- (a) Notwithstanding anything herein to the contrary, no recourse under any obligation, covenant, or agreement of the Class A Series 2013-5 Note Purchaser and/or of the Class B Series 2021-2 Note Purchaser (as the case may be) contained in this Agreement shall be had against any shareholder, officer, agent or director or any affiliate or any officer, agent or director of such affiliate of the Class A Series 2013-5 Note Purchaser and/or of the Class B Series 2021-2 Note Purchaser (as the case

may be) as such, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that this Agreement is a corporate obligation of the Class A Series 2013-5 Note Purchaser and/or of the Class B Series 2021-2 Note Purchaser (as the case may be), payable solely from the assets of the Class A Series 2013-5 Note Purchaser and/or of the Class B Series 2021-2 Note Purchaser (as the case may be) and following realisation of such assets and the application of the proceeds thereof, any claims of the other party against the Class A Series 2013-5 Note Purchaser and/or the Class B Series 2021-2 Note Purchaser (as the case may be) (and the obligations of the Class A Series 2013-5 Note Purchaser and/or of the Class B Series 2021-2 Note Purchaser (as the case may be)) shall be extinguished and no personal liability shall attach to or be incurred by the shareholders, officers, agents or directors of the Class A Series 2013-5 Note Purchaser and/or of the Class B Series 2021-2 Note Purchaser (as the case may be) as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such party contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by such party of any of such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent or director is hereby expressly waived by the other parties (other than the Class A Series 2013-5 Note Purchaser and/or the Class B Series 2021-2 Note Purchaser (as the case may be)) as a condition of and consideration for the execution of this Agreement. The parties expressly hereby acknowledge and agree that this clause shall also apply mutatis mutandis with respect to the relationships between the Issuer and the Class A Series 2013-5 Note Purchaser and/or the Class B Series 2021-2 Note Purchaser (as the case may be) for so long as the Class A Series 2013-5 Note Purchaser holds any of the Notes and/or of the Class B Series 2021-2 Note Purchaser (as the case may be).

- (b) Notwithstanding anything herein to the contrary, each of the parties hereto (other than the Class A Series 2013-5 Note Purchaser and/or the Class B Series 2021-2 Note Purchaser (as the case may be)) agree that they shall not take any corporate action or other steps or legal proceedings for the winding-up, dissolution or re-organisation or for the appointment of a receiver, examiner, administrator, administrative receiver, trustee, examiner, liquidator, sequestrator or similar officer of the Class A Series 2013-5 Note Purchaser and/or of the Class B Series 2021-2 Note Purchaser (as the case may be) or of any or all of the Class A Series 2013-5 Note Purchaser's revenues and assets and/or of the Class B Series 2021-2 Note Purchaser's revenues and assets (as the case may be).

3.3 Limited Recourse and Non-Petition in Relation to LMA S.A.

- (a) Notwithstanding anything else to the contrary contained in this Agreement, each of the parties to this Agreement hereby agrees that it shall have recourse in respect of any claims against the Class A Series 2014-3 Note Purchaser in respect of this Agreement only to the assets of the Class A Series 2014-3 Note Purchaser which are available for the discharge of such claims pursuant to the terms of this Agreement (such available assets being hereinafter referred to as the Available Amounts), and that any such claim shall be reduced so that the total of claims does not exceed the proceeds of the realisation of the Available Amounts. If such proceeds are, after providing for all prior monetary claims of the Class A Series 2014-3 Note Purchaser, less than the sums due to any party under this Agreement (such difference being herein after referred to as the Shortfall), all claims of such party in respect of such Shortfall shall be extinguished. Each of the parties to this Agreement (and any person acting on its behalf) agrees that it shall not be entitled

to take any further steps against the Class A Series 2014-3 Note Purchaser or its officers or directors or shareholders to recover such Shortfall and no debt shall be owed by the Purchaser or its officers or directors or shareholders in respect of such Shortfall.

