This document constitutes a base prospectus in respect of non-equity securities within the meaning of Article 5.4 of Directive 2003/71/EC (the "**Base Prospectus**").

DRIVER UK MASTER S.A.

acting for and on behalf of its Compartment 2

(*incorporated with limited liability in Luxembourg with registered number B 162 723*)

as Issuer

GBP 10,000,000,000 Programme for the Issuance of Asset Backed Notes (the "**Programme**")

Under this Programme, Driver UK Master S.A., acting for and on behalf of its Compartment 2 (the "**Issuer**") may from time to time issue asset backed floating rate Class A Notes and asset backed floating rate Class B Notes (together, the "**Notes**") denominated in GBP (subject always to compliance with all legal and/or regulatory requirements).

The Issuer will issue the relevant Class of Notes in series with the same or different issue dates, interest rates and scheduled repayment dates (but having the same interest payment dates) (each a "**Series**"). For each Series of Class A Notes, the Issuer will deliver a global registered note to a Common Safekeeper for Clearstream, Luxembourg and Euroclear. For each Series of Class B Notes, the Issuer will deliver a global registered note to a Common Depositary for Clearstream, Luxembourg and Euroclear.

For each issue of Notes, final terms to this Base Prospectus (each such final terms referred to as "**Final Terms**") will be provided as a separate document. The Final Terms must be read in conjunction with the Base Prospectus.

The proceeds of any Further Notes will be used to finance the purchase by the Issuer of receivables arising against Obligors under financing agreements for the acquisition of vehicles granted to such Obligors by Volkswagen Financial Services (UK) Limited ("**VWFS**" or the "**Seller**") pursuant to the terms and under the conditions of the Receivables Purchase Agreement. The proceeds of the Initial Notes were used to finance the purchase by the Issuer of receivables from VWFS under the terms of the Receivables Purchase Agreement.

Each Note entitles the holder to demand the payment of a particular amount of interest and/or principal only, if and to the extent such amounts have been received by the Issuer as Collections, from the Cash Collateral Account, from the enforcement of the Security with respect to the Receivables and from the Swap Agreements. In case of payment in full by the respective Obligors in accordance with the underlying Financing Contract and/or utilisation of the Cash Collateral Account to the extent any shortfall of Receivables is fully covered thereby, and subject to receipt in full of the amounts payable under the Swap Agreements each holder of a Note is entitled to payment of the principal amount plus interest calculated at a percentage rate per annum being the sum (subject to a floor of zero) of one-month LIBOR plus the applicable Margin, in each case with reference to the principal amount of each Note remaining outstanding immediately prior to the time of each payment and published pursuant to Condition 13 (*Notices*). Payments of principal and interest on each Class of Notes and Series of Notes will be made monthly in arrear on the 25th day of each month in each year or, if such date is not a Business Day, on the next following Business Day unless that day falls in the next calendar month in which case the date will be the first preceding day that is a Business Day.

Application has been made to the Luxembourg financial regulator (*Commission de Surveillance du Secteur Financier*) (the "**CSSF**") in its capacity as competent authority (the "**Competent Authority**") under the Luxembourg law relating to prospectuses for securities dated 10 July 2005 (*loi relative aux Prospectus pour valeurs mobilières*) for the approval of this Base Prospectus. In the context of such approval, the CSSF does not assume any responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in accordance with article 7 (7) of the Luxembourg Law on prospectuses for securities. Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the

official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market upon their issuance. The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EU and amending Directive 2002/92/EC and Directive 2011/61/EU. This Base Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). This document constitutes a prospectus for the purposes of Article 5.4 of the Prospectus Directive and the Luxembourg law on prospectuses for securities of 10 July 2005, as amended implementing the Prospectus Directive in Luxembourg.

Each of the Notes will be in the denomination of GBP 100,000 and will be governed by the laws of Germany and will be represented by a global registered note (the "**Global Note**"), without interest coupon, issued in respect of each Series of Class A Notes and each Series of Class B Notes. The Global Note representing each Series of Class A Notes will be deposited with a Common Safekeeper for Clearstream, Luxembourg and Euroclear under the new safekeeping structure ("**NSS**") and the Global Note representing each Series of Class B Notes will be deposited with a Common Depositary for Clearstream, Luxembourg and Euroclear in the form of a classical global note ("**CGN**"). The Notes represented by the Global Notes will not be exchangeable for definitive Notes. The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This does not mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life and the Class A Notes will not satisfy all of the applicable criteria that are currently in force to be recognised as Eurosystem eligible collateral on issue. Such recognition will depend upon, *inter alia*, satisfaction of the Eurosystem eligibility criteria. See "*OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES - GLOBAL NOTES*."

Ratings will be assigned to the relevant Notes by Fitch Ratings Limited ("**Fitch**"), Moody's Investors Service Limited ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**"). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union "**EU**" and registered under Regulation (EC) No 1060/2009 of the European Parliament (the "**CRA Regulation**"), as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 ("**CRA3**"). Each of Fitch, Moody's and S&P is established in the European Community and according to the press release from European Securities Markets Authority ("**ESMA**") dated 31 October 2011, each of Fitch, Moody's and S&P is registered under the CRA Regulation. Reference is made to the list of registered or certified credit rating agencies published by ESMA on the webpage https://www.esma.europa.eu/supervision/credit-rating-agencies/risk as last updated on 18 March 2019. VWFS considered the appointment of a small CRA when appointing the rating agencies in connection with the updates to this Transaction along with Fitch, Moody's and S&P.

The assignment of ratings to the Notes or an outlook on these ratings is not a recommendation to invest in the Notes and may be revised, suspended or withdrawn at any time. Amounts payable under the Notes are calculated by reference to the London Interbank Offered Rate ("**LIBOR**"), which is provided by ICE Benchmark Administration (the "**Administrator**"). As at the date of this Base Prospectus, the Administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) ("**Benchmark Regulation**") on the webpage: https://www.esma.europa.eu/publication.

Securitisation Regulation and U.S. Risk Retention Rules

Securitisation Regulation

VWFS is the "originator" for the purposes of Article 2(3) of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (the "**Securitisation Regulation**"). All Receivables included in the Portfolio have been originated by VWFS and are sold to the Issuer by VWFS in its capacity as Seller.

The Seller shall, whilst any of the Notes remain outstanding retain for the life of such Notes a material net economic interest of not less than 5 per cent. with respect to the Transaction in accordance with Article 6(3)(c) of the Securitisation Regulation and undertakes that it will not reduce, hedge or otherwise mitigate its credit exposure to the material net economic interest for the purposes of Article 6(1) of the Securitisation Regulation and Article 12 of the Commission Delegated Regulation specifying the risk retention requirements pursuant to the Securitisation Regulation and, pursuant to Article 43(7) of the Securitisation Regulation, until regulatory technical standards are adopted by the Commission pursuant to Article 6(7) of

the Securitisation Regulation, provided that the level of retention may reduce over time in compliance with Article 10 (2) of the Commission Delegated Regulation specifying the risk retention requirements pursuant to Article 6 of the Securitisation Regulation and, pursuant to Article 43(7) of the Securitisation Regulation, until regulatory technical standards are adopted by the Commission pursuant to Article 6(7) of the Securitisation Regulation. As at the Closing Date, such interest will, in accordance with Article 6(3)(c) Securitisation Regulation, and, pursuant to Article 43(7) of the Securitisation Regulation, until regulatory technical standards are adopted by the Commission pursuant to Article 6(7) of the Securitisation Regulation, be comprised of an interest in randomly selected exposures equivalent to no less than 5 per cent. of the nominal amount of the securitised exposures.

After the Closing Date, the Servicer, on behalf of the Issuer, has prepared and will continue to prepare Monthly Investor Reports wherein relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller for the purposes of which the Seller will provide the Issuer with all information reasonably required in accordance with Article 7 of the Securitisation Regulation.

Each Manager and Noteholder, to the extent the Securitisation Regulation is applicable to it, is required to independently assess and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with Article 5 et seq. of the Securitisation Regulation and neither the Issuer nor VWFS makes any representation that the information described above is sufficient in all circumstances for such purposes.

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

U.S. Risk Retention Rules

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

The Seller accepts responsibility for the information set out in this section "*Securitisation Regulation and U.S. Risk Retention Rules*".

MIFID II PRODUCT GOVERNANCE AND PRIIPS REGULATION

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Solely for the purpose of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently

offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

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

(a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits, as to which please see further the section of the Base Prospectus headed "BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED" and "ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT";

(b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the section of the Base Prospectus headed "ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT";

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

(d) policies and procedures in relation to risk mitigation techniques, as to which please see further the sections of the Base Prospectus headed "BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED" and " ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT".

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

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

ARRANGER

Lloyds Bank plc

LEAD MANAGER

Lloyds Bank plc

MANAGERS

Barclays Ireland	**MUFG**	**BNP PARIBAS**
Citibank Europe PLC, UK Branch	**HSBC**	**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK**
DZ BANK AG	**Lloyds Bank plc**	**Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch**
NatWest Markets	**Bank of America N.A., London Branch**	**Scotiabank (Ireland) Designated Activity Company**
Santander Corporate & Investment Banking	**Wells Fargo Bank, National Association (London Branch)**	**Standard Chartered Bank**
Barclays	**DBS Bank Ltd.**	**Mizuho Bank, Ltd.**

Base Prospectus dated 22 May 2019

The Issuer accepts full responsibility for the information contained in this Base Prospectus and any Final Terms notwithstanding that the Seller and Servicer, the Security Trustee, the relevant Swap Counterparty, the Calculation Agent, the Principal Paying Agent, the Interest Determination Agent, the Cash Administrator, the Custodian, the Account Bank or any other party expressly accepts responsibility for its own description or information which it provides in this Base Prospectus (being, in the case of the Security Trustee the information under the section "*SECURITY TRUSTEE*", in the case of each Swap Counterparty the information under its name in the section "*SWAP COUNTERPARTIES*", in the case of the Calculation Agent, Principal Paying Agent, Interest Determination Agent, Cash Administrator and Custodian the information under the section "*CALCULATION AGENT, PRINCIPAL PAYING AGENT, INTEREST DETERMINATION AGENT, CASH ADMINISTRATOR AND CUSTODIAN*" and in the case of the Account Bank under the section "*ACCOUNT BANK*"), provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information sourced from a third party and accepts no responsibility for the accuracy thereof. The Issuer has taken all reasonable care to ensure that the information given in this Base Prospectus and the Final Terms is to the best of its knowledge in accordance with the facts and does not omit anything likely to affect its import. The Issuer has taken all reasonable care to ensure that the information in this Base Prospectus and any Final Terms is true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. Volkswagen Financial Services (UK) Limited as the Seller and Servicer accepts responsibility for any information in this Base Prospectus and, if any, in the Final Terms relating to the Purchased Receivables, the Security, the disclosure of servicing related risk factors, risk factors relating to the Purchased Receivables, the information contained in "*DESCRIPTION OF THE PORTFOLIO", "THE PURCHASED RECEIVABLES POOL", "BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED", "THE SELLER AND SERVICER", "ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT", "BUSINESS AND ORGANISATION OF VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED*" and the paragraphs on pages ii and iii headed "*Securitisation Regulation and U.S. Risk Retention Rules*" (the "**VWFS Information**"). Subject to the foregoing, Volkswagen Financial Services (UK) Limited as Seller and Servicer has taken all reasonable care to ensure that the information given in the VWFS Information is to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import. The Lead Manager accepts full responsibility for the information contained in "*WEIGHTED AVERAGE LIFE OF THE NOTES*", (subject to the qualifications in such section) except that to the extent there is any inaccuracy resulting from information provided by VWFS to the Lead Manager, in which case VWFS is solely responsible for such information.

No person has been authorised to give any information or to make any representations, other than those contained in this Base Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, Volkswagen Financial Services (UK) Limited, the Security Trustee, the Servicer, the Lead Manager, the Managers, the Swap Counterparties or by the Arranger shown on the cover page or any other parties described in this Base Prospectus. The Arranger, the Lead Manager and the Managers do not constitute an underwriting syndicate or otherwise take responsibility for the subscription, sale or other matters in connection with the issue of any Notes under this Base Prospectus except to the extent that any of the Arranger, the Swap Counterparties, the Lead Manager or the Managers takes part in such issue as manager, underwriter, selling agent or in similar capacity. The delivery of this Base Prospectus does not imply any assurance by the Issuer, Volkswagen Financial Services (UK) Limited, the Security Trustee, the Servicer, the Swap Counterparties, the Managers, the Lead Manager or by the Arranger shown on the cover page or any other parties described in this Base Prospectus that this Base Prospectus will continue to be correct at all times during the one-year period of validity except that the Issuer will publish a supplement to this Base Prospectus if and when required pursuant to article 13 of the Luxembourg law relating to prospectuses for securities dated 10 July 2005 (*loi relative aux Prospectus pour valeurs mobilières*). Any such supplement will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended from time to time (the "**Securities Act**"). Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (within the meaning of Regulation S under the Securities Act).

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

The Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except (i) pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act and (ii) without the prior consent of the Seller, in accordance with an exemption from the U.S. Risk Retention Rules.

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

Neither the delivery of this Base Prospectus or any Final Terms, nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Base Prospectus is correct at any time subsequent to the date hereof, or (ii) that there has been no adverse change in the financial situation of the Issuer or with respect to Volkswagen Financial Services (UK) Limited since the date of this Base Prospectus or the balance sheet date of the most recent relevant financial statements or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. This does not affect the obligation of the Issuer to file a supplement in accordance with the Luxembourg law relating to prospectuses for securities dated 10 July 2005 (*loi relative aux Prospectus pour valeurs mobilières*) as amended on 3 July 2012 implementing the Prospectus Directive in Luxembourg.

No action has been taken by the Issuer, the Lead Manager, the Managers and the Arranger other than as set out in this Base Prospectus that would permit a public offering of the Notes, or possession or distribution of this Base Prospectus, any Final Terms or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus (or any part hereof) or any Final Terms, nor any advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer, the Lead Manager, the Managers and the Arranger have represented that all offers and sales by them have been made on such terms. The Notes are not intended for investment by retail investors and this Base Prospectus has not been prepared for distribution to retail investors.

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

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF ANY OF THE ARRANGER, THE MANAGERS, THE LEAD MANAGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE RELEVANT SWAP COUNTERPARTY, THE SECURITY TRUSTEE, THE ACCOUNT BANK, THE CASH ADMINISTRATOR, THE REGISTRAR, THE PRINCIPAL PAYING AGENT, THE INTEREST DETERMINATION AGENT, THE CALCULATION AGENT, THE CORPORATE SERVICES PROVIDER, THE DATA PROTECTION TRUSTEE, OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION DOCUMENTS. IT SHOULD BE NOTED FURTHER THAT THE NOTES WILL ONLY BE CAPABLE OF BEING SATISFIED AND DISCHARGED FROM THE ASSETS OF THE ISSUER. NEITHER THE NOTES NOR THE UNDERLYING PURCHASED RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AUTHORITY OR BY ANY OF THE ARRANGER, THE MANAGERS, THE LEAD MANAGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE RELEVANT SWAP COUNTERPARTY, THE SECURITY TRUSTEE, THE ACCOUNT BANK, THE CASH ADMINISTRATOR, THE REGISTRAR, THE PRINCIPAL PAYING AGENT, THE INTEREST DETERMINATION AGENT, THE CALCULATION AGENT, THE CORPORATE SERVICES PROVIDER, OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION DOCUMENTS OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, NOR HAS THE ISSUER BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT"). THE ISSUER WILL BE RELYING ON AN EXCLUSION OR EXEMPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT CONTAINED IN SECTION 3(C)(1) OF THE INVESTMENT COMPANY ACT, ALTHOUGH THERE MAY BE ADDITIONAL STATUTORY OR REGULATORY EXCLUSIONS OR EXEMPTIONS AVAILABLE TO THE ISSUER. THE ISSUER IS BEING STRUCTURED SO AS NOT TO CONSTITUTE A "COVERED FUND" FOR PURPOSES OF REGULATIONS ADOPTED UNDER SECTION 13 OF THE BANK HOLDING COMPANY ACT OF 1956, AS AMENDED, COMMONLY KNOWN AS THE "VOLCKER RULE."

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

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

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

Neither the Arranger nor the Managers, nor the Swap Counterparties nor the Lead Manager have verified the information contained herein and the Managers and the Lead Manager do not accept any responsibility for information provided by any other Managers or the Lead Manager. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arranger, the Managers, the Swap Counterparties or the Lead Manager as to the accuracy or completeness of the information contained in this Base Prospectus and any Final Terms. In making an investment decision, investors must rely on their own examination of the terms of this Base Prospectus, including the merits and risks involved.

CONTENTS

PRINCIPAL FEATURES OF THE NOTES

Revolving Period	The period from (and including) the Initial Issue Date and ending on (and including) the earlier of (i) the Series Revolving Period Expiration Date of the last outstanding Series of Class A Notes and (ii) the occurrence of an Early Amortisation Event
Ratings on date of Base Prospectus and Expected Ratings on Further Issue Date for all Series of Class A Notes	AAA (sf) by S&P Aaa(sf) by Moody's AAA (sf) by Fitch
Ratings on date of Base Prospectus and Expected Ratings on Further Issue Date for all Series of Class B Notes	A+(sf) by S&P At least A1(sf) by Moody's At least A+(sf) by Fitch
Form	All Series of Class A Notes are represented by global registered notes held under the NSS. All Series of Class B Notes are represented by global registered notes held by a Common Depositary for Euroclear and Clearstream Luxembourg.
Listing and Admission to Trading	Application has been made for listing on the official list of the Luxembourg Stock Exchange and for admission to trading of the Notes at the regulated market of the Luxembourg Stock Exchange
Clearing	Clearstream, Luxembourg/ Euroclear

KEY MINIMUM REQUIRED RATING DURING THE TERM OF THE TRANSACTION

	Short-term ratings	**Long-term ratings**
Account Bank Required Rating	"F1" from Fitch **or**	"A" from Fitch ***and***
	"A-1" from S&P ***and***	"A" from S&P ***or***
		"A+" from S&P ***and***
	"P-1" from Moody's ***and***	"A2" from Moody's ***or***
	"P-1" from Moody's, if no long-term rating is maintained from Moody's	"A2" from Moody's, if no short-term rating is maintained from Moody's.
Eligible Swap Counterparty	"F1" from Fitch or "F3" from Fitch 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 **or**	"A" from Fitch or "BBB-" from Fitch 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 ***and***
		Having a long-term counterparty risk assessment of, or if it does not have such counterparty risk assessment, a long-term, unsecured and unsubordinated debt or counterparty obligations rating of "A3" or above from Moody's ***or***
		Having a long-term counterparty risk assessment of, or if it does not have such counterparty risk assessment, a long-term, unsecured and unsubordinated debt or counterparty obligations rating of "Baa3" or above from 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 of "A3" ***and***
	(i) Having 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	(i) Having 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

	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;	the S&P Collateral Framework Option then in effect;
Monthly Remittance Condition shall be no longer satisfied if any of the following events occur*:*	Volkswagen AG no longer has a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch; **or**	Volkswagen AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch; **or** The profit and loss sharing agreement (*Gewinnabführungsvertrag*) between Volkswagen AG and Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) ceases to be in effect; ***or*** Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group) holds less than 100 per cent. of the shares of VWFS ***or***
	Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group) no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P	Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group) no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, ***or***
		where Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group) is not the subject of an S&P short-term rating, it has a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P, ***or*** 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*** Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group) holds less than 100 per cent. of the shares of VWFS ***or***
		Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as

	parent of the Servicer) no longer has a long-term rating for unsecured and unguaranteed debt of at least "Baa1" by Moody's

RISK FACTORS

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

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

The Issuer believes that the risks described in this section are the material risks inherent in investing in Notes but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons. Accordingly, prospective investors should consider the detailed information set out elsewhere in this Base Prospectus. Although the Issuer believes that the various structural elements described in this document mitigate some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Issuer's financial strength.

RISKS RELATING TO THE ASSETS, THE ISSUER AND THE TRANSACTION DOCUMENTS

Historical and Other Information

The historical information set out in particular in "DESCRIPTION OF THE PORTFOLIO" is based on the historical experience and present procedures of the Seller. None of the Issuer, the relevant Swap Counterparty, the Arranger, the Managers, the Lead Manager, the Security Trustee, the Principal Paying Agent, or the Corporate Services Provider has undertaken or will undertake any investigation or review of, or search to verify the historical information. There can be no assurances as to the future performance of the Purchased Receivables.

Risks relating to the Issuer

The Issuer is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, has its registered office in Luxembourg and is managed by its directors professionally residing in Luxembourg. Accordingly, insolvency proceedings with respect to the Issuer would likely proceed under, and be governed by, the insolvency laws of Luxembourg.

Under Luxembourg law, a company is bankrupt ("*en faillite*") when it is unable to meet its current liabilities and when its creditworthiness is impaired.

In particular, under Luxembourg bankruptcy law, certain acts deemed to be abnormal and carried out by the bankrupt party during the so-called "suspect period" may be unenforceable against the bankruptcy estate of such party. Whilst the unenforceability is compulsory in certain cases, it is optional in other cases. The "suspect period" is the shorter of: (i) the period between the date of cessation of payments (*cessation de paiements*), as determined by the bankruptcy court, and the date of the court order declaring the bankruptcy and (ii) the six months period prior to the date of the court order declaring the bankruptcy.

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

According to Article 61(4) second paragraph of the Luxembourg Securitisation Law and without prejudice to the provisions of the law of 5 August 2005 on financial collateral arrangements, the validity and perfection of each of the security interests mentioned under item (c) in the above paragraph cannot be challenged by a bankruptcy receiver with respect to Article 445 of the Luxembourg Code of Commerce and such security interests are hence enforceable even if they were granted by the company during the suspect period. However, Article 61(4) second paragraph of the Luxembourg Securitisation Law is only applicable if (i) the articles of incorporation of the company granting the security interests are governed by the Luxembourg Securitisation Law and (ii) the company granted the respective security interest no later than the issue date of the securities or at the conclusion of the agreements secured by such security interest.

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

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

The Issuer can be declared bankrupt upon petition by a creditor of the Issuer or at the initiative of the court or at the request of the Issuer in accordance with the relevant provisions of Luxembourg insolvency law. The conditions for opening bankruptcy proceedings are the stoppage of payments (*cessation des paiements*) and the loss of commercial creditworthiness (*ébranlement du credit commercial*). The failure of controlled management proceedings may also constitute grounds for opening bankruptcy proceedings. If the above mentioned conditions are satisfied, the Luxembourg court will appoint a bankruptcy trustee ("*curateur*") who shall be the sole legal representative of the Issuer and obliged to take such action as he deems to be in the best interests of the Issuer and of all creditors of the Issuer. Certain preferred creditors of the Issuer (including the Luxembourg tax authorities) may have a privilege that ranks senior to the rights of the Noteholders in such circumstances. Other insolvency proceedings under Luxembourg law include controlled management and moratorium of payments ("*gestion contrôlée et sursis de paiement*") of the Issuer, composition proceedings ("*concordat*") and judicial liquidation proceedings ("*liquidation judicaire*").

Compartments

The Notes will be contractual obligations of the Issuer solely in respect of its Compartment 2. No third party guarantees the fulfilment of the obligations of the Issuer acting for and on behalf of its Compartment 2 under the Notes. Consequently, the Noteholders have no rights of recourse against such third parties. In connection with the above it has also to be noted that, pursuant to Article 62 of the Luxembourg Securitisation Law, where individual compartment assets are insufficient for the purpose of meeting the Issuer's obligations under a respective issuance, it is not possible for the Noteholders in that Compartment's issuance to obtain the satisfaction of the debt owed to them by the Issuer from assets belonging to another compartment. Consequently, the Noteholders may have the risk of not being able to receive any income in respect of their investment or, at worst, of being unable to recover their initial investment.

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

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

Risk of Late Payment of Monthly Instalments

In the event of late payment made in relation to Purchased Receivables becoming due in the respective Monthly Period, the risk of late payment is in part mitigated for the Noteholders by payments from the General Cash Collateral Amount to the extent that funds are available therein.

Right to Vehicles and reliance on residual value

Under Financing Contracts which are PCP Agreements, at the end of the term of the PCP Agreement, an Obligor may either settle the contract by paying the balloon payment (and thereby purchase the Vehicle) or, subject to the Vehicle being in a condition acceptable to VWFS and within the agreed mileage, return the Vehicle to VWFS in full and final settlement of the PCP Agreement. Where the Obligor chooses not to return the Vehicle, title in the Vehicle passes to the Obligor when the Obligor pays the additional "option to

purchase" fee to VWFS (which does not form part of the Receivables). Where the Obligor chooses to return the vehicle, VWFS then acts as the Obligor's agent in selling the Vehicle and the sale proceeds of the Vehicle are applied to settle the Final Rental Amount. The Issuer will be exposed to the risk that due to economic, market and social factors in the used vehicle market, including industry specific effects such as the potential impact of an increasingly negative sentiment around diesel vehicles, the residual value of the Vehicle may be less than anticipated at the outset of the Financing Contract and thus less than the Final Rental Amount. See also "RISK FACTOR – Regulatory Framework – Voluntary Terminations". 'Prior to the occurrence of an Insolvency Event in respect of VWFS, this risk is also mitigated in respect of Redelivery Purchased Receivables, by the Redelivery Repurchase

Weighted average life of Class A Notes and Class B Notes

The weighted average life of the Class A Notes and the Class B Notes is volatile. In the event that the Purchased Receivables are prematurely terminated, in arrear, or otherwise settled early, the principal repayment of the Class A Notes and the Class B Notes may be earlier or later than expected and, therefore, the yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Purchased Receivables. The rate of prepayment of the Purchased Receivables cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the auto finance market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Purchased Receivables will experience. Based on assumed rates of prepayment the approximate average lives and principal payment windows of each Class of Notes are set out in the section entitled "*WEIGHTED AVERAGE LIFE OF THE NOTES*".

However, the actual characteristics and performance of the Purchased Receivables will differ from such assumptions and any difference will affect the percentages of the initial amount outstanding of the Notes which are outstanding over time and the weighted average lives of the Notes. See the sections "*WEIGHTED AVERAGE LIFE OF THE NOTES*" and "*THE PURCHASED RECEIVABLES POOL*".

Market Value of Purchased Receivables

There is no assurance that the market value of the Purchased Receivables will at any time be equal or greater than the Series Nominal Amount outstanding for any Class of Notes and Series of Notes.

Credit Risk of the Parties

The ability of the Issuer to make any principal and interest payments in respect of the Notes depends to a large extent upon the ability of the parties to the Transaction Documents to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Servicer to service the Purchased Receivables and on the maintenance of the level of interest rate protection offered by the Swap Agreements. No assurance can be given as to the credit worthiness of these parties or that it will not decline in the future.

Risk of Non-Existence of Receivables

If any of the Receivables have not come into existence at the time of their transfer to the Issuer under the relevant Receivables Purchase Agreement or belong to another Person other than the Seller, such transfer would not result in the Issuer acquiring title to such Receivable. The Issuer would not receive adequate value in return for its purchase price payment. This risk, however, will be mitigated by contractual representations and warranties and the contractual obligation that (i) if such Receivable had not come into existence, VWFS shall pay to the Issuer an amount equal to the amount paid by the Issuer for such non-existent Receivable on the relevant Purchase Date or (ii) if such Receivable belongs to another person, VWFS shall pay to the Issuer an amount equal to the Settlement Amount for such non-existing Receivable on the Repurchase Date. Such Settlement Amount will be equal to the present value of the Purchased Receivable on the last calendar day of the month prior to the repurchase date in which the buying back shall become effective using, as applicable, the Discount Rate.

Reliance on Warranties

With respect to the VWFS Receivables, if such Purchased Receivables should partially or totally fail to conform with the warranties given by VWFS in the Receivables Purchase Agreement (i) as at 20 November

2013 in relation to the Initial VWFS Receivables (with such warranties in the form of clause 8.1 (*Warranties and Representations)* of the Receivables Purchase Agreement (before it was amended and restated on 25 November 2014)), (ii) as at each Additional Purchase Date prior to the Additional Cut-Off Date falling in October 2014 in relation to the relevant Additional Receivables acquired on such Additional Purchase Dates (with such warranties in the form of clause 8.1 (*Warranties and Representations*) of the Receivables Purchase Agreement (before it was amended and restated on 25 November 2014)), (iii) on 25 November 2014 but as if made as at the Additional Cut-Off Date in October 2014 in relation to the relevant Additional Receivables purchased on 25 November 2014 (with such warranties in the form of clause 8.1 (*Warranties and Representations*) of the Receivables Purchase Agreement (after it was amended and restated on 25 November 2014) or (iv) as at each relevant Additional Cut-Off Date in relation to the relevant Additional Receivables acquired on Additional Purchase Dates after 25 November 2014 (with such warranties in the form of clause 8.1 (*Warranties and Representations*) of the Receivables Purchase Agreement in the then applicable version current as at such Additional Purchase Date), and such failure materially and adversely affects the interests of the Issuer or the Noteholders, VWFS shall have until the end of the Monthly Period which includes the sixtieth (60^{th}) day (or, if VWFS so elects, an earlier date) after the date that VWFS became aware or was notified of such breach to cure or correct such breach (the "**Cure Period**"). The Issuer's sole remedy will be to require VWFS to take one of the following remedial actions:

(a) remedy the matter giving rise to such breach if such matter is capable of remedy provided that, if a remedy within the relevant Cure Period (as defined above) is not practicable, VWFS may remedy such breach by the last day of the following calendar month; or

(b) repurchase the relevant Purchased Receivable at a price equal to, or, in case of a breach of clause 8.1(h) (*Warranties and Representations*) of the Receivables Purchase Agreement, pay to the Issuer, the Settlement Amount of such Purchased Receivable as at the end of the calendar month immediately preceding such repurchase provided that, if it is not practicable to repurchase such Purchased Receivable within the relevant Cure Period (as defined above), VWFS may repurchase such Purchased Receivable on the immediately following Payment Date.

The Servicer shall immediately notify the Issuer and the Security Trustee if the Servicer becomes aware of any breach of the Seller's representations and warranties or of any breach of any undertaking given by the Seller in any relevant Transaction Documents, including, but not limited to, clauses 8.1 and 8.2 (*Warranties and Representations*) of the Receivables Purchase Agreement.

Additionally, each of the Issuer and Security Trustee agree to notify VWFS promptly upon becoming aware of any breach of representation or warranty set out in clause 8.1 (*Warranties and Representations*) of the Receivables Purchase Agreement of a Purchased Receivable. This will not constitute an obligation of the Issuer and/or the Security Trustee to investigate whether any such breach has occurred.

If the Seller breaches any warranty given in respect of itself in the Receivables Purchase Agreement as at each Additional Purchase Date and the breach materially and adversely affects the interests of the Issuer and Noteholders, the Issuer may require VWFS to remedy the matter giving rise to such breach if such matter is capable of remedy provided that, if a remedy within the relevant Cure Period (as defined above) is not practicable, the Seller may remedy such breach by the last day of the following calendar month. The Seller also agrees, subject to certain exclusions and limitations, to indemnify the Issuer and the Security Trustee for any breach of its obligations under the Receivables Purchase Agreement and the other Transaction Documents to which it is a party, its failure to comply with any applicable law, rule or regulation imposed upon it by the laws of England and Wales or Scotland or the non-conformity of any Financing Contract with such law, rule or regulation or any product liability claim for damages for personal injury or damage to property or other similar or related claim, liability or action proceedings in respect of which are commenced in the courts of England and Wales or Scotland, arising in connection with any Receivable or Vehicle related thereto or Financing Contract.

Financing Contracts

The Issuer does not have any rights in, over or to the vehicles that are financed by the Financing Contracts - it only has rights in connection with the sale proceeds of those vehicles. Accordingly, in the event of any insolvency of VWFS, the Issuer is reliant on any administrator or liquidator of VWFS taking appropriate steps to sell such vehicles. Because the sale proceeds have been transferred to the Issuer, this will be of no value to VWFS' creditors as a whole and therefore an administrator or liquidator will not have any financial

incentive to take such steps. This risk is mitigated by the inclusion of a provision in the Servicing Agreement providing that the Issuer (or the Servicer on behalf of the Issuer) will pay, in accordance with the Order of Priority, any administrator or liquidator's costs and expenses in selling such vehicles and an Administrator Recovery Incentive fee; however there can be no certainty that any administrator or liquidator would take such actions and no contractual obligations on VWFS to do so that would be enforceable against VWFS or an administrator or liquidator thereof after the commencement of the administration or liquidation of VWFS.