- (b) Each of the parties to this Agreement hereby agrees that it shall not, in respect of any claims against the Class A Series 2014-3 Note Purchaser in respect of this Agreement, institute, or join with any other person in bringing, instituting or joining, any corporate action or other steps or legal proceedings for the winding-up, dissolution, court protection, examinership, reorganisation, liquidation, bankruptcy or insolvency of the Class A Series 2014-3 Note Purchaser or for the appointment of a receiver, receiver and manager, manager, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer in respect of the Class A Series 2014-3 Note Purchaser or any of its revenues or assets.

3.4 Limited Recourse and Non-Petition in Favour of Regency Assets DAC

- (a) Notwithstanding any other provision of any Transaction Document, each of the Transaction Parties (other than Regency) hereby agrees with Regency that it shall not:
 - (i) take any corporate action or other steps or legal proceedings for the winding-up, dissolution, examinership or re-organisation of or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer to Regency or of any or all its revenues and assets; or
 - (ii) have any right to take any steps for the purpose of obtaining payment of any amounts payable to it under any Transaction Document by Regency and shall not take any steps to recover any debts whatsoever owing to it by Regency.
- (b) Notwithstanding any other provision of any Transaction Document, each Party hereto agrees and acknowledges with Regency that:
 - (i) it will only have recourse in respect of any amount, claim or obligation due or owing to it by Regency (the "**Claims**") to the extent of available funds pursuant to Regency's programme documents in respect of its USD 20,000,000,000 asset-backed commercial paper notes issuance programme (the "**Programme Documents**") subject to and in accordance with the terms thereof and after all other prior ranking claims in respect thereof have been satisfied and discharged in full;
 - (ii) following the application of funds following enforcement of the security interests created over Regency's assets under the relevant Programme Documents, subject to and in accordance with the provisions relating to the application of funds specified therein, Regency will have no assets available for payment of its obligations under such documents and the Transaction Documents other than as provided for pursuant to the Programme Documents and any Claims will accordingly be extinguished to the extent of any shortfall; and
 - (iii) the obligations of Regency under the Programme Documents and the Transaction Documents will not be obligations or responsibilities of, or guaranteed by, any other person or entity.

- (c) Notwithstanding any other provision of any Transaction Document, no recourse under any obligation, covenant or agreement of Regency contained in any Transaction Document shall be had against any shareholder, member, officer, director, employee or agent of Regency, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that each Transaction Document is a corporate obligation of Regency, and that no personal liability shall attach to or be incurred by the shareholders, members, officers, directors, employees or agents of Regency, as such, or any of them under or by reason of any of the obligations, covenants or agreements of Regency contained in any Transaction Document or implied therefrom and that any and all personal liability for breaches by Regency of any of such obligations, covenants or agreements, either at law or by statute or constitution of every such shareholder, member, officer, director, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of the Transaction Documents.

3.5 **Limited Recourse and Non-Petition in Favour of Matchpoint Finance plc**

- (a) Each Transaction Party (other than Matchpoint Finance plc, "**Matchpoint**") agrees that it shall not institute against, or join any person in instituting against, Matchpoint any bankruptcy, examinership, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any bankruptcy or similar law of any jurisdiction, for two (2) years and one day after (i) the latest maturing commercial paper note of any series (as set out in the Commercial Paper Documents (as defined below) of Matchpoint) or (ii) the latest maturing medium term note of Matchpoint, if any, is paid in full.
- (b) The obligations of Matchpoint under each Transaction Document are solely the corporate obligations of Matchpoint and are payable solely to the extent of available funds pursuant to the Commercial Paper Documents (as defined below). No recourse shall be had for the payment of any amount owing by Matchpoint under any Transaction Document or for the payment by Matchpoint of any fee in respect hereof or any other obligation or claim of or against Matchpoint arising out of or based upon any Transaction Document, against any employee, director, officer, member, manager or affiliate of Matchpoint; provided, however, that the foregoing shall not relieve any such person or entity of any liability they might have as a result of fraudulent acts or omissions committed by them. Each Transaction Party agrees that Matchpoint shall be liable for any claims that it may have against Matchpoint only to the extent that Matchpoint has funds available for such purpose in accordance with the commercial paper programme documents in respect of its Euro 20,000,000,000 asset-backed commercial paper notes issuance programme ("**Commercial Paper Documents**") and that, to the extent that any such claims remain unpaid after the application of such funds in accordance with the Commercial Paper Documents such claims shall be extinguished.