Furthermore, following an Insolvency Event which occurs in respect of VWFS it will no longer be required to repurchase Redelivery Purchased Receivables pursuant to the Redelivery Repurchase Agreement. The realisation proceeds relating to Vehicles which are the subject of Redelivery Financing Contracts may be lower than the Redelivery Repurchase Price paid by VWFS under the Redelivery Repurchase Agreement.

Value of the financed vehicles

On September 18, 2015, the U.S. Environmental Protection Agency ("**EPA**") publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide ("**NOx**") emissions had been discovered in emissions tests on certain vehicles of Volkswagen Group with type 2.0 l diesel engines in the United States. In this context, Volkswagen AG announced that noticeable discrepancies between the figures achieved in testing and in actual road use had been identified in around eleven million vehicles worldwide with type EA 189 diesel engines (2.0 liter and 3.0 liter four-cylinder engines). The vast majority of these engines were type EA 189 Euro 5 engines.

On November 2, 2015, the EPA issued a "Notice of Violation" alleging that irregularities had also been discovered in the software installed in U.S. vehicles with Generation 1 and Generation 2 six-cylinder (V6) 3.0 l diesel engines.

Numerous court and governmental proceedings were subsequently initiated in the United States, Canada (which has the same NOx emissions limits as the U.S.), Germany and the rest of the world. Volkswagen was able to end many significant court and governmental proceedings in the United States by concluding settlement agreements. Outside the United States, Volkswagen also reached agreements with regard to the implementation of technical measures with numerous authorities. Alongside the U.S. and Canadian proceedings there are ongoing criminal, administrative, investor and consumer and/or product-related proceedings in relation to the diesel issue in Germany and other countries, including class actions in some jurisdictions.

In the United States, Volkswagen AG, AUDI AG, Volkswagen Group of America, Inc. and certain affiliates reached settlement agreements with (i) the U.S. Department of Justice ("**DoJ**") on behalf of the EPA and the State of California on behalf of the California Air Resources Board ("**CARB**") and the California Attorney General, (ii) the U.S. Federal Trade Commission, and (iii) private plaintiffs represented by a Plaintiffs' Steering Committee in a multi-district litigation in California. The settlement agreements resolved certain civil claims made in relation to affected diesel vehicles in the United States. Depending on the type of diesel engine, under the settlement agreements Volkswagen provides for, inter alia, free emissions modification of vehicles, buy-backs/trade-ins or early lease terminations. Volkswagen will also make cash payments to affected current owners or lessees as well as certain former owners or lessees. Several thousand consumers have opted out of the settlement agreements, and many of these consumers have filed civil lawsuits seeking monetary damages for fraud and violations of state consumer protection acts. Moreover, Volkswagen AG also entered into agreements to resolve U.S. federal criminal liability relating to the diesel issue. As part of its plea agreement, Volkswagen AG has pleaded guilty to three felony counts under United States law – including conspiracy to commit fraud, obstruction of justice and using false statements to import cars into the United States – and has been sentenced to three years' probation. In the event of non-compliance with the terms of the plea agreement, Volkswagen could face further penalties and prosecution. Investigations by various U.S. regulatory and other government authorities, including in areas relating to securities, tax and financing, are ongoing.

In addition, criminal investigations/misdemeanour proceedings have been opened in Germany (for example, by the public prosecutor's offices in Braunschweig and Munich) and other countries. Some of these proceedings have been terminated, with the authorities issuing administrative notices imposing fines on Volkswagen Group companies.

A number of authorities have also initiated investigations against several current and former Volkswagen AG Board of Management members and employees regarding their possible involvement in the diesel issue, including potential market manipulation. In May 2018, U.S. federal prosecutors unsealed charges in Detroit against, among others, former Volkswagen CEO Martin Winterkorn, which had been filed under seal in March 2018. Mr. Winterkorn is charged with a conspiracy to defraud the United States, to commit wire

fraud, and to violate the Clean Air Act from at least May 2006 through at least November 2015, as well as three counts of wire fraud. In April 2019, the Braunschweig public prosecutors brought criminal charges against Mr. Winterkorn in relation to alleged crimes tied to the diesel issue. Should these investigations result in adverse findings against the individuals involved, this could have a negative impact on the outcome of other proceedings against Volkswagen or could have other material adverse financial consequences.

The diesel-related investigations resulted and may further result in additional assessments of monetary penalties and other adverse consequences. The timing of the release of new information on the investigations and the maximum amount of penalties that may be imposed cannot be reliably determined at present. New information on these topics may arise at any time, including after the offer, sale and delivery of the Notes. In addition to ongoing extensive investigations by governmental authorities in various jurisdictions worldwide (the most significant being in Europe, the United States and South Korea), further investigations could be launched in the future and existing investigations could be expanded. Ongoing and future investigations may result in further legal actions being taken against Volkswagen Group.

In the context of the diesel issue, various and significant regulatory, criminal and civil proceedings are currently pending against Volkswagen AG and other Volkswagen Group companies in several jurisdictions worldwide. These proceedings include product and investor-related lawsuits and comprise individual and collective actions. Further claims can be expected. Should these actions be resolved in favour of the claimants, they could result in significant civil damages, fines, the imposition of penalties, sanctions, injunctions and other consequences.

Volkswagen is working intensively to eliminate the emissions level deviations through technical improvements and is cooperating with the relevant agencies. A final decision has not been made regarding all necessary technical remedies for the affected vehicles. If the technical solutions implemented by Volkswagen in order to rectify the diesel issue are not implemented in a timely or effective manner or have an undisclosed negative effect on the performance, fuel consumption or resale value of the affected vehicles, regulatory proceedings and/or customer claims for damages could be brought in the future.

Since 2016, AUDI AG has been checking all diesel concepts for possible discrepancies and retrofit potentials. This has been done in close cooperation with the authorities, especially the German Federal Ministry of Transport and the German Federal Motor Transport Authority (*Kraftfahrt-Bundesamt*, the "**KBA**"). The measures proposed by AUDI AG have been adopted and mandated in various recall notices issued by the KBA for vehicle models with V6 and V8 TDI engines. On July 21, 2017, AUDI AG offered a software-based retrofit program for up to 850,000 vehicles with V6 and V8 TDI engines meeting the Euro 5 and Euro 6 emission standards in Europe and other markets except the United States and Canada. Currently, AUDI AG assumes that the total cost, including the amount based on recalls, of the ongoing largely software based retrofit program that began in July 2017 will be manageable and has recognized corresponding balance-sheet risk provisions. The measures submitted by AUDI AG are being examined by the KBA and can only be made available to customers after corresponding approval by the KBA.

In addition, AUDI is responding to requests from the U.S. authorities for information regarding automatic gearboxes in certain vehicles. Further field measures with financial consequences can therefore not be ruled out completely at this time.

See also section "RISK FACTOR - Financing Contracts regulated by the Consumer Credit Act 1974 (as amended)" and section "RISK FACTOR – Liability for misrepresentations and breach of contract" in relation to these developments.

Litigation in connection with the NOx issue in the UK

Volkswagen Financial Services (UK) Limited ("**VWFS**") and other Volkswagen Group entities face legal proceedings from a number of firms of solicitors based in the UK acting on behalf of affected owners or lessees of which a sub-population of them entered into a financial agreement with VWFS in respect of their vehicles and are pursuing claims against VWFS. On 28 October 2016 one of the claimant law firms representing a number of claimants applied to the High Court for a Group Litigation Order (a "**GLO**") to enable the court to manage any claims relating to the NOx issue.

The President of the Queen's Bench Division has given their consent to the GLO and the GLO has been formally made. At present, there are approximately 113,000 claimants in the group action. There will be greater clarity over the number of claimants in the English litigation, and how many of these claimants intend to bring claims against VWFS, following service of the Group Register on 18 April 2019. A case management conference ("**CMC**") was heard on 5 and 6 March 2019, at which the court directed that

certain matters in the litigation be determined by way of a trial of preliminary issues, to proceed while the main action progresses. A further CMC to determine the progression of that trial of preliminary issues is due to be heard on 31 May 2019 at which it is expected further directions will be given by the court on the conduct of that aspect of the litigation. A further CMC will be scheduled for directions in respect of the main action after the trial of preliminary issues has taken place. It is expected that a trial of the main action will likely take place in 2021.

As against VWFS, each of the claimants that entered into a financial contract with VWFS alleges that they have a claim under the Consumer Credit Act 1974 ("**CCA**") on the basis that the vehicles under the financial contract were not of satisfactory quality and/or an 'unfair relationship' under the terms of the CCA existed between VWFS as a result of actions and/or omissions alleged against other Volkswagen Group entities. The claimants seek compensatory and exemplary damages for these alleged breaches of the CCA and other relief for the losses they are alleged to have suffered.

VWFS disputes the allegations being made and intends to vigorously defend this litigation and believes that there are good defences to the Claims as it understands them.

The Issuer has been advised by VWAG that, based on both VWAG's data and leading market data and opinion, the residual values of the EA 189 engine vehicles affected by the NOx emissions issue have not been adversely affected as a result of the issue. However, there is evidence of a general degradation in residual values in the UK used car market as a result of the existing economic cycle. This is likely to impact the residual values of VWFS's portfolio in the short term and beyond. VWFS is continually monitoring the residual values of its portfolio through robust, well-established and business as usual monitoring processes, with the appropriate level of provisioning being maintained.

See the section "*RISK FACTORS – Other Risks Resulting from Consumer Legislation – (b) Unfair Commercial Practices Directive*", and "*RISK FACTORS – Unfair Relationship" and "RISK FACTORS – Liability for misrepresentations and breach of contract*".

Equitable Assignment

Assignment by VWFS to the Issuer of the benefit of the Receivables derived from Financing Contracts governed by the laws of England and Wales will take effect in equity only because no notice of the assignment will be given to Obligors.

The giving of notice to the Obligor of the assignment (whether directly or indirectly) to the Issuer would have the following consequences:

(a) notice to the Obligor would "perfect" the assignment so that the Issuer would take priority over any interest of a later encumbrance or assignee of VWFS' rights who has no notice of the assignment to the Issuer;

(b) notice to an Obligor would mean that the Obligor should no longer make payment to VWFS as creditor under the Financing Contract but should make payment instead to the Issuer. If the Obligor were to ignore a notice of assignment and pay VWFS for its own account, the Obligor might still be liable to the Issuer for the amount of such payment. However, for so long VWFS remains the Servicer under the Servicing Agreement, VWFS also is the agent of the Issuer for the purposes of the collection of the Receivables and will, accordingly, be accountable to the Issuer for any amount paid to VWFS in respect of the Receivables;

(c) notice to the Obligor would prevent VWFS and the Obligor amending the relevant Financing Contract without the involvement of the Issuer. However, VWFS will undertake for the benefit of the Issuer that VWFS will not waive any breach under, or amend the terms of, any of the Financing Contracts, other than in accordance with VWFS' Customary Operating Practices; and

(d) lack of notice to the Obligor means that the Issuer will have to join VWFS as a party to any legal action which the Issuer may want to take against any Obligor. VWFS as Seller will, however, undertake for the benefit of the Issuer that VWFS will lend its name to, and take such other steps as may be required by the Issuer or the Security Trustee in relation to any action in respect of the Purchased Receivables and VWFS grants the Issuer a power of attorney in this regard.

Until notice is given to the Obligor, equitable set-off rights (such as for misrepresentation or breach of contract as referred to in "*Liability For Misrepresentations And Breach Of Contract*" below) may accrue in favour of an Obligor in respect of his obligation to make payments under the relevant Financing Contract. Exercise of such rights by the Obligor may, therefore, result in the Issuer receiving less money than anticipated from the Receivables, which may in turn lead to reduced amounts being available to pay the Noteholders. The assignment of any Receivables to the Issuer will be subject both to any prior equities which have arisen in favour of the Obligor and to any equities which may arise in the Obligor's favour after the assignment until such time (if ever) as he receives actual notice of the assignment.

Notification Events have been put in place in the transaction to mitigate the risk deriving from the equitable assignment but there can be no certainty as to the timing and effectiveness of such Notification Events.

Employees

Some Obligors may be employees of VWFS. Consequently, they may have a right of set-off against amounts due under the Purchased Receivables against unpaid wages or other cash benefits. Any such set-off may adversely affect the Issuer's ability to make payments in full when due on the notes.

Financing Contracts regulated by the Consumer Credit Act 1974 (as amended)

Changes to the UK regulatory structure

The Financial Conduct Authority (the "**FCA**") is responsible for the consumer credit regime in the UK. The FCA regulates firms in the sector both prudentially and through extensive conduct of business requirements ensuring that business across the sector is conducted in a way which advances the interests of all users and participants.

The FCA has been the regulator since April 2014 and it is still evolving its practices in connection with the consumer credit regime. In light of this it is possible that it will take further action to impose stricter rules on current practices of regulated firms. It is possible that through the actions it takes as regulator it will have an effect on the Financing Contracts, the Seller, and the Issuer and their respective businesses and operations, which may, in turn, affect the Issuer's ability to make payments in full on the Notes when due.

Regulatory framework

The regulatory framework for consumer credit in the UK consists of the Financial Services and Markets Act 2000 ("**FSMA**") and its secondary legislation, including the Financial Services and Markets Act (Regulated Activities) Order 2001 (the "**RAO**"), retained provisions in the Consumer Credit Act 1974, as amended by the Consumer Credit Act 2006, and its retained associated secondary legislation (the "**CCA**"), and rules and guidance in the FCA Handbook, including the Consumer Credit sourcebook ("CONC"). Article 60B of the RAO defines a regulated credit agreement as an agreement between an individual ("**A**") and any other person ("**B**") under which B provides A with credit of any amount and which is not an exempt agreement under articles 60C to 60HA of the RAO. Article 60C of the RAO contains an exemption for consumer credit contracts exceeding the value of £25,000, which are entered into wholly or predominantly for the debtor's business purposes.

The application of the CCA to the Financing Contracts which are regulated by the CCA (the "**Regulated Financing Contracts**") will have several consequences including the following:

(a) Voluntary Terminations

At any time before the last payment falls due in respect of the relevant Regulated Financing Contract, the Obligor may, pursuant to sections 99 and 100 of the CCA, terminate the relevant Regulated Financing Contract. Obligors do not have to state a reason for exercising their rights under this section. Generally Obligors may take advantage of the right of voluntary termination when they are in financial difficulty, or when the residual value of the Vehicle on part-exchange is less than the amount that would be payable on early settlement. In order to terminate the Regulated Financing Contract, the Obligor is required to notify VWFS. On and upon notification the Obligor must return the vehicle, at its own expense, to an address as reasonably required by VWFS, together with everything supplied with the vehicle.

In such a case VWFS is entitled to:

(i) all arrears of payments due and damages incurred for any other breach of the Regulated Financing Contract by the Obligor prior to such termination;

(ii) the amount (if any) by which one half of the total amount which would have been payable under the Regulated Financing Contract if it had run its course exceeds the aggregate of sums already paid by the Obligor and amounts due from the Obligor under the Regulated Financing Contract immediately before exercise by the Obligor of its statutory right of termination;

(iii) possession of the relevant vehicle subject to the Regulated Financing Contract being terminated; and

(iv) any other sums due but unpaid by the Obligor under the Regulated Financing Contract.

Following the Voluntary Termination of a Financing Contract, VWFS will take possession of the relevant vehicle and will sell such Vehicle in accordance with its Customary Operating Practices. VWFS will apply (a) any amounts received per paragraphs (i) and (ii) above and (b) any proceeds from the sale of the vehicle to reduce the receivables balance of the Financing Contract that remains outstanding following the Voluntary Termination. Following such application, any remaining amounts of receivables balance on the Financing Contract that has been the subject of the Voluntary Termination will be written-off and reduced to zero.

Following the end of the Revolving Period, if an Obligor exercises its rights to terminate a Financing Contract pursuant to sections 99 and 100 of the CCA, it is possible that the Notes may be redeemed earlier than anticipated.

Furthermore if an Obligor terminates a Financing Contract pursuant to sections 99 and 100 of the CCA, it is possible that the Issuer will not receive the full amount of the principal amount outstanding on the relevant Purchased Receivable and an amount of principal will accordingly be written-off. This in turn could trigger losses in respect of the Notes.

See also "*RISK FACTOR – REGULATORY FRAMEWORK – RIGHT TO VEHICLES*" and reliance on residual value" which will apply equally to any Vehicles to be disposed of following the exercise by an Obligor of its right to voluntarily terminate any Financing Contract.

(b) Early Settlement of Regulated Financing Contracts

The Obligor has a statutory right to discharge his payment liability, and obtain title to the Vehicle, under the Regulated Financing Contract in advance of its scheduled final repayment date by paying VWFS all unpaid scheduled payments through to the scheduled final repayment date together with all other amounts due and payable under the relevant Regulated Financing Contract less a rebate calculated pursuant to the provisions of the Consumer Credit (Early Settlement) Regulations 2004 (the "**Early Settlement Regulations**") (see sub-paragraph (d) below).

In addition, from 1 February 2011 the Obligors under a Regulated Financing Contract entered into after 11 June 2010 have a right to make partial early repayments of the Regulated Financing Contract. One or more partial early repayment(s) may be made at any time during the life of the relevant Regulated Financing Contract, subject to the Obligor taking certain steps as outlined in Section 94 of the CCA. The provisions on partial early settlement are largely the same as those for full early settlement and the framework operates in much the same way.

(c) Termination of Regulated Financing Contracts

VWFS has the right to terminate the Regulated Financing Contract in the event of an unremedied material breach of agreement by the Obligor. In such case VWFS is entitled to repossess the vehicle (however, where the Obligor has paid at least one-third of the total amount payable, the vehicle becomes "protected" under the CCA with the consequences described in "Protected Goods" below) and recover either:

(i)

(1) all arrears of payments due and damages incurred for any breach of the Regulated Financing Contract by the Obligor prior to such termination;

(2) all VWFS' expenses of recovering or trying to recover the Vehicle, storing it and tracing the Obligor and any shortfall relating to the sale or other disposal of vehicle (including all expenses of sale); and

(3) any other sums due but unpaid by the Obligor under the Regulated Financing Contract less a rebate calculated pursuant to the provisions of the Early Settlement Regulations (see below).

(ii) or such lesser amount as a court considers will compensate VWFS for its loss.

Court decisions have conflicted on whether the amount payable by the obligors on termination by the lender (for example, for repudiatory breach by the Obligor) is restricted to the amount calculated by the one-half formula for termination by the Obligor. The Financing Contracts provide that the amount payable by the Obligor on termination by VWFS is the outstanding balance of the total amount payable under the Financing Contract less any statutory rebate for early settlement and less any proceeds of sale or estimated value of the vehicle so the Financing Contracts reflect those court decisions favourable to VWFS on this point.

(d) Rebate on Early Settlement or on Termination of a Regulated Financing Contract by VWFS

In the case of Regulated Financing Contracts, a rebate of credit charges may be due on early settlement. The amount of the rebate is calculated in accordance with the Early Settlement Regulations. The rebate is available only in the circumstances specified in the Early Settlement Regulations. No such rebate is required where the Obligor exercises his right to terminate a Regulated Financing Contract as described in (a) above, as the Obligor may terminate the relevant Regulated Financing Contract, without discharging in full the total amount payable under the Regulated Financing Contract.

(e) Time Orders

If, with regards to a Regulated Financing Contract, certain default or enforcement proceedings are taken or notice of early termination is served on an Obligor, the Obligor can apply to the court for a time order to change the timing of payments under his Regulated Financing Contract or to repay the outstanding sum by lower instalments than provided for in his Regulated Financing Contract. Under the provisions of the CCA the court has a wide discretion to make an order incorporating such amendments to the relevant Regulated Financing Contract as it considers fit, in order to achieve the objectives of the time order.

(f) Bona fide purchaser

A disposition of the vehicle by the Obligor to a bona fide private purchaser without notice of the Financing Contract will transfer to the purchaser VWFS' title to the vehicle.

(g) Interpretation of technical rules

VWFS has interpreted certain technical rules under the CCA in a way common with many other lenders in the vehicle finance market. If such interpretation were held to be incorrect by a court or other dispute resolution authority, then the Financing Contract would be unenforceable without a court order. If such interpretation were challenged by a significant number of Obligors, then this could lead to significant disruption and shortfall in the income of the Issuer. Court decisions have been made on technical rules under the CCA against certain lenders, but such decisions are very few and are generally county court decisions which are not binding on other courts. Where agreements are unenforceable without a court order due to minor documentary defects, lenders have historically pursued such debts as though they are simply enforceable, until such time as those defects were raised by the borrower and/or the court in any claim. To mitigate the risks

associated with this approach, lenders currently rely on the decision in McGuffick v Royal Bank of Scotland [2010] 1 All ER 634, in which the High Court ruled that, in relation to agreements which were unenforceable by reason of failures to provide copies under sections 77 and 78 of the CCA, steps which fell short of obtaining a court judgment against the borrower were not “enforcement” within the meaning of the CCA.

(h) Enforcement of improperly executed or modified Regulated Financing Contracts

If a Regulated Financing Contract has been "improperly executed" (as such term is used in the CCA) or improperly modified in accordance with the provisions of the CCA, it may be unenforceable unless a court order has been obtained. A Regulated Financing Contract may be completely unenforceable in circumstances where (i) there is no Regulated Financing Contract signed by the Obligor; and/or (ii) the form and content of certain prescribed pre-contract information and the agreement do not conform to the relevant detailed provisions of the CCA.

(i) "Unfair relationship"

The court has power under section 140A of the CCA to determine that the relationship between a lender and a customer arising out of the credit agreement (whether alone or with any related agreement) is unfair to the consumer. In applying the new unfair relationship test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the lender's conduct before and after making the agreement. There is no statutory definition of "unfair" as the intention is for the test to be flexible and subject to judicial discretion. The Supreme Court has given general guidance in respect of unfair relationships in Plevin v Paragon Personal Finance Ltd [2014] 1 WLR 4222. Whilst the court acknowledged that it is not possible to state a precise or universal test for an unfair relationship, which must depend on the court’s judgment of all the relevant facts, the court did give guidance on the nature of the test which should be applied. The Supreme Court acknowledged that what must be unfair is the relationship between the debtor and the creditor. Although the court is concerned with hardship to the debtor, there may be features which operate harshly against the debtor but it does not necessarily follow that the relationship is unfair because the features in question may be required in order to protect a legitimate interest of the creditor. The FCA principles are also relevant and apply to the way contract terms are used in practice and not just the way they are drafted. Once an Obligor alleges that an unfair relationship exists, the burden of proof is on the lender to prove the contrary.

(j) Financial Ombudsman Service

The Financial Ombudsman Service is an out-of-court dispute resolution scheme with jurisdiction to determine complaints against authorised persons under the FSMA relating to conduct in the course of specified regulated activities including in relation to consumer credit.

Under FSMA, the Financial Ombudsman Service is required to make decisions on, among others, complaints relating to the terms in agreements on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all the circumstances of the case, taking into account, among others, law and guidance. Complaints brought before the Financial Ombudsman Service for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. The Financial Ombudsman Service may order a money award to an Obligor, which may adversely affect the value at which the Financing Contracts in the Receivables could be realised and accordingly the ability of the Issuer to meet its obligations under the Notes. The jurisdiction of the Financial Ombudsman Service has applied since 6 April 2007.

(k) Private rights of action under the FSMA

An Obligor who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an FCA authorised person of a rule under the FSMA. From 1 April 2014, such rules include rules in the FCA Consumer Credit sourcebook (CONC), which transposes certain requirements previously made under the CCA and in OFT guidance. The Obligor may set off the amount of the claim for contravention of CONC against the amount owing under the Regulated Financing Contract or any other credit agreement he has taken with the authorised person (or

exercise analogous rights in Scotland). Any such set-off may adversely affect the Issuer's ability to make payments in full when due on the Notes.

(l) Enforcement action by the FCA

The FCA has a broad range of enforcement powers under the FSMA which it can take against authorised firms where the firm breaches a requirement of the FSMA. These powers include the ability to order restitution and implement consumer redress schemes under Section 404 of FSMA. In addition where a lender or broker does not have the relevant permission an agreement will be unenforceable against the customer without an order of the FCA.

(m) Servicing Requirements

VWFS has to comply with certain post contract information requirements under the CCA. Failure to comply with these requirements can have a significant impact. For example: (a) the credit agreement is unenforceable against the customer for any period when the lender fails to comply with requirements as to periodic statements, arrears notices or default notices (although any such unenforceability may be cured prospectively by the lender complying with requirements as to periodic statements, arrears notices and default notices); (b) the customer is not liable to pay interest or default fees for any period when the lender fails to comply with requirements as to periodic statements or arrears notices; and (c) interest on default fees is restricted to nil until the 29th day after the day on which a notice of default fees is given and then to simple interest (i.e. interest may only be calculated on the principal amount of the default fee).

Liability for misrepresentations and breach of contract

(a) Regulated Financing Contracts

Under section 75 of the CCA, an Obligor may make a claim against VWFS as well as a supplier in respect of any misrepresentations made by the supplier in a transaction between the supplier and the Obligor during negotiations between them before execution of the relevant Regulated Financing Contract or for a breach of contract. This liability arises in relation to, for example, insurance products where the creditor can be liable to the Obligor for misrepresentation or breach of contract by an insurer (or a dealer on its behalf) in relation to an insurance contract between the insurer and the Obligor and financed by a Regulated Finance Contract.

In all the above circumstances, VWFS normally has a right to be reimbursed by the supplier for any amount paid to the Obligor in respect of the Obligor's claim and any costs (including legal costs) incurred in defending the claim.

Equitable (or equivalent or analogous) set-off rights (such as for misrepresentation or breach of contract) may accrue in favour of the Obligor in respect of its obligation to make payments under the relevant Financing Contract. Exercise of such rights by the Obligors may, therefore, result in the Issuer receiving less money than anticipated from the Receivables, which may in turn lead to reduced amounts being available to pay the Noteholders.

In addition under section 56 of the CCA where a credit broker, such as a dealer, carries out antecedent negotiations with an Obligor those negotiations will be deemed to be carried out in the capacity of agent of the creditor as well as in his actual capacity. As a result VWFS will be potentially liable in respect of any misrepresentations made by any credit broker involved in introducing an Obligor to VWFS. This liability arises in relation to the Vehicle, and applies for example, to the dealer's promise to the Obligor on the quality or fitness of the Vehicle, and can extend, for example, to the dealer's promise to apply a part-exchange allowance to discharge an existing credit agreement. If any such pre-contractual statement is a misrepresentation or implied condition in the regulated consumer credit contract, then the Obligor is entitled to, amongst other things, rescind the contract and return the goods, and to treat the contract as repudiated by VWFS and accept such repudiation by notice, and is not liable to make any further payments, and may claim repayment of the amounts paid by the Obligor under the contract and damages such as the cost of hiring an alternative vehicle. The Obligor may set-off the amount of any such money claim against the amount owing by the Obligor under the credit agreement or any other credit agreement he has taken with VWFS (or exercise analogous rights in Scotland).

(b) All Financing Contracts including Regulated Financing Contracts

Under the Supply of Goods (Implied Terms) Act 1973 an Obligor may also make a claim for breach of contract against VWFS or, potentially, terminate the Financing Contract for repudiatory breach if the vehicle the subject of the Financing Contract is not of satisfactory quality (which includes an assessment of whether it is fit for its intended purpose) or as described. Under the terms of each Financing Contract, there is one clause which purports to restrict VWFS' liability for any loss, injury or damage (other than death or personal injury) caused by VWFS' negligence or breach of contract. This clause is expressly stated to be subject to the relevant implied terms of the Supply of Goods (Implied Terms) Act 1973 in relation to title, conformity of the vehicles in question as to description, sample, quality and fitness for a particular purpose.

For Financing Contracts entered into on or after 1 October 2015 by Obligors acting wholly or mainly outside that Obligor's trade, business, craft or profession) equivalent protections are contained in the Consumer Rights Act 2015 (the "**CRA15**"). Where the Obligor makes the contract other than in the course of a business this exclusion does not affect the Obligor's statutory rights, either under the Supply of Goods (Implied Terms) Act 1973 or the CRA15, that the goods be of satisfactory quality fit for their intended purpose and as described. Where the Obligor makes the contract in the course of a business the exclusion of liability will only be binding if it meets a statutory test of reasonableness.

In the above circumstances, VWFS will normally have a right to claim against the dealer or supplier for any amount paid to the Obligor in respect of the Obligor's claim and any costs (including legal costs) incurred in defending the claim. If any such case arises and the Obligor's claim is successful, VWFS would also ordinarily seek to sell the Vehicle back to the dealer.

Please see "*VALUE OF THE FINANCED VEHICLES*" for further details regarding claims in connection with the NOx emissions issue.

Protected Goods

If, under a Regulated Financing Contract, the Obligor has paid VWFS one-third or more of the total amount payable under the relevant Regulated Financing Contract, the vehicle becomes "protected" pursuant to section 90 of the CCA and VWFS is not entitled to repossess it, unless VWFS first obtains an order from the court to this effect. If, however, the Obligor terminates the Regulated Financing Contract, the vehicle ceases to be "protected" and VWFS may effect repossession unless the court grants the Obligor a "time order" rescheduling the Obligor's outstanding liabilities under the Regulated Financing Contract, or otherwise exercises any other discretion which it may have under the CCA. In the event any of the vehicles owned by Obligors are protected, this could potentially cause delays in recovering amounts due from the Obligors and consequently may reduce amounts available to Noteholders.

Other Risks Resulting from Consumer Legislation

(a) Unfair Terms in Consumer Contracts Regulations 1999

The Unfair Terms in Consumer Contracts Regulations 1999 (the "**UTCC Regulations**") apply in relation to the Financing Contracts involving consumers entered into prior to 1 October 2015. An Obligor may challenge a term in an agreement on the basis that it is "unfair" within the meaning of the UTCC Regulations and therefore not binding on the Obligor.

A term shall be regarded as unfair if, contrary to the requirement of good faith, it causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer. It should be noted that there is no strict definition as to what will constitute an "unfair" term, although Schedule 2 to the UTCC Regulations provides a (non-exhaustive) list of terms that may potentially be deemed to be unfair. The assessment of unfairness will take into account all the circumstances attending the conclusion of the contract.

Ultimately, only a court can decide whether a term is fair; however, it will take into account any relevant guidance published by the Competition and Markets Authority or the FCA. The FCA had previously published guidance on how it would interpret the UTCC Regulations. This guidance was withdrawn in March 2015 following a number of decisions by the Court of Justice of the European

Community and the then impending enactment of the CRA15 on 1 October 2015 and the repeal on that date of the UTCC Regulations. The FCA will also consider the terms of agreements, and how the terms are applied in light of their "Treating Customers Fairly" principle. In particular, they will look at whether satisfactory outcomes have been achieved for customers.

For transactions entered into on and after 1 October 2015, the CRA15 will apply in place of the UTCC Regulations. The CRA15 continues to provide consumers with substantially the same rights as they enjoyed under the UTCC Regulations and also extends protection to announcements or other communications, whether or not in writing, that may be seen by the consumer that are related to the Financing Agreement. The CRA15 makes both consumer contracts and consumer notices unenforceable if they fail the fairness test; introduces a more stringent test for fairness by making main subject matter of the contract or terms which set the price subject to the fairness test if they are not both transparent and prominent; and introduces new terms into the list of potentially unfair clauses in consumer contracts.

No assurance can be given that the implementation of the CRA15 or changes to guidance will not have an adverse effect on the Receivables, VWFS, the Servicer, the Issuer and their respective businesses and operations. The broad and general wording of the UTCC Regulation and the CRA15 makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a court would find a term to be unfair. It is therefore possible that any agreements made with consumers may contain unfair terms, which may result in the possible unenforceability of those unfair terms. This may adversely affect the ability of the Issuer to dispose of Receivables, or any part thereof, in a timely manner and/or the realisable value of the Receivables, or any part thereof, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

No assurance is given that future changes to the CRA15, the manner in which the CRA15 is applied, interpreted or enforced, or changes to guidance relating to the CRA15 will not have an adverse effect on the Receivables, VWFS, the Servicer, the Issuer and their respective businesses and operations. This may adversely affect the ability of the Issuer to dispose of Receivables, or any part thereof, in a timely manner and/or the realisable value of the Receivables, or any part thereof, and accordingly affect the ability of the Issuer to meet its obligations under the Notes when due.