3.6 **Limited Recourse and Non-Petition in Favour of Albion Capital Corporation S.A.**

- (a) Each Transaction Party (other than Albion Capital Corporation S.A., "**Albion**") agrees that it shall not institute against, or join any person in instituting against, Albion any bankruptcy, examinership, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any bankruptcy or similar law of any jurisdiction, for two (2) years and one day after (i) the latest maturing commercial paper note of any series (as set out in the Commercial Paper

Documents (as defined below) of Albion) or (ii) the latest maturing medium term note of Albion, if any, is paid in full.

(b) The obligations of Albion under each Transaction Document are solely the corporate obligations of Albion and are payable solely to the extent of available funds pursuant to the Commercial Paper Documents (as defined below). No recourse shall be had for the payment of any amount owing by Albion under any Transaction Document or for the payment by Albion of any fee in respect hereof or any other obligation or claim of or against Albion arising out of or based upon any Transaction Document, against any employee, director, officer, member, manager or affiliate of Albion; provided, however, that the foregoing shall not relieve any such person or entity of any liability they might have as a result of fraudulent acts or omissions committed by them. Each Transaction Party agrees that Albion shall be liable for any claims that it may have against Albion only to the extent that Albion has funds available for such purpose in accordance with the commercial paper programme documents in respect of its USD 10,000,000,000 asset-backed commercial paper notes issuance programme ("**Commercial Paper Documents**") and that, to the extent that any such claims remain unpaid after the application of such funds in accordance with the Commercial Paper Documents such claims shall be extinguished.

3.7 The provisions of this clause 3 (*Limited Recourse; No Lien or Set-Off; No Petition*) shall survive the termination of this Agreement.

4. **NOTICES**

4.1 All notices under this Agreement shall be made in the English language by mail or by fax which shall be confirmed by mail. Notices to the Seller and the Servicer shall be sent separately to the attention of the individuals nominated by the Seller and the Servicer in clause 4.2.

Any communication which is received after 4.00 p.m. (in the city of the addressee) on any particular day or on a day on which commercial banks and foreign exchange markets do not settle payments in the city of the addressee shall be deemed to have been received and shall take effect from 10.00 a.m. on the next following day on which commercial banks and foreign exchange markets settle payments in the city of the addressee or on the next Business Day.

4.2 Subject to written notification of any change of address, all notices under this Agreement to the parties set forth below shall be directed to the following addresses:

(a)	For the Issuer and Purchaser	

(b)	For the Seller, Subordinated Lender and Servicer	

(c)	For the Arranger, Lead Manager and Manager	

(d)	For the Class B Series 2019-1 Note Purchaser, and the Class A Series 2013-2 Note Purchaser	

(e)	For the Class B Series 2013-3 Note Purchaser	

(f)	For the Class A Series 2013-4 Note Purchaser and Manager	

(t)	For the Class A Series 2020-1 Note Purchaser, Class B Series 2021-1 Purchaser and Manager	

(u)	For the Class A Series 2020-2 Note Purchaser, Class B Series 2020-2 Note Purchaser and Manager	

(v)	For the Class A Series 2020-3 Note Purchaser and Manager	

(w)	For the other Managers	

(y)	For Data Protection Trustee	

(z)	For Account Bank, the Cash Administrator, the Principal Paying Agent, the Calculation Agent, Custodian and the Interest Determination Agent	