(b) Unfair Commercial Practices Directive 2005

On 11 May 2005, the European Parliament and the Council adopted the Unfair Commercial Practices Directive (SI 2005/29/EC) (the "**UCPD**"). The UCPD is a maximum harmonisation Directive, which means that (except for financial services and immoveable property) Member States may not impose more stringent provisions than those provided for by the UCPD.

The UCPD seeks to harmonise unfair trading laws in all Member States by: (i) introducing a general prohibition on traders not to treat consumers unfairly; (ii) obliging businesses not to mislead consumers through acts or omissions or through subjecting them to aggressive commercial practices such as high pressure selling techniques; and (iii) introducing a prohibition of specified practices that will be deemed unfair in all circumstances. The UCPD has a wide scope in that it prohibits unfair business-to-consumer practices in all sectors, however, it only focuses on the protection of economic interests. Other interests such as health, safety, taste or decency are outside its scope.

The UCPD is intended to protect only the collective interests of consumers; it does not seek to provide individual consumers with a private right of action.

The Consumer Protection from Unfair Trading Regulations 2008 (SI 2008/1277) (the "**Consumer Protection Regulations**"), which implement the UCPD, came into force on 26 May 2008.

The Consumer Protection Regulations are comprised of three key restrictions:

(i) Regulation 3 sets out a general prohibition of unfair commercial practices, so as to catch all practices which do not fall into the specific prohibitions of misleading and aggressive practices or the specifically banned practices. In accordance with Regulation 3, a commercial practice is "unfair" if:

(1) the practice contravenes the requirements of "professional diligence" (which is the special skill and care a trader may be reasonably expected to exercise commensurate with honest market practice or the general principle of good faith in its field of activity; and

(2) the practice materially distorts or is likely to materially distort the economic behaviour of the average consumer with regard to the product in question.

(ii) Regulations 5 to 7 set out specific prohibitions in respect of misleading actions or omissions, and aggressive practices, respectively.

(iii) Schedule 1 to the Consumer Protection Regulations contains a list of 31 specified commercial practices that are in all circumstances to be deemed unfair. Evidence of their effect, or likely effect, on the average consumer is not required in order to prove a breach under the Consumer Protection Regulations.

Enforcers (such as the Competition Markets Authority and local trading standards authorities) may take civil enforcement action in respect of a breach of the Consumer Protection Regulations and consumers also have a right to redress for prohibited practices, including a right to unwind agreements, claim damages or obtain a discount.

The Consumer Protection Regulations require the Competition and Markets Authority and local trading standards authorities to enforce the Consumer Protection Regulations by prosecution or by seeking an enforcement order to prevent a business from carrying on unfair practices. In addition, the FCA addresses unfair practices in its regulation of consumer finance. No assurance can be given that any regulatory action or guidance in respect of the Consumer Protection Regulations will not have a material adverse effect on the Financing Contracts and accordingly on the Issuer's ability to make payments in full when due on the Notes.

FCA review of the motor finance sector

The FCA has been looking at the motor finance market to develop its understanding of the relevant products and how they are sold, and to assess whether the products cause harm to consumers and if the market is functioning as well as it could. The FCA published its final findings in March 2019. In particular, the FCA found that commission models allowing broker discretion on interest rates have the potential for significant customer harm in terms of higher interest charges. The FCA refers in particular to Increasing Difference in Charges (DiC) and Reducing Difference in Charges commission models, which 'can provide strong incentives' for brokers to arrange finance at higher interest rates. With DiC models, brokers are paid a fee which is linked to the interest rate payable by the customer. The contract between the lender and broker sets a minimum (for Increasing DiC) or maximum (for Decreasing DiC) interest rate and the fee is a proportion of the difference in interest charges between the actual interest rate and the minimum/maximum interest rate. The FCA is currently assessing the options for intervening to address the harm it has identified. This could include strengthening existing FCA rules or other steps such as banning certain types of commission model or limiting broker discretion.

No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the vehicle finance market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller, whether arising from the FCA review into the motor finance industry or otherwise. Should new rules be introduced, a different interpretation of existing rules be endorsed by the FCA (in particular, but not limited to the cost of compliance), or should enforcement action be taken by the FCA, this may have a material adverse effect on the Seller, the Issuer and/or the Servicer and their respective businesses and operations and may in turn adversely affect the Issuer's ability to make payments in full when due on the Notes.

Scottish Receivables

Certain of the Financing Contracts have been entered into with Obligors who are (a) consumers and (b) located in Scotland and certain of the vehicles financed pursuant to the Financing Contracts are located in Scotland. In such circumstances, there is a risk that the Scottish courts could apply Scots law based on regulations 5 and 8 of the Unfair Terms in Consumer Contracts Regulations 1999 and from 1 October 2015 the CRA15.

If a Scottish court were to declare that a Financing Contract was in fact governed by Scots law (a "**Scottish Financing Contract**"), the Scots court may declare that such Scottish Financing Contract had always been governed by Scots law, and that the Scottish Financing Contract should therefore be interpreted as a matter of Scots law. There is therefore a risk that the transfer under English law of Receivables derived from Scottish Financing Contracts ("**Scottish Receivables**") sold by VWFS to the Issuer may not be considered to be a valid transfer by the Scots courts.

To mitigate this risk, VWFS will declare trusts (each a "**Scottish Trust**") in favour of the Issuer over the Scottish Receivables and the Vehicles relating thereto and the Issuer will be the beneficiary under each Scottish Trust. To the extent a Scots court considers the Financing Contract to be governed by Scots law, legal title to the relevant Scottish Receivable will remain with VWFS because no formal assignation of the Scottish Receivable duly intimated to the relevant Obligor(s) will have been made. The legal position of the Issuer under each Scottish Trust is substantially in accordance with that set out above in relation to the holding of an equitable interest in the Purchased Receivables governed by the laws of England and Wales.

The fixed charge granted by the Issuer in favour of the Security Trustee over the Issuer's assets provides for, among other things, an assignation in security of the Issuer's interest in Scottish Trusts.

Reliance on Servicing and Collection Procedures

VWFS, in its capacity as Servicer, will carry out the servicing, collection and enforcement of the Receivables, including foreclosure on the Receivables in accordance with the Servicing Agreement (see "*ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT*"). Accordingly, the Noteholders are relying on the business judgment and practices of VWFS as they exist from time to time, in its capacity as Servicer to collect and enforce claims against the Obligors.

Risk of Change of Servicer

In the event VWFS is replaced as Servicer, there may be losses or delays in processing payments or losses on the Purchased Receivables due to a disruption in servicing during a transfer to a successor Servicer, or because the successor Servicer is not as experienced as VWFS. This may cause delays in payments or losses under the Notes. There is no guarantee that a successor Servicer will provide the servicing at the same level as VWFS. The Servicer will, however, not be released from its obligations under the Servicing Agreement until a successor Servicer has entered into a new servicing agreement with the Issuer. A successor Servicer is under no obligation to effect advances on Expected Collections as outlined below under "*Commingling Risk*".

Conflicts of Interest

VWFS, the Arranger, the Managers, the Lead Manager, the Security Trustee and the relevant Swap Counterparty are acting in a number of capacities in connection with the transaction. These parties will have only those duties and responsibilities expressly agreed to by them in the relevant agreement and will not, by virtue of their or any of their Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party. The aforementioned parties in their various capacities in connection with the Transaction may enter into business dealings from which they may derive revenues and profits without any duty to account therefore in connection with the transaction.

VWFS, in particular, may hold and/or service claims against the Obligors other than the Purchased Receivables. The interests or obligations of the aforementioned parties in their respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

The aforementioned parties may engage in commercial relationships, in particular, be lender, provide general banking, investment and other financial services to the Obligors and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

Commingling Risk

VWFS, as the Servicer, is entitled to commingle funds representing Collections with its own funds during each Monthly Period in accordance with the following procedure:

(a) if and so long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single deposit of such monthly Collections to the Distribution Account on each Payment Date; and

(b) if and so long as the Monthly Remittance Condition is not satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each relevant Monthly Period only in accordance with the procedure outlined in detail in "ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT - Commingling".

Commingled funds may be used or invested by VWFS at its own risk and for its own benefit until the next relevant Payment Date. If VWFS were unable to remit those funds or were to become insolvent, losses or delays in distributions to Noteholders may occur.

Risks from Reliance on Certification by True Sale International GmbH

Since 2010 True Sale International GmbH ("**TSI**") grants a registered certification label “CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD” if a special purpose vehicle or a trust managed as a special fund complies with certain TSI conditions. These conditions are intended to contribute that securitisations involving a special purpose vehicle or a trust managed as a special fund which is domiciled within the European Union adhere to certain quality standards. The TSI conditions have been updated in the past from time to time, and in the context of the recent Securitisation Regulation (Regulation (EU) 2017/2402), TSI has made a further update to the TSI conditions in order to reflect quality standards that have also been incorporated into the STS requirements, based on TSI’s interpretation of the Securitisation Regulation. However it should be noted that the TSI certification does not constitute a verification according to Article 28 of the Securitisation Regulation, neither has TSI checked and verified the originator’s statements. The label “CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD” thus indicates that standards based on the conditions established by TSI have been met. Nonetheless, the TSI certification is not a recommendation to buy, sell or hold securities. Certification is granted on the basis of the declaration of undertaking, issued by the German parent company, to comply with the main quality criteria of the “CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD” label throughout the duration of the Programme. The certification does not represent any assessment of the expected performance of the receivables in the portfolio or the notes.

(For a more detailed explanation see “Certification by TSI” below.)

TSI has carried out no other investigations or surveys in respect of the issuer or the notes concerned and disclaims any responsibility for monitoring the issuer’s continuing compliance with these standards or any other aspect of the issuer’s activities or operations.

Investors should therefore not evaluate their notes investments on the basis of this certification.

RISKS RELATING TO THE NOTES

Change of Law

The structure of the issue of the Notes and the related transaction is based on German law (including tax law) in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or changes to any relevant law, the interpretation thereof or administrative practice after the date of this Base Prospectus.

Political Uncertainty

On 23 June 2016, the UK held a referendum with respect to its continued membership of the EU (the "**Referendum**"). The result of the Referendum was a vote in favour of leaving the EU. This result did not have any legal effect on the UK's membership of the EU. On 29 March 2017 the UK gave formal notice under Article 50 of the Treaty on European Union ("**Article 50**") of its intention to leave the EU. This triggered the formal two-year period for withdrawal during which the UK is negotiating with the EU the terms of its withdrawal and of its future relationship with the EU (the "**Article 50 Withdrawal Agreement**"). If the parties fail to reach an agreement within this time frame, all EU treaties cease to apply to the UK, unless the European Council, in agreement with the UK, unanimously decides to extend this period. As part of those negotiations, on 14 November 2018 a form of withdrawal agreement was agreed between the European Commission and the UK's negotiators (the "**November 2018 Article 50 Withdrawal Agreement**"). The November 2018 Article 50 Withdrawal Agreement includes a transitional period which would extend the application of EU law and provide for continuing access to the EU single market, until the end of 2020. The November 2018 Article 50 Withdrawal Agreement was rejected by the UK Parliament on 15 January 2019. It remains uncertain whether an Article 50 Withdrawal Agreement will be finalised and ratified by the UK and the EU. The UK and the European Union have agreed to a flexible extension until 31 October 2019.

Whilst continuing to negotiate the Article 50 Withdrawal Agreement, the UK Government has commenced preparations for a "hard" Brexit or "no-deal" Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that the UK has a functioning statute book on 1 November 2019. The European authorities have not provided UK firms and businesses with similar assurances in preparation for a 'hard' Brexit. Due to the on-going political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship, the precise impact on the business of the Issuer and the Transaction Parties is difficult to determine.

It is possible that the UK will leave the EU without any agreement on the terms of its withdrawal and/or an agreement on the terms of the future trading relationship between the UK and the EU. In such circumstances, it is possible that a high degree of political, legal, economic and other uncertainty may result.

Applicability of EU law in the UK

It is at present unclear what type of relationship between the UK and the EU will be established, or at what date (whether by the time when, or after, the UK ceases to be a member of the EU), or what would be the content of such a relationship. It is possible that a new relationship would preserve the applicability of certain EU rules (or equivalent rules) in the UK, at least for a period. At this time it is not possible to state with any certainty to what extent that might be so.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future EU-UK relationship, EU laws (other than those EU laws already transposed into English law (see below)) will cease to apply within the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the EU Treaties, and by the parallel repeal of the European Communities Act 1972. The UK will cease to be a member of the EU from the date of entry into force of a withdrawal agreement or, if a withdrawal agreement has not been concluded, 31 October 2019, unless the European Council, in agreement with the UK, unanimously decides to extend this period. At this time it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement. Until such date, or 31 October 2019 (subject to any agreed extension of that period), EU law will remain in force in the UK.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future UK-EU relationship, EU law will cease to apply in the UK. However, many EU laws, such as EU Directives, have already been transposed into domestic laws applicable in the UK and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. EU laws that are currently directly applicable in the UK, such as EU Regulations, will be transposed into domestic law at the point of the UK's exit from the EU by way of the European Union (Withdrawal) Act 2018.

Over the years, domestic laws applicable in the UK have been devised to function in conjunction with EU law (in particular, laws relating to financial markets, financial services, prudential and conduct regulation of financial institutions, financial collateral, settlement finality and market infrastructure). Further, some directly applicable EU laws will not function adequately if they are transposed into UK law without amendment. There will therefore need to be amendments to domestic laws to ensure they are fit for purpose after the UK leaves the EU. The European Union (Withdrawal) Act 2018 makes provision for such amendments to be made by way of secondary legislation in certain instances.

Depending on the terms of the UK's exit from the EU, substantial amendments to domestic laws applicable in the UK may occur. Consequently, domestic laws applicable in the UK may change and it is impossible at this time to predict the consequences on the Portfolio or the Issuer's business, financial condition, results of operations or prospects. Such changes could be materially detrimental to Noteholders.

Market Risk

While the longer term effects of the Referendum and the UK's exit strategy are difficult to predict, these may include further financial instability and slower economic growth as well as higher unemployment and inflation, in the UK, continental Europe and the global economy, at least in the short to medium term. For instance, the UK could lose access to the single EU market and to the global trade deals negotiated by the EU on behalf of its members and this could affect the attractiveness of the UK as a global investment centre and, as a result, could have a detrimental impact on UK economic growth and/or interest rates set by the Bank of England.

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties throughout the life of the Notes. Investors should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or the costs of such transactions with such counterparties may increase.

Ratings actions

Following the result of the Referendum, S&P and Fitch have each downgraded the UK's sovereign credit rating and each of S&P, Fitch and Moody's has placed such rating on negative outlook, suggesting possible further negative rating action.

The credit rating of a country affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Accordingly, the recent downgrades of the UK's sovereign credit rating and any further downgrade action may trigger downgrades in respect of the Transaction Parties. If a counterparty no longer satisfies the relevant rating requirement, the Transaction Documents may require that such counterparty be replaced with an entity that satisfies the relevant rating requirement. If rating downgrades are widespread, it may become difficult or impossible to replace counterparties with entities that satisfy the relevant rating requirements.

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Notes and therefore, the Noteholders.

Market and Liquidity Risk for the Notes

Presently, there is not an active and liquid secondary market for the Notes and there is no guarantee that an active and liquid secondary market will be established in the near future. Although the Lead Manager or the Managers could establish a secondary market for the Notes, this does not necessarily mean that they

are obliged to do so and any market activity which has been there in the past can be easily terminated without prior notice. If there are no market activities (i.e. bids and offers) by the Lead Manager or the Managers, it is unlikely that a liquid secondary market will be established. It is therefore not guaranteed that a secondary market will be established and even if such market is established that it provides sufficient liquidity to absorb any bids or that any Noteholder will be able to find a buyer for Notes held by it. Accordingly investors should be prepared to be invested in the Notes until final maturity of the relevant Note.