(aa)	For Registrar	

(bb)	For Corporate Services Provider	

(cc)	For the Swap Counterparty	

- (i) the Issuer has provided at least 30 days' notice to the Noteholders of each Series and Class of the proposed modification in accordance with Condition 13 (*Notices*), and (II) Noteholders representing at least 10 per cent. of the aggregate outstanding principal amount of the most senior Class of Notes then outstanding have not contacted the Security Trustee in writing, including by e-mail, (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Security Trustee that such Noteholders do not consent to the modification;
 - (ii) if Noteholders representing at least 10 per cent. of the aggregate outstanding principal amount of the most senior Class of Notes then outstanding have notified the Security Trustee in writing, including by e-mail, (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, the modification will not be made unless a resolution adopted with unanimous consent of the Noteholders of the most senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 14 (*Miscellaneous*);
 - (iii) objections made in writing, including by e-mail, other than through the applicable clearing system must be accompanied by evidence to the Security Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes; and
- (c) if the amendment falls within paragraph 6.6(a), (b), (c) or (d), the procedure in clauses 6.6 has been followed; and
- (d) other than in respect of clause 6.6(a)(ii) either:
- (i) the Issuer has obtained from each Rating Agencies written confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or the Class B Notes by such Rating Agency and would not result in any Rating Agency placing the Class A Notes or the Class B Notes on rating watch negative (or equivalent) and delivers a copy of such confirmation to the Issuer, VWFS and the Security Trustee; or
 - (ii) VWFS, on behalf of the Issuer, has certified (including in a Modification Certificate) that it has notified each of the Rating Agencies of the proposed modification and in its opinion, formed on the basis of due consideration and consultation with the Rating Agencies, such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or the Class B Notes by any Rating Agency or (y) any Rating Agency placing the Class A Notes or the Class B Notes on rating watch negative (or equivalent); and
- (e) it has been demonstrated to the reasonable satisfaction of the Security Trustee that such amendment is not materially prejudicial to the interests of the Noteholders and/or any other Transaction Creditor.

6.3 Subject to clause 6.8 below, in case of amendments which materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor:

- (a) if it is notified by the party requesting such amendment to the Security Trustee and the Rating Agencies in writing, including by e-mail; and
- (b)
 - (i) the Issuer has provided at least 30 days' notice to the Noteholders of each Series and Class of the proposed modification in accordance with Condition 13 (*Notices*), and (ii) provided that in the sole professional judgment of the Security Trustee, Noteholders are not materially and adversely affected by the amendment, Noteholders representing at least 10 per cent. of the aggregate outstanding principal amount of the most senior Class of Notes then outstanding have not contacted the Security Trustee in writing, including by e-mail, (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Security Trustee that such Noteholders do not consent to the modification;
 - (ii) if Noteholders representing at least 10 per cent. of the aggregate outstanding principal amount of the most senior Class of Notes then outstanding have notified the Security Trustee in writing, including by e-mail, (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification will not be made unless a resolution adopted with unanimous consent of the Noteholders of the most senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 14 (*Miscellaneous*), provided that a resolution adopted with unanimous consent of the Noteholders of the most senior Class of Notes then outstanding will not be effective unless any Noteholders or Transaction Creditors which are, in the sole professional judgment of the Security Trustee, materially and adversely affected by the amendment, have consented to the amendment in accordance with clause (c) below;
 - (iii) objections made in writing, including by e-mail, other than through the applicable clearing system must be accompanied by evidence to the Security Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes; and
- (c) the Issuer has received the written consent to such amendment from the Security Trustee and the Noteholders and/or the Transaction Creditors that, in its sole professional judgment, are materially and adversely affected;

6.4 In the case of any amendments made pursuant to clause 6.2 or clause 6.3 the Security Trustee shall have the right to request (i) a reputable law firm in the relevant jurisdiction to confirm the legal validity of such amendment and/or to describe the legal effects of such amendment; and/or (ii) an accountant, financial advisor or other expert to describe the economic effects of such amendment and to incur reasonable expenses for such consultation which shall be reimbursed by VWFS (or, in the case of an amendment made pursuant to clause 6.6(a)(ii), the Account Bank or the Swap Counterparty, as applicable).