Noteholders should be aware of the prevailing and widely reported global credit market conditions which continue at the date hereof, and the general lack of liquidity in the secondary market for instruments similar to the Notes. Specifically, the secondary markets have experienced disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities has experienced extremely limited liquidity which has had a severe adverse effect on the market value of asset-backed securities such as the Notes. Limited liquidity in the secondary market for asset-backed securities may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. The market values of the Notes are likely to fluctuate and may decrease. Any such fluctuation may be significant and could result in significant losses to investors in the Notes. In addition, the forced sale into the market of asset-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market.

To facilitate the continuous valuation and the trading of the Notes, the Issuer will, pursuant to the Conditions, publish or procure the publication of a figure each month (the "**Notes Factor**") for each Class of Notes, which is the ratio of the aggregate Nominal Amount of each Class of Notes then outstanding and the original principal amount of such Class of Notes.

Losses on the Purchased Receivables

The risk for the Class A Noteholders that they will not receive the amount due to them under the Class A Notes is covered up to the General Cash Collateral Amount, the investment of principal from the Class B Notes and the investment of principal from the Subordinated Lender represented by the Subordinated Loan Balance due to the subordination of the Class B Notes and the Subordinated Loan to the Class A Notes and by the excess of the Aggregate Discounted Receivables Balance over the sum of the relevant Nominal Amount of the Series of Class A Notes and the Class B Notes then outstanding, the Subordinated Loan and (in respect of any Redelivery Purchased Receivables) by the Redelivery Repurchase Agreement.

The risk for the Class B Noteholders that they will not receive the amount due to them under the Class B Notes is covered up to the General Cash Collateral Amount (to the extent the Class A Noteholders are not entitled to such amounts), the investment of principal from the Subordinated Lender represented by the Subordinated Loan Balance due to the subordination of the Subordinated Loan to the Class B Notes and by the excess of the Aggregate Discounted Receivables Balance over the sum of the relevant Nominal Amount of the Series of Class B Notes then outstanding, the Subordinated Loan and (in respect of any Redelivery Purchased Receivables) by the Redelivery Repurchase Agreement. Further, the Class B Notes will not amortise until the Class A Targeted Overcollateralisation Percentage has been reached, increasing the risk that the Noteholders of the Class B Notes will not receive the amount due to them under the Class B Notes.

There is no assurance that the Noteholders will receive for each Note their total nominal amount plus interest at the interest rate applicable to the relevant Series of Notes nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Financing Contracts.

Responsibility of Prospective Investors

The purchase of Notes is only suitable for investors that have adequate knowledge and experience in such structured investments and have the necessary background and resources to evaluate all risks related with the investment that are able to bear the risk of loss of their investment (up to a total loss of the investment)

without the necessity to liquidate the investment in the meantime and that are able to assess the tax aspects of such investment independently.

Furthermore, each potential investor should on the basis of its own and independent investigation and help of its professional advisors (the consultation of which the investor may deem necessary) be able to assess if the investment in the Notes is in compliance with its financial requirements, targets and situation (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's), is in compliance with its principles for investments, guidelines or any restrictions applicable to it arising from legal investment laws and regulations or review or regulation by certain authorities (regardless of whether it acquires the Notes for itself or as a trustee) and is an appropriate investment for the purchaser (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

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

Notwithstanding the provisions of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG*)) the Issuer and Noteholders have specified that as long as the Notes are outstanding, the Conditions of any Series may only be modified through contractual agreement to be concluded between the Issuer and all the Noteholders of each Series with a prior notification to the Rating Agencies, to the extent such Series is rated, as provided for in Sec. 4 of the German Debenture Act or by a Noteholder's resolution adopted with unanimous consent of the Noteholders of such Series pursuant to Sections 5 to 22 of aforementioned act.

The Security Trustee may in certain circumstances agree to amendments to the Conditions and/or the Trust Agreement for the purpose of effecting a Benchmark Rate Modification (a "**Proposed Amendment**"), subject to and in accordance with the detailed provisions of Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*).

In relation to any such Proposed Amendment, the Issuer is required to give at least 30 calendar days' notice to the Noteholders of each Class of Notes of the proposed modification in accordance with Condition 13 (*Notices*). However, Noteholders should be aware that, in relation to each Proposed Amendment, unless Noteholders representing at least 10 per cent. of the aggregate Note Principal Amount Outstanding of the relevant Class of Notes have contacted the Issuer in writing (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, the modification in respect of such Class of Notes will be passed without Noteholder consent.

If Noteholders representing at least 10 per cent. of the aggregate Note Principal Amount Outstanding of a Class of Notes have notified the Issuer in writing (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, then such modification in respect of that Class of Notes will not be made unless a Majority of the Noteholders in respect of such Class of Notes then outstanding provide consent in favour of the modification. The Issuer is also required to obtain the consent of any other Transaction Creditors (other than the Swap Counterparties) whose consent is required to be obtained in order to make the Benchmark Rate Modification in accordance with the provisions of the Incorporated Terms Memorandum in so far they are materially and adversely affected by such modifications.

The Issuer will also be entitled to amend any term or provision of the Conditions with the consent of the Security Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager, the Managers or any other Person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein or in any regulatory technical standards authorised under the Securitisation Regulation. Any such amendment shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email.

There is no guarantee that any changes made to the Transaction Documents and the Conditions pursuant to the obligations imposed on the Security Trustee, as described above, would not be prejudicial to the Noteholders.

Reform of LIBOR Determinations

Financial market reference rates and their calculation and determination procedures have come under close public scrutiny in recent years. Starting in 2009, authorities in jurisdictions such as the European Union, the United States, Japan and others have investigated cases of alleged misconduct around the rate-setting of LIBOR and other reference rates. A number of initiatives to reform reference rate-setting have been launched as a consequence by the regulatory and supervisory communities as well as the financial markets.

At a European Union institutional level, Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds has been published in the Official Journal of the European Union (the "**Benchmark Regulation**"). The Benchmark Regulation entered into force on 30 June 2016 and applies from January 2018.

At a United Kingdom level, certain reforms have already been adopted, including the replacement of the British Bankers' Association with ICE Benchmark Administration Limited ("**IBA**") as the new administrator of LIBOR.

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA's intention to cease sustaining LIBOR from the end of 2021.

The FCA has statutory powers to compel panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that the current panel banks will voluntarily sustain LIBOR until the end of 2021. The FCA's intention is that after 2021, it will no longer be necessary for the FCA to persuade, or to compel, banks to submit to LIBOR. The FCA does not intend to sustain LIBOR through using its influence or legal powers beyond that date.

It is possible that the LIBOR administrator, IBA, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so. However, the survival of LIBOR in its current form, or at all, is not guaranteed after 2021.

It is not possible to ascertain as at the date of this Base Prospectus (i) what the impact of these initiatives and the reforms will be on the determination of LIBOR in the future, which could adversely affect the value of the Notes, (ii) how such changes may impact the determination of LIBOR for the purposes of the Notes and the Swap Agreements, (iii) whether any changes will result in a sudden or prolonged increase or decrease in LIBOR rates or (iv) whether such changes will have an adverse impact on the liquidity or the market value of the Notes and the payment of interest thereunder.

Investors should note that:

(a) any of these reforms or pressures or any other changes to a relevant interest rate benchmark (including LIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(b) if LIBOR is discontinued and an amendment as described in paragraph (c) below has not been made, then the rate of interest on the Notes will be determined for each applicable interest period by the Interest Determination Agent in accordance with Condition 8(b) (*Payments of Interest*) and the definition of LIBOR, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for the LIBOR rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available;

(c) while an amendment may be made under Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*) to change the LIBOR rate on the Notes to an alternative benchmark rate under certain circumstances broadly related to LIBOR dysfunction or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it (i) will fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Notes or (ii) will be made prior to any date on which any of the risks described in this risk factor may become relevant;

(d) if LIBOR is discontinued, and whether or not an amendment is made under Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*) to change the LIBOR rate on the Notes as described in paragraph (c) above, there can be no assurance that any such amendment made under Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*) would allow the transaction under the Swap Agreements to effectively mitigate interest rate risk on the Notes; and

(e) more generally, any of the above matters (including an amendment to change the LIBOR rate on the Notes as described in paragraph (c)) or any other significant change to the setting or existence of LIBOR could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of LIBOR could result in adjustment to the Conditions, early redemption, discretionary valuation by the Interest Determination Agent, delisting or other consequence in relation to the Notes. No assurance may be provided that relevant changes will not be made to LIBOR or any other relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

Interest Rate Risk / Risk of Swap Counterparty Insolvency

Noteholders may be subject to interest rate risk

Payments in respect of the Purchased Receivables made to the Seller by an Obligor under a Financing Contract comprise monthly amounts calculated with respect to a fixed interest rate which may be different to LIBOR plus margin, which is the interest rate (being subject to a floor of zero) payable on the Class A and Class B Notes.

The Issuer will hedge afore-described interest rate risk and will use payments made by the Swap Counterparties to make payments on the Notes on each Payment Date, in each case calculated with respect to the swap notional amount which is equal to the outstanding Series Nominal Amount on the relevant Series of Notes, following payment on the immediately preceding Payment Date. For each Series of Notes, the Issuer will enter into a separate Swap Agreement.

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

During periods in which the floating rates payable by a Swap Counterparty under a Swap Agreement (including periods in which the floating amount payable by the Swap Counterparty is a negative number as a result of the quoted negative floating rate exceeding the spread), are less than the fixed rate payable by the Issuer under such Swap Agreement, the Issuer will be obliged to make a payment to such Swap Counterparty. The Swap Counterparty's claims for payment (including certain termination payments required to be made by the Issuer upon a termination of a Swap Agreement) under the Swap Agreement will be higher in priority than all payments on the Notes. If a payment under the Swap Agreement is due to the Swap Counterparty on any Payment Date, the Purchased Receivables and the General Cash Collateral Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments under the Notes.

Termination of the Swap Agreements

A Swap Counterparty may terminate a Swap Agreement if, among other things, the Issuer becomes insolvent, the Issuer fails to make a payment under such Swap Agreement when due and such failure is not remedied within the period of time specified in the relevant Swap Agreement, performance of the respective Swap Agreement becomes illegal, an Enforcement Event occurs under the Trust Agreement or payments to the respective Swap Counterparty are reduced or payments from the respective Swap Counterparty are increased for a set period of time due to tax reasons or the Clean-Up Call Option is exercised. The Issuer may terminate a Swap Agreement if, among other things, the Swap Counterparty becomes insolvent, the

Swap Counterparty fails to make a payment under the Swap Agreement when due and such failure is not remedied within three (3) Business Days of notice of such failure being given, performance of the Swap Agreement becomes illegal or payments to the Issuer are reduced or payments from the Issuer are increased due to tax for a period of time. The transaction under the Swap Agreement will terminate upon redemption of the Notes in full.

The Issuer is exposed to the risk that the respective Swap Counterparty may become insolvent or may suffer from a rating downgrade. In the event that a Swap Counterparty suffers a ratings downgrade and ceases to be an Eligible Swap Counterparty, the Issuer may terminate the relevant Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions could include the respective Swap Counterparty collateralising its obligations as a referenced amount calculated in accordance with a credit support annex to the 1992 or 2002 ISDA Master Agreement, transferring its obligations to a replacement Swap Counterparty or procuring a guarantee. However, in the event the Swap Counterparty is downgraded, there can be no assurance that a guarantor or replacement Swap Counterparty will be found or that the amount of collateral will be sufficient to meet the Swap Counterparty's obligations.

The Issuer does not believe the Transaction is exposed to currency risk given that the Purchased Receivables are denominated in Sterling and the Issuer's obligations to pay principal and interest in respect of the Notes and to repay amounts in respect of Subordinated Loan are denominated in Sterling. To the extent that a Swap Counterparty is permitted to post collateral in another currency pursuant to a Swap Agreement, such posting will be subject to haircuts in accordance with the criteria of the Rating Agencies.

Termination payment priorities and subordination

Generally, a swap transaction under a Swap Agreement may only be terminated early upon the occurrence of certain events of default or termination events set forth in such Swap Agreement.

In the event that a Swap Agreement is terminated by either party due to an event of default or a termination event, then depending upon the market value of the swap a termination payment may be due to the Issuer or to the relevant Swap Counterparty. Any such termination payment could, if market interest rates and other conditions have changed materially, be substantial. Under certain circumstances, a termination payment required to be made by the Issuer to the respective Swap Counterparty will rank higher in priority than all payments under the relevant Series of Notes. In such event, the Purchased Receivables and the General Cash Collateral Amount may be insufficient to satisfy the required payments under the relevant Series of Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments due in respect of such Series of Notes.

If a Swap Agreement is terminated by either party or the relevant Swap Counterparty becomes insolvent, the Issuer may not be able to enter into a replacement Swap Agreement immediately or at all. To the extent a replacement swap is not timely entered into, the amount available to pay the principal of and interest under the relevant Series of Notes will be reduced if the interest rates under such Series of Notes exceed the rate the Issuer would have been required to pay the relevant Swap Counterparty under the terminated Swap Agreement. Under these circumstances the Purchased Receivables and the General Cash Collateral Amount may be insufficient to make the required payments under the relevant Series of Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments due in respect of such Series of Notes.

In the event of the insolvency of a Swap Counterparty, the Issuer will be treated as a general creditor of such Swap Counterparty and is consequently subject to the credit risk of such Swap Counterparty. To mitigate this risk, under the terms of each Swap Agreement, the Swap Counterparty will be obliged to post collateral or take an alternative remedy in accordance with the terms of the Swap Agreement in the event that the relevant ratings of such Swap Counterparty fall below certain levels (which are set out in the Swap Agreements and described in further detail in the section entitled "*KEY MINIMUM REQUIRED RATING DURING THE TERM OF THE TRANSACTION*" above) while the Swap Agreement is outstanding. However, no assurance can be given that sufficient collateral will be available to the relevant Swap Counterparty such that it is able to post collateral in accordance with the requirements of the relevant Swap Agreement or that the collateral will be posted on time in accordance with the relevant Swap Agreement. If the Swap Counterparty fails to post sufficient collateral, there is a risk that the Issuer will have insufficient funds to make payments on the Notes.

In the event that the relevant ratings of the relevant Swap Counterparty are below certain levels (which are set out in the Swap Agreements and described in further detail in the section entitled "*KEY MINIMUM REQUIRED RATING DURING THE TERM OF THE TRANSACTION*" above) while the Swap Agreement is outstanding, the relevant Swap Counterparty will, in accordance with the terms of the applicable Swap Agreement, be required to elect to take certain remedial measures within the applicable time frame stipulated in the applicable Swap Agreement (at its own cost) which may include providing collateral in support of its obligations under the Swap Agreement, arranging for its obligations under the applicable Swap Agreement to be transferred to an entity which is an Eligible Swap Counterparty, procuring another entity which is an Eligible Swap Counterparty to become co-obligor or guarantor in respect of its obligations under the applicable Swap Agreement, or taking such other action as required to maintain or restore the rating of the relevant Series of the Class A Notes and Class B Notes. However, no assurance can be given that, at the time that such actions are required, sufficient collateral will be available to the relevant Swap Counterparty for posting or that another entity which is an Eligible Swap Counterparty will be available to become a replacement swap counterparty, co-obligor or guarantor or that the relevant Swap Counterparty will be able to take the requisite other action. If the remedial measures following a downgrade of the relevant Swap Counterparty below the level of an Eligible Swap Counterparty are not taken within the applicable time frames, this will permit the Issuer to terminate the Swap Agreement early.

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, certain cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms included in the Transaction Documents relating to the subordination of certain payments under a Swap Agreement.

The Supreme Court of the United Kingdom in *Belmont Park Investments PTY Limited (Respondent) v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc* [2011] UKSC 38 unanimously upheld the decision of the Court of Appeal in upholding the validity of similar post-enforcement "flip" priorities of payment (a so-called "flip clause"), stating that, provided that such provisions formed part of a commercial transaction entered into in good faith which did not have, as its predominant purpose or one of its main purposes, the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions. On that basis, such provisions would be enforceable as a matter of English law.

In parallel proceedings in New York, Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York granted Lehman Brothers Special Finance Inc.'s motion for summary judgement on the basis that the effect was that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. Judge Peck acknowledged that this resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". Subsequently, that same court distinguished its prior decisions in a June 2016 opinion, Lehman Brothers Special Financing Inc. v Bank of America National Association, et al. (No. 10-03547 (SCC)) (In re Lehman Bros. Holdings, Inc.). In that case, the court found, among other things, that provisions in a swap agreement that established the priority of distributions to a swap participant at the time an early termination occurred resulting from the filing of a bankruptcy case, were not prohibited ipso facto clauses under the U.S. Bankruptcy Code and were enforceable against the debtor. In contrast, in the court's prior decisions, the priorities at issue there were established at the time the swaps were entered into and then later reversed as a result of an early termination caused by the filing of a bankruptcy case.

Therefore, the court held in those cases that such provisions were prohibited ipso facto clauses. Consistent with its prior rulings, the court also ruled in its June 2016 decision that certain other transactions at issue in that case involving the reversing of pre-determined priorities resulting from the filing of a bankruptcy case also violated the ipso facto prohibitions under the U.S. Bankruptcy Code

However this is an aspect of cross border insolvency law which remains untested. So whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and U.S. courts will diverge in their approach which, in the case of an unfavourable decision in the U.S., may adversely affect the Issuer's ability to make payments on the Notes. In contrast, a U.S. Bankruptcy Court has held in two separate cases that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision may violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the Transaction Documents (such as a provision of the relevant Order of Priority which refers to the ranking of the Swap Counterparty's rights in respect of certain amounts under the Swap Agreements). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy law. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as a Swap Counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents include terms providing for the subordination of certain payments under the Swap Agreements, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to any of the Notes is lowered, the market value of such Notes may reduce.

Ratings of each Class of Notes

Each rating assigned to any Class of Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Notes and the underlying Purchased Receivables, the credit quality of the Purchased Receivables, the extent to which the Obligors' payments under the Purchased Receivables are adequate to make the payments required under the Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Swap Counterparty, the Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. Each rating assigned to any Class of Notes assigned by the Rating Agencies addresses the likelihood of full and timely payment to the Noteholders of all payments of interest on the Notes on each Payment Date and the ultimate payment of principal on the Final Maturity Date of the Notes and takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Notes.

Further, the Rating Agencies may revise their rating methodologies which could result in ratings assigned to contractual counterparties to be lowered or withdrawn.

The Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies. However, rating organisations other than the Rating Agencies may seek to rate any Class of Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to such Class of Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of any Class of Notes. Future events, including events affecting the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of any Class of Notes.

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

Liability and Limited Recourse under the Notes and the Subordinated Loan

The Notes and the Subordinated Loan represent obligations of the Issuer acting for and on behalf of its Compartment 2 only and do not represent obligations of the Arranger, the Lead Manager, the Managers, the Swap Counterparties, the Security Trustee, VWFS, Volkswagen AG or any of its Affiliates (together the

"**Volkswagen Group**") or any affiliate of the Issuer or any other person or entity. Neither the Arranger, the Managers, the Swap Counterparties, the Security Trustee, VWFS, the Volkswagen Group, any Affiliate of the Issuer, nor any other third person or entity, assumes any liability to the Noteholders if the Issuer, acting for and on behalf of its Compartment 2, fails to make a payment due under the Notes or the Subordinated Loan.

All payment obligations of the Issuer acting for and on behalf of its Compartment 2 under the Notes and the Subordinated Loan constitute limited recourse obligations to pay only the Available Distribution Amount which includes, *inter alia*, amounts received by the Issuer under the Purchased Receivables and under the other Transaction Documents. The Available Distribution Amount may not be sufficient to pay amounts accrued under the Notes, which may result in an Interest Shortfall as defined in the Incorporated Terms Memorandum, however, an Interest Shortfall other than non-payment of interest on the most senior Class of the Notes will not constitute a Foreclosure Event in accordance with Clause 16 (*Foreclosure on the Security; Foreclosure Event; Enforcement Event*) of the Trust Agreement. The Notes shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Notes and the Subordinated Loan shall only be effected by the Security Trustee in accordance with the Trust Agreement. A Foreclosure Event will, following the service of an Enforcement Notice by the Security Trustee, result in the enforcement of the collateral held by the Security Trustee. If the Security Trustee enforces the claims under the Notes and/or the Subordinated Loan, such enforcement will be limited to those assets which were transferred to the Security Trustee and to any other assets of the Issuer. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all Noteholders or the Subordinated Lender in full, then any shortfall arising shall be extinguished and neither any Noteholder, nor the Security Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will be so available thereafter.

If any of the events which require the Security Trustee to take action should occur, the Security Trustee will have legal access to the Security only. The Security Trustee itself is not a guarantor, nor have any guarantees been given by other Transaction Parties, with respect to which the Security Trustee could assert claims on behalf of the Noteholders and/or the Subordinated Lender.

Fixed Charges may take effect as Floating Charges

Pursuant to the terms of the Deed of Charge and Assignment, the Issuer has purported to grant fixed charges over, among other things, its interests in the Purchased Receivables and their Ancillary Rights, its rights and benefits in the Accounts from time to time.

English law relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than by way of assignment in security) may take effect under English law as floating charges only if, for example, it is determined that the Security Trustee has not been provided sufficient control over the charged assets (although it should be noted that there is no equivalent concept of recharacterisation of fixed security as floating security under Scots law). If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

The interest of the Transaction Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administrator or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 250 of the Enterprise Act 2002 abolishes Crown Preference in relation to all insolvencies (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but a new Section 176A of the Insolvency Act 1986 requires a "prescribed part" (up to a maximum amount of £600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors and from 6 April 2020 it is expected that HMRC's preferential status in respect of other taxes (eg, VAT, PAYE and employee NICs) will be reintroduced. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

Taxation

The Issuer will not provide for gross-up of payments in the event that the payments on the Notes become subject to withholding taxes. See "*ABSTRACT OF THE CONDITIONS OF THE NOTES – TAXES*".

Transactions on the Notes could be subject to the European financial transaction tax, if adopted

On 14 February 2013, the EU Commission adopted a proposal (the "**Commission's Proposal**") for a Council Directive) on a common financial transaction tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT is still subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes.

A number of jurisdictions (including Germany, Luxembourg and the United Kingdom) have entered into, or agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date of publication in the U.S. Federal Register of final regulations defining the term "foreign passthru payment" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Prospective holders of the Notes should consult their own tax advisers with respect to the FATCA rules and the application of FATCA to such holder in light of such holder's individual circumstances.

Regulatory Risks

European Market Infrastructure Regulation (EMIR)

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**") came into force on 16 August 2012.

On 19 December 2012, the European Commission adopted nine of ESMA's Regulatory Technical Standards (the "**Adopted RTS**") and Implementing Technical Standards (the "**Adopted ITS**") on OTC Derivatives, central counterparties ("**CCPs**") and Trade Repositories (the Adopted RTS and Adopted ITS together being the "**Adopted Technical Standards**"), which included technical standards on clearing, reporting and risk mitigation (see further below). The Adopted ITS were published in the Official Journal of the European Union on 21 December 2012 and entered into force on 10 January 2013 (although certain of the provisions thereof only took effect once the associated regulatory technical standards entered into force). The Adopted RTS were published in the Official Journal of the European Union on 23 February 2013 and entered into force on 15 March 2013.

EMIR introduces certain requirements in respect of OTC derivative contracts applying to financial counterparties ("**FCPs**"), such as investment firms, credit institutions and insurance companies and certain classes of non-financial counterparties ("**Non-FCPs**"). Such requirements include, amongst other things, the mandatory clearing of certain OTC derivative contracts (the "**Clearing Obligation**") through an authorised central counterparty (a "**CCP**"), the reporting of OTC derivative contracts to a trade repository (the "**Reporting Obligation**") and certain risk mitigation requirements (including the requirement to post initial and variation margin) in relation to OTC derivative contracts which are not centrally cleared.

The Clearing Obligation applies to FCPs and certain Non-FCPs which have positions in OTC derivative contracts exceeding specified 'clearing thresholds' (such Non-FCPs, "**NFC+s**"). Such OTC derivative contracts also need to be of a class of derivative which has been designated by ESMA as being subject to the Clearing Obligation. As at the date of this Base Prospectus, ESMA has proposed certain classes of interest rate derivatives, credit derivatives and non-deliverable forwards to be subject to the Clearing Obligation. In relation to certain classes of interest rate derivatives, the Delegated Regulation containing the Regulatory Technical Standards on central clearing for interest rate derivatives ("**Central Clearing RTS**"), was published in the Official Journal of the European Union on 1 December 2015 and the first clearing obligations started on 21 June 2016. In relation to certain classes of interest rate derivatives denominated in Swedish krona, Polish zloty or Norwegian Krone, the Delegated Regulation containing the Regulatory Technical Standards on the central clearing for certain classes of interest rate derivatives denominated in those currencies was published in the Official Journal of the European Union on 20 July 2016 and the first clearing obligations started on 9 February 2017. On the basis of the Adopted Technical Standards, it is likely that the Issuer will be treated as a Non-FCP for the purposes of EMIR and the swap transactions to be entered into by it on the Closing Date will not exceed the "clearing threshold" and therefore should not be subject to the Clearing Obligation.

A CCP will be used to meet the Clearing Obligation by interposing itself between the counterparties to the eligible OTC derivative contracts. For the purposes of satisfying the Clearing Obligation, EMIR requires derivative counterparties to become clearing members of a CCP, a client of a clearing member or to otherwise establish indirect clearing arrangements with a clearing member. Each derivative counterparty will be required to post both initial and variation margin to the clearing member (which in turn will itself be required to post margin to the CCP). EMIR requires CCPs to only accept highly liquid collateral with minimal credit and market risk, which is defined in the Adopted Technical Standards to include cash in certain currencies, gold and highly rated government bonds.

The Reporting Obligation applies to all types of counterparties and covers the entry into, modification or termination of cleared and non-cleared derivative contracts which were entered into (i) before 16 August 2012 and which remain outstanding on 16 August 2012, or (ii) on or after 16 August 2012. The details of all such derivative contracts (including details of any collateral posted) are required to be reported to a trade repository. It will therefore apply to the Swap Agreements and any replacement swap agreements.

FCPs and Non-FCPs which enter into non-cleared derivative contracts must ensure that appropriate procedures and arrangements are in place to measure, monitor and mitigate operational and counterparty credit risk. Such procedures and arrangements include, amongst other things, the timely confirmation of the

terms of a derivative contract and formalised processes to reconcile trade portfolios, identify and resolve disputes and monitor the value of outstanding contracts. In addition, FCPs and those Non-FCPs which exceed the specified clearing thresholds must also mark-to-market the value of their outstanding derivative contracts on a daily basis and have risk-management procedures that require the timely, accurate and appropriately segregated exchange of collateral.

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR but also by the 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 (together known as "**MiFID II**") and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("**MiFIR**" together with MiFiD II "**MiFiD II** / **MiFIR**") which were published in the EU Official Journal on 12 June 2014 and entered into force on 2 July 2014. MiFIR is a Level -1 regulation and requires secondary rules for full implementation of all elements. The implementing measures that supplement MiFIR will take the form of delegated acts and technical standards. MiFiD II / MiFIR applied from 3 January 2018.

Amongst other requirements, MiFIR requires certain sufficiently liquid and standardised derivatives that are subject to the Clearing Obligation to be traded on a regulated market, multi-lateral trading facility, organised trading facility or a third country trading venue (the "**Trading Obligation**"). On the basis that it is unlikely that the swap transactions will be sufficiently standardised and liquid, they should not be subject to the Trading Obligation.

The European Parliament and Council have adopted Regulation (EU) No 2015/2365 of 25 November 2015 which was published in the Official Journal of the European Union on 23 December 2015 and took effect as of 12 January 2016 known as the Securities Financing Transactions Regulation ("**SFTR**"). The SFTR introduces certain requirements in respect of OTC derivative contracts applying to financial counterparties ("**SFTR FCPs**"), such as investment firms, credit institutions and insurance companies and certain non-financial counterparties ("**SFTR Non-FCPs**"). Such requirements include, amongst other things, the reporting of each "**Securities Financing Transaction**" that has been concluded between SFTR FCPs and SFTR Non-FCPs, together with any modification or termination of a Securities Financing Transaction, to a trade repository (the "**SFTR Reporting Obligation**"). The definition of Securities Financing Transaction includes a repurchase transaction, securities or commodities lending transaction, a buy-sell back transaction and a margin lending transaction and could potentially include the credit support arrangements. The requirements also include an obligation to disclose certain information before counterparties (including SFTR FCPs and SFTR Non-FCPs) can reuse financial instruments (but not cash) received as collateral from 13 July 2016 (the "**Collateral Reuse Notification Obligation**"). The Collateral Reuse Notification Obligation applies irrespective of whether the transaction is a Securities Financing Transaction.

Prospective investors should be aware that the regulatory changes arising from EMIR and MiFID II / MiFIR may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware, however, that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR, technical standards made thereunder (including the Adopted Technical Standards), the MIFID II /MiFIR in making any investment decision in respect of the Notes.

Notwithstanding the qualifications on application described above, the position of the Swap Agreements under the Clearing Obligation is not entirely clear and may be affected by further measures to be made, regulatory guidance and/or by any inability to rely on an exemption for any reason. In this regard, we note that the European authorities recently adopted a new STS Regulation (see the section *"RISK RETENTION AND DUE DILIGENCE REQUIREMENTS*" below) which applies from the start of 2019 and which includes, amongst other matters, amendments to EMIR. The amendments make provision for the development of technical standards further specifying an exemption from the Clearing Obligation and the Risk Mitigation Obligation for certain OTC derivatives contracts entered into by a securitisation special purpose entity in connection with certain securitisations. On 18 December 2018 the European Supervisory Authorities ("**ESAs**") published two joint draft Regulatory Technical Standards to amend the Regulatory Technical Standards on the clearing obligation and risk mitigation techniques for non-cleared OTC derivatives in accordance with Articles 4 and 11 of EMIR as amended under Article 42 of the Securitisation Regulation.

These standards provide a specific treatment for simple, transparent and standardised securitisations to ensure a level playing field with covered bonds.

It should also be noted that further changes will be made to the EMIR framework in the context of the EMIR review process, including mandatory delegated reporting. In this regard, on 4 May 2017, the European Commission published legislative proposals providing for certain amendments to EMIR. On 5 February 2019 political agreement between the European Council, European Parliament and European Commission was reached on the reform of EMIR ("**EMIR REFIT**"), although the technical details and timing are still to be confirmed. The final text of the EMIR REFIT has been adopted by the European Parliament in its final plenary session on 18 April 2019 and will enter into force 20 days after publication in the Official Journal of the EU the date of which is unknown yet but expected to be at the end of the second quarter 2019. As the legislative procedure has not been concluded yet, no assurances can be given that any changes made to EMIR would not lead to some or all of the potentially adverse consequences outlined above.

In light of the further changes proposed by EMIR REFIT, prospective investors should be aware that the relevant Transaction Documents may need to be amended during the course of the Transaction, without the consent of any Noteholder, to ensure that the terms thereof and the parties obligations thereunder are in compliance with EMIR REFIT and/or the then subsisting EMIR technical standards and SFTR and/or the then subsisting SFTR technical standards.