6.5 Subject to clause 6.3(b) above, the Security Trustee may without any consent or sanction of any of the Noteholders, the Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager, the Managers nor any other Person, to concur with the Issuer and the Swap Counterparties in:

- (a) making any modification (other than in the case of any Reserved Matter) to the Swap Agreements that the Issuer and the Swap Counterparties consider necessary to ensure that the terms thereof, and the parties obligations thereunder, are in compliance with 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 each as amended, supplemented, restated, verified, replaced or novated (in whole or in part) from time to time;

provided that the Issuer and relevant Swap Counterparties certify to the Security Trustee in writing, including by e-mail, that such modification is required solely for the purpose of enabling it to comply with EMIR and has been drafted solely to such effect; and

- (b) amending or waiving (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 in Part 6(c) of the schedule to the Swap Agreements.

6.6 The Security Trustee may without any consent or sanction of any of the Noteholders, the Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager, the Managers nor any other Person, to concur with VWFS and the Issuer in making any modification (other than in the case of any Reserved Matter) to any Transaction Document that VWFS and the Issuer, having made all reasonable enquiries and carried out all reasonable due diligence, consider necessary:

- (a) for the purposes of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:

- (i) VWFS on behalf of the Issuer certifies in writing, including by e-mail, to the Security Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and

- (ii) in the case of a modification to a Transaction Document proposed by either the Account Bank or the Swap Counterparty in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid either the Account Bank or the Swap Counterparty (as the case may be) taking action which it would otherwise be required to enable such party to continue performing such role (including, without limitation, posting collateral or advancing funds):

- (1) either the Account Bank or the Swap Counterparty, as the case may be, certifies in writing, including by e-mail, to the Issuer and the Security Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above; and

- (2) either:

- (A) the Account Bank or the Swap Counterparty, obtains from each of the Rating Agencies written confirmation that such modification would not result in a (x) downgrade, withdrawal or suspension of the

then current ratings assigned to the Class A Notes or the Class B Notes or (y) any Rating Agency placing the Class A Notes or the Class B Notes on rating watch negative (or equivalent) and delivers a copy of such confirmation to the Issuer and the Security Trustee; or

(B) the Account Bank or the Swap Counterparty, as the case may be, certifies in writing, including by e-mail, to the Issuer and the Security Trustee that it has notified each of the Rating Agencies of the proposed modification and in its opinion, formed on the basis of due consideration and consultation with the Rating Agencies, such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or the Class B Notes by any Rating Agency or (y) any Rating Agency placing the Class A Notes or the Class B Notes on rating watch negative (or equivalent); or

- (b) subject to clause 6.2(b), for the purposes of ensuring that the terms of the Transaction Documents, and the parties obligations thereunder, are in compliance with EMIR and/or the then subsisting technical standards under EMIR, or SFTR and/or the then subsisting technical standards under SFTR, provided that VWFS on behalf of the Issuer certifies to the Security Trustee in writing, including by e-mail, that such modification is required solely for such purpose and has been drafted solely to such effect;

(the certificate to be provided by VWFS on behalf of the Issuer, the Account Bank, or the Swap Counterparty, as the case may be, pursuant to paragraphs (a) to (b) above being a "**Modification Certificate**").

6.7 The Security Trustee is only obliged to concur with VWFS and the Issuer in making any modification for the purposes referred to in paragraphs (a) to (b) in clause 6.6 above if the following conditions have been satisfied (the "**Modification Conditions**"):

- (a) for modifications proposed by any Transaction Party other than the Security Trustee, at least a 30 days' prior written notice of any such proposed modification being given to the Security Trustee;
- (b) the Modification Certificate in relation to such modification being provided to the Security Trustee both at the time the Security Trustee is notified and on the date that such modification is envisaged taking effect;
- (c) the Issuer providing the Security Trustee with such legal opinions as the Security Trustee considers necessary in connection with the implementation of such modifications; and
- (d) the person who proposes such modification paying all fees, costs and expenses (including legal fees) incurred by the Issuer and/or the Security Trustee and each other applicable party, including, without limitation, any of the Agents, the Account Bank or the Swap Counterparty, in connection with such modification.

6.8 Any Transaction Document may be amended with the consent of VWFS and the Security Trustee, but without the consent of any Manager, 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 UK Securitisation Regulation or a reputable international law firm that such amendments are required to comply with the EU Securitisation

Regulation or the UK Securitisation Regulation or any regulatory and/or implementing technical standards adopted under the EU Securitisation Regulation or any directions, secondary legislation, guidance, regulatory technical standards, implementing technical standards and related documents published by the FCA and the PRA of the United Kingdom under the UK Securitisation Regulation as it applies in the United Kingdom.

6.9 Additional Note Purchasers may become a party to this Agreement by entering into an accession agreement with the Security Trustee, according to the form set out in the Note Purchase Agreement.

7. APPLICABLE LAW; PLACE OF PERFORMANCE; JURISDICTION

7.1 Except as otherwise provided therein, each Transaction Document and any non-contractual obligations arising out of or in connection with any Transaction Document will be governed by and construed in accordance with the laws of Germany save to the extent that any in rem transfer, disposal of (*Verfügung über*) or perfection, effect or enforcement of a security interest in relation to any asset is concerned which is mandatorily governed by any law other than German law, in which case such in rem transfer, disposal of (*Verfügung über*) or perfection, effect or enforcement of a security interest shall be governed by such other law. For the avoidance of doubt, the provisions of articles 470-1 to 470-19 of the Luxembourg Companies Act relating to the noteholders' representations and the noteholder register are expressly excluded.

7.2 Each party to this Agreement irrevocably agrees that the Regional Court (*Landgericht*) of Frankfurt am Main shall have non-exclusive jurisdiction to hear and determine any proceedings and to settle any disputes brought in connection herewith and each party hereto irrevocably submits to the jurisdiction of the German courts. This jurisdiction agreement is not concluded for the benefit of only one party. The Issuer hereby appoints Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Federal Republic of Germany, as its agent for service of process with respect to any legal proceedings brought before any German court. Wilmington Trust SP Services (Frankfurt) GmbH hereby accepts such appointment.

7.3 Nothing in this clause 7 (*Applicable Law; Place of Performance; Jurisdiction*) shall limit any party's right to take proceedings against any other party in any other jurisdiction or in more than one jurisdiction concurrently, subject to article 17 of the Convention on jurisdiction and the enforcement of judgments in civil and commercial matters opened for signature in Brussels in 1968 and article 17 of the similarly-named Convention opened for signature in Lugano in 1988 or Council Regulation (EC) No. 44/2001 of 22 December 2000 on jurisdiction and the enforcement of judgments in civil and commercial matters.

7.4 Each party hereto also irrevocably waives (and irrevocably agrees not to raise) any objection which it might at any time have on the ground of *forum non conveniens* or any other ground to proceedings being taken in any court referred to in this clause 7 (*Applicable Law; Place of Performance; Jurisdiction*), and irrevocably agrees that any judgment in proceedings taken in any such court shall be conclusive and binding on it and may be enforced in any other jurisdiction.

8. CONFIDENTIALITY

8.1 Each of the Transaction Creditors hereby undertakes to keep strictly confidential all and any information that it directly or indirectly has received or shall receive from the Seller. The Transaction Creditors shall not use such information in connection with any other project than the Programme and shall ensure that this information shall neither be released to any third party, except as expressly permitted by this Agreement and the other

Transaction Documents or with the consent of VWFS (such consent not to be unreasonably withheld), nor used in any way other than in connection with the Programme.