Basel Capital Accord and regulatory capital requirements

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 ("**The Basel II framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

The Basel Committee has subsequently approved significant changes and extensions to the Basel II framework (such changes and extensions being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base (including an increase in the minimum Tier 1 capital requirement), measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (the latter being referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**", respectively). The European authorities have now incorporated the Basel III framework into EU law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive – "**CRD**") and the CRR known as "CRD IV-Package" which has generally entered into force in the EU on 1 January 2014. It should be noted that, whilst the provisions of the CRD were required to be incorporated into the domestic law of each EU Member State, the CRR has direct effect, and does not need to be implemented into the relevant national law.. On 23 November 2016 the Commission proposed a new Regulation amending the CRR (the "**CRR II**") and a new Directive amending the CRD (the "**CRD V**") which, *inter alia*, simplified the Net Stable Funding Ratio. On 5 December 2018, the European Parliament announced that it had reached agreement with the European Council of the EU on the Banking Package – the CRD V and CRR II. On 16 April 2019 the European Parliament endorsed the provisional agreement reached during the political trilogues at the beginning of December 2018. On 14 May 2019 the agreement has been adopted by the European Council. The agreement includes, *inter alia*, the following key measures of the package: a leverage ratio requirement for all institutions as well as a leverage ratio buffer for all global systemically important institutions; a net stable funding requirement and revised rules on capital requirements for counterparty credit risk and for exposures to central counterparties. The changes under CRD V and Basel III may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

Additionally, in accordance with Article 460 of the CRR, on 17 January 2015 the Commission Delegated Regulation (EU) No 2015/61 of 10 October 2014 with regard to liquidity coverage requirement for Credit Institutions to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council (the

"**LCR Regulation**") was published in the Official Journal of the European Union; this subsequently entered into force on 1 October 2015. The LCR Regulation sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. Further, it sets out the EU application of the Liquidity Coverage Ratio, and defines specific criteria for assets to qualify as "high quality liquid assets", the market value of which shall be used by credit institutions for the purposes of calculating their relevant Liquidity Coverage Ratio. The criteria for high quality liquid assets are not entirely consistent with recent market standards and, given the lack of guidance on the interpretation of the LCR Regulation, no assurance can be given as to whether the Notes qualify as high quality liquid assets in each participating EU Member State and the Issuer makes no representation as to whether such criteria are met by the Notes.

On 30 October 2018, Delegated Regulation (EU) 2018/1620 amending the LCR Regulation (the "**Delegated Regulation**") was published in the Official Journal of the European Union and subsequently entered into force on 19 November 2018, pursuant to which, *inter alia*, (i) the calculation of the expected liquidity outflows and inflows on repurchase agreements, reverse repurchase agreements and collateral swaps shall be aligned with the international liquidity standard developed by Basel Committee on Banking Supervision; (ii) the treatment of certain reserves held with third-country central banks shall be amended and (iii) transactions exposures of securitisations, which qualify as simple, transparent and standardised securitisations in accordance with the Securitisation Regulation, shall qualify as Level 2B high quality liquid assets, if they additionally fulfil the conditions laid down in Article 13 of the LCR Regulation. The Delegated Regulation will apply as from 30 April 2020.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and by the CRD IV Package in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Risk Retention and Due Diligence Requirements

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

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

With respect to the commitment of the Seller to retain a material net economic interest with respect to the Transaction, following the issuance of Initial Notes and/or Further Notes after 1 January 2019 as contemplated by Article 6(3)(c) of the Securitisation Regulation and pursuant to Article 43(7) of the Securitisation Regulation, until regulatory technical standards are adopted by the Commission pursuant to Article 6(7) of the Securitisation Regulation, the Seller will retain, for the life of the Transaction, such net economic interest through retention of randomly selected "exposures" (i.e. Receivables), equivalent to no less than 5 per cent. of the nominal amount of the "securitised exposures" (i.e. the Purchased Receivables) at the Issue Date, where such exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is no less than 100 at origination. The Seller has prepared a table as set out in the section "THE PURCHASED RECEIVABLES POOL" of this Base Prospectus with a view to reflect that it complies with Article 6(3)(c) of the Securitisation Regulation. The pool of exposures (being Receivables) to be randomly selected and retained by the Seller will have the characteristics set out in the table titled "Retention according to Article 6(3)(c) of the Securitisation Regulation" in the section "THE PURCHASED RECEIVABLES POOL".

The outstanding balance of the retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Purchased Receivables. The Monthly

Investor Reports will also set out monthly confirmation as to the Seller's continued holding of the original retained exposures.

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

Article 5 of the Securitisation Regulation places an obligation on institutional investors (as defined in the Securitisation Regulation) before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions and monitor on an ongoing basis in a timely manner performance information on the exposures underlying their securitisation positions. After the Issue Date, the Servicer (on behalf of the Issuer) will prepare monthly investor reports wherein relevant information with regard to the Purchased Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller in accordance with Article 7(1)(e) of the Securitisation Regulation.

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

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

Following the issuance of Initial Notes and/or Further Notes on or after 1 January 2019, relevant investors, to which the Securitisation Regulation is applicable, are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with the CRD IV Package or Article 5 of the Securitisation Regulation and none of the Issuer, the Seller, the Lead Manager, the Managers nor the Arranger makes any representation that the information described above is sufficient in all circumstances for such purposes.

On 31 July 2018 the EBA published final draft regulatory technical standards to be made under the risk retention requirements which are subject to review by the European Commission. Noteholders should take their own advice and/or seek guidance from their regulator on compliance with, and the application of, the provisions of the CRD IV Package and Article 6 of the Securitisation Regulation in particular.

Securitisation Regulation Disclosure Requirements

The originator, sponsor and SSPE (i.e. the Issuer) of a securitisation are required to designate one of them (the "**Reporting Entity**") to fulfil the Securitisation Regulation's reporting requirements in Article 7 and 43(8) (the "**Securitisation Regulation Disclosure Requirements**"). The reporting entity must make certain prescribed information available to holders of a securitisation position, to the relevant competent authorities ("**Competent Authorities**") and, upon request, to potential investors.

Article 7 of the Securitisation Regulation includes ongoing reporting obligations which include quarterly portfolio level disclosure and quarterly investor reports (the "**Reports**") and, where applicable, information on "significant events" ("**Significant Events**"). Disclosures relating to any Inside Information and, to the extent applicable, Significant Events are required to be made available "without delay".

The Reports are to be made available simultaneously on a quarterly basis and at the latest one month after each Payment Date. With respect to any period where no Payment Date occurs quarterly, the Reports are required to be made available simultaneously not less than three months after the most recent publication of the Reports, or within three months of the Closing Date. Disclosures relating to any Inside Information and Significant Events are required to be made available without delay.

On 22 August 2018, ESMA published its final report on the technical standards under the Securitisation Regulation Disclosure Requirements containing detailed draft disclosure templates that are required to be

completed with respect to the Reports and, in relation to public transactions only, Inside Information and Significant Events (the "**Transparency RTS**"). The European Commission stated that it did not endorse these draft Transparency RTS in its letter to ESMA dated 30 November 2018. ESMA submitted revised Transparency RTS to the Commission on 31 January 2019. The Commission will now decide whether to adopt these revised Transparency RTS. The European Parliament and the Council then have a prescribed period following the Commission's adoption in which they may object to the Transparency RTS. The application date of the technical standards has not yet been specified. There remains significant uncertainty as to the scope and the application date of the reporting requirements contained in the Transparency RTS.

The transitional provisions of the Securitisation Regulation with respect to the Securitisation Regulation Disclosure Requirements provide that until the application of the Transparency RTS, for the purposes of the Reports, the reporting entity shall make available the information referred to in Annexes I to VIII of Delegated Regulation (EU) 2015/3 (the "**CRA3 RTS**").

On 30 November 2018, the European Banking Authority (the "**EBA"**), ESMA and the European Insurance and Occupational Pensions Authority (together, the "European Supervisory Authorities" or "**ESAs**") published a joint statement (the "**Joint Statement**") regarding the reporting templates to be used for the Reports (the "**Article 7 Quarterly Reporting Requirements**") in the period until the Transparency RTS apply.

The ESAs stated that they expect Competent Authorities to generally apply their supervisory powers in their day-to-day supervision and enforcement of applicable legislation in a proportionate and risk-based manner. This approach entails that the Competent Authorities can, when examining reporting entities' compliance with the disclosure requirements of the Securitisation Regulation, take into account the type and extent of information already being disclosed by reporting entities. The ESAs also noted that they expect that difficulties with compliance will be solved with the final application of the disclosure templates in the Transparency RTS. As such, the Joint Statement from the ESAs should be viewed as a temporary measure. The Joint Statement went on to state that this approach does not entail general forbearance, but a case-by-case assessment by the Competent Authorities of the degree of compliance with the Securitisation Regulation. As the Joint Statement does not "grandfather" transactions that are issued after 1 January 2019 but before the application of the disclosure templates in the Transparency RTS, such transactions, including the transaction described herein, will need to comply with the disclosure templates in the Transparency RTS once they apply. In light of the Joint Statement, the transaction described herein will initially seek to comply with subparagraphs (a) and (e) of Article 7(1) and make available the information referred to in Annexes I to VIII of the CRA3 RTS through reports prepared by the Servicer.

For the purposes of Article 7 and Article 22 of the Securitisation Regulation the Servicer (on behalf of the Seller as the originator for the purposes of the Securitisation Regulation) confirms and (where applicable) will make available the following information:

(a) Before pricing of the Notes, for the purpose of compliance with Article 22(1) of the Securitisation Regulation, the Servicer will make available to investors and potential investors information on static and dynamic historical default and loss performance, for a period of at least 5 years. In this regard, see the section "*HISTORICAL PERFORMANCE DATA*" of this Base Prospectus.

(b) For the purpose of compliance with Article 22(2) of the Securitisation Regulation, the Servicer confirms that a sample of Financing Contracts has been externally verified by an appropriate and independent party prior to the date of this Base Prospectus (see also the section "*THE PURCHASED RECEIVABLES POOL")*. For the purposes of the verification a confidence level of at least 95% was applied. The Servicer confirms no significant adverse findings have been found. The independent party has also performed agreed upon procedures on the data included in the stratification tables in the section "*THE PURCHASED RECEIVABLES*". The Servicer confirms no significant adverse findings have been found. Based on the review by the independent party, the Servicer confirms that to the best of its knowledge such information is in accordance with the facts and does not omit anything likely to affect its import

(c) Before pricing of the Notes, for the purpose of compliance with Article 22(3) of the Securitisation Regulation, the Servicer will make available a cashflow liability model of the Transaction on the website of EuroABS (https://www.euroabs.com). Such cashflow model will be available after the Closing Date to investors on an ongoing basis and to potential investors on request.

(d) For the purpose of compliance with Article 22(4) of the Securitisation Regulation, the Servicer confirms that Annexes I to VIII of the CRA3 RTS do not allow for reporting on the environmental performance of the Vehicles relating to the Purchased Receivables and the Servicer confirms that, so far as it is aware, information on environmental performance of the Vehicles relating to the Purchased Receivables is not available to be reported pursuant to Article 22(4). The Servicer confirms that once information on environmental performance of the Vehicles relating to the Purchased Receivables is available and able to be reported, it will make such information available to investors on an ongoing basis in order to comply with the requirements of Article 22(4) of the Securitisation Regulation.

(e) Before pricing of the Notes and within 15 days of the Closing Date, for the purposes of compliance with Article 22(5) and Article 7(1)(b) of the Securitisation Regulation, the Servicer will make available certain Transaction Documents and the Base Prospectus. It is not possible to make final documentation available before pricing of the Notes and so the Servicer has made the Base Prospectus and draft Receivables Purchase Agreement, Redelivery Repurchase Agreement, Servicing Agreement, Agency Agreement, Account Agreement, Subordinated Loan Agreement, Trust Agreement, Incorporated Terms Memorandum, Deed of Charge and Assignment and template Swap Agreements on the website of the European Data Warehouse (www.eurodw.eu). Such Transaction Documents in final form will be available after the Closing Date to investors on an ongoing basis and to potential investors on request.

(f) Before pricing of the Notes in initial form and on or around the Closing Date in final form, for the purposes of compliance with Article 7(1)(d) of the Securitisation Regulation, the Servicer will make available the STS notification referred to in Article 27 of the Securitisation Regulation on the website of the European Data Warehouse (www.eurodw.eu).

(g) For the purposes of Article 7(1)(a) and (e) of the Securitisation Regulation, information on the Purchased Receivables will be made available before pricing of the Notes and on a monthly basis the Servicer will make available information on the Purchased Receivables and an investor report in accordance with Annexes I to VIII of the CRA3 RTS and the Transparency RTS once it applies.

(h) For the purposes of Article 7(1)(f) of the Securitisation Regulation the Issuer will, without delay, publish any inside information relating to the Transaction. The Servicer is not required to comply with Article 7(1)(f).

(i) For the purposes of Article 7(1)(g) of the Securitisation Regulation and pursuant to its obligation to comply with the Securitisation Regulation Disclosure Requirements, the Servicer will, without delay, publish information in respect of any significant event such as (i) a material breach of the obligations laid down in the Transaction Documents, (ii) a change in the structural features that can materially impact the performance of the securitisation, (iii) a change in the risk characteristics of the Transaction or the Purchased Receivables that can materially impact the performance of the securitisation, (iv) if the Transaction ceases to meet the STS requirements or if competent authorities have taken remedial or administrative actions and (v) any material amendments to the Transaction Documents.

Securitisation Regulation Disclosure Requirements – Servicer and Issuer arrangements

In relation to the Securitisation Regulation Disclosure Requirements: (a) the Issuer will be designated as the reporting entity; (b) under the Servicing Agreement, the Servicer has undertaken to the Issuer that, pursuant to the Securitisation Regulation, it will (on behalf of the Issuer) make the information available to the Noteholders, to competent authorities, as referred to in Article 29 of the Securitisation Regulation and to potential Noteholders all such information as the Issuer is required to make available pursuant to and in compliance with the Securitisation Regulation Disclosure Requirements. To the extent no securitisation repository is registered in accordance with Article 10 of the Securitisation Regulation, the Servicer will make such information available on the website of the European Data Warehouse (www.eurodw.eu) which, for the avoidance of doubt, will comply with the Securitisation Regulation Disclosure Requirements. If a securitisation repository should be registered in accordance with Article 10 of the Securitisation Regulation, the Servicer on behalf of the Issuer will make the information available to such securitisation repository.

Once the Transparency RTS apply, the Monthly Investor Reports will be prepared in accordance with the

requirements of the Transparency RTS. Prior to the application of the disclosure templates in the Transparency RTS, the Issuer intends to fulfil the requirements contained in subparagraphs (a) and (e) of Article 7(l) through the Monthly Investor Reports *(see "ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT")*. The Joint Statement is not a legally binding document and there is currently uncertainty in relation to the legal position as regards the form of quarterly reporting until the date of application of the Transparency RTS. Investors should note that it is for relevant Competent Authorities to determine whether they consider that this form of reporting satisfies the Securitisation Regulation Disclosure Requirements.

Whether the Servicer will be able to obtain and provide to the Issuer all of the information required to be reported in accordance with the Securitisation Regulation Disclosure Requirements is unclear.

Although the Issuer has undertaken to act as the reporting entity, it should be noted that the Securitisation Regulation's reporting obligations are likely to apply to both the Servicer as the originator as well as to the Issuer. Any failure by the Issuer, as the reporting entity or by the Servicer, to fulfil the Securitisation Regulation Disclosure Requirements applicable to them or covenants relating thereto may cause the transaction to be non-compliant with the Securitisation Regulation.

Securitisation Regulation and simple, transparent and standardised securitisation

On 17 January 2018, as part of the implementation of the European Commission's Action Plan on Building a Capital Markets Union, Regulation (EU) 2017/2402 came into force which will harmonise rules on risk retention, due diligence and disclosure across the different categories of European institutional investors which will apply to all securitisations (subject to grandfathering provisions) and will introduce a new framework for simple, transparent and standardised securitisations (the "**Securitisation Regulation**"). The Securitisation Regulation applies to transactions entered into from 1 January 2019.

On 12 December 2018 EBA published its final Guidelines (the "**Guidelines**"), which will provide a harmonised interpretation of the criteria for securitisations to be eligible as simple, transparent and standardised on a cross-sectoral basis throughout the European Union. The Guidelines clarify and ensure a common understanding of all the simple, transparent and standardised criteria, including those related to the expertise of the originator and servicer, the underwriting standards, exposures in default and credit impaired debtors, and predominant reliance on the sale of assets. The Guidelines will apply from 15 May 2019. However, in order to support a consistent interpretation of the simple, transparent and standardised framework across the European Union, it is expected that the competent authorities and other addressees of the Guidelines will generally apply the approach set out in the guidelines as from 1 January 2019. Furthermore, EBA and ESMA have developed technical standards clarifying certain requirements under the draft regulation, including for simple, transparent and standardised securitisations and, in particular, in respect of the homogeneity requirement thereunder. The EBA Final Draft Regulatory Technical Standards in respect of the homogeneity of the underlying exposures in securitisation under Articles 20(14) and 24