- 8.2 The confidentiality obligations under this Agreement shall also apply to all Representatives (as defined below) of the Transaction Creditors, regardless of kind and legal basis of the respective cooperation. The Transaction Creditors undertakes to impose respective confidentiality obligations on those Representatives (if that is not the case yet).
- 8.3 The confidentiality obligations under this Agreement shall remain binding for three (3) years from the date of this Agreement.
- 8.4 The confidentiality obligations under this Agreement shall not apply to the extent that the respective information
- (a) is publicly available; or
 - (b) becomes publicly available without breach of this Agreement; or
 - (c) has been disclosed to a potential transferee of an existing Note Purchaser, to the extent such transfer is to be made in accordance with the Note Purchase Agreement, in particular but not limited to clause 15.5 of the Note Purchase Agreement; or
 - (d) was received by the Transaction Creditors on a non-confidential basis from any third person not known to the Transaction Creditors to be prohibited from transmitting the information by a confidentiality agreement with, or other legal or fiduciary obligation to, any of the Seller; or
 - (e) is known to the Transaction Creditor on a non-confidential basis prior to its disclosure to the Transaction Creditor by the Seller pursuant to this Agreement or is independently developed by the Transaction Creditor or its Representatives (as defined below) without reference to, incorporation of or other use of the confidential information furnished by the Sellers pursuant to this Agreement.
- 8.5 Notwithstanding anything herein to the contrary, confidential information may be disclosed
- (a) to the Transaction Creditor's directors, officers, employees, advisors or agents ("**Representatives**") and any investor or funding provider in any commercial paper conduit being a Noteholder as well as and any trustee, security trustee, agent, custodian or other party to the documentation entered into in respect of the asset backed commercial programme such conduit has been established for, (b) to governmental or regulatory authorities (including bank examiners and self-regulatory organizations), internal auditors and rating agencies, in each case upon their request therefor, (c) in the course of any litigation or court proceeding involving VWFS the relevant Transaction Creditor, (d) pursuant to subpoena or court process and (e) as may otherwise be required by law. In the event the relevant Transaction Creditor proposes to disclose confidential information pursuant to clause (b) (other than to a bank examiner, self-regulatory organization or internal auditor), (d) or (e) of the preceding sentence, the relevant Transaction Creditor agrees to the extent practicable and lawful to provide the Sellers with prior notice thereof so that the Sellers may seek a protective order or other appropriate order. In the absence of a protective or similar order, the relevant Transaction Creditor may disclose confidential information pursuant to clause (b), (d) or (e) without liability to the Sellers, provided that the relevant Transaction Creditor shall disclose only such portion of the confidential information as its counsel advises must be disclosed.

9. **COUNTERPARTS**

Each Transaction Document may be executed in any number of counterparts, manually or by facsimile or by e-mail and by any other electronic mean (including by inclusion of an electronic signature), and by different parties thereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

SIGNATORIES TO THE INCORPORATED TERMS MEMORANDUM DATED 19 NOVEMBER 2013 AS AMENDED AND RESTATED ON 25 NOVEMBER 2014, ON 25 NOVEMBER 2015, ON 27 JUNE 2016, ON 26 MAY 2017, ON 25 MAY 2018, ON 28 MAY 2019, ON 26 MAY 2020, 25 NOVEMBER 2020 AND 25 NOVEMBER 2021

ALBION CAPITAL CORPORATION S.A.

as Class A Series 2013-5 Note Purchaser and Class B Series 2021-2 Note Purchaser

Signed by:

Title:

BANCO SANTANDER S.A.

as Manager

Signed by:

Title:

Signed by:

Title:

BANCO SANTANDER, S.A., LONDON BRANCH

as Class A Series 2016-2 Note Purchaser

Signed by:

Title:

Signed by:

Title:

BANK OF AMERICA N.A., LONDON BRANCH

as Class A Series 2018-1 Note Purchaser, Class B Series 2018-1 Note Purchaser and Manager

Signed by:

Title:

BARCLAYS BANK PLC

as Class A Series 2013-4 Note Purchaser and Manager

Signed by:

Title:

BNP PARIBAS

as a Class A Series 2015-1 Note Purchaser and Manager

Signed by:

Title:

CIRCUMFERENCE FS (LUXEMBOURG) S.A.

as Corporate Services Provider

Signed by:

Title:

CITIBANK EUROPE PLC, UK BRANCH

as Manager

Signed by:

Title:

CITIBANK N.A., LONDON BRANCH
as Class B Series 2013-3 Note Purchaser

Signed by:

Title:

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Manager

Signed by:

Title:

DBS BANK LTD. LONDON BRANCH
as Class A Series 2019-2 Note Purchaser and Manager

Signed by:

Title:

DRIVER UK MASTER S.A., acting for and on behalf of its Compartment 2
as Issuer and Purchaser

Signed by:

Title:

DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN
as Class A Series 2014-1 Note Purchaser and Manager

Signed by:

Title:

HSBC BANK PLC

as Manager

Signed by:

Title:

HSBC BANK PLC

as Account Bank, Cash Administrator, Principal Paying Agent, Calculation Agent, Custodian, and Interest Determination Agent

Signed by:

Title:

HSBC CONTINENTAL EUROPE, LUXEMBOURG

as Registrar

Signed by:

Title:

J.P. MORGAN AG

as Class A Series 2020-2 Note Purchaser, Class B Series 2020-2 Note Purchaser and Manager

Signed by:

Title:

LLOYDS BANK CORPORATE MARKETS PLC

as Arranger, Lead Manager and Manager

Signed by:

Title:

Signed by:

Title:

LLOYDS BANK PLC

as Class B Series 2019-1 Note Purchaser and Class A Series 2013-2 Note Purchaser

Signed by:

Title:

Signed by:

Title:

LMA S.A.

as Class A Series 2014-3 Note Purchaser

Signed by:

Title:

MATCHPOINT FINANCE PLC

as a Class A Series 2015-1 Note Purchaser

Signed by:

Title:

MIZUHO BANK LTD.

as Class A Series 2019-1 Note Purchaser, Class B Series 2020-1 Note Purchaser and Manager

Signed by:

Title:

MUFG BANK LTD. LONDON BRANCH

as Manager

Signed by:

Title:

REGENCY ASSETS DESIGNATED ACTIVITY COMPANY

as Class A Series 2014-2 Note Purchaser

Signed by:

Title:

ROYAL BANK OF CANADA

as Swap Counterparty

Signed by:

Title:

SCOTIABANK (IRELAND) DESIGNATED ACTIVITY COMPANY

as Class A Series 2013-8 Note Purchaser and Manager

Signed by:

Title:

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) FRANKURT BRANCH,

as Class A Series 2018-3 Note Purchaser, Class B Series 2018-3 Note Purchaser and Manager

Signed by:

Title:

SOCIÉTÉ GÉNÉRALE
as Manager

Signed by:

Title:

SOCIÉTÉ GÉNÉRALE CAPITAL MARKET FINANCE S.A.
as Class A Series 2020-1 Note Purchaser and Class B Series 2021-1 Note Purchaser

Signed by:

Title:

SUMITOMO MITSUI BANKING CORPORATION, BRUSSELS BRANCH
as Class A Series 2020-3 Note Purchaser and Manager

Signed by:

Title:

VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED
as Seller, Subordinated Lender and Servicer

Signed by:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION (LONDON BRANCH)
as Class A Series 2018-2 Note Purchaser, Class B Series 2018-2 Note Purchaser and Manager

Signed by

Title:

WILMINGTON TRUST (LONDON) LIMITED

as Security Trustee

Signed by:

WILMINGTON TRUST SP SERVICES (FRANKFURT) GMBH

as Data Protection Trustee

Signed by:

Title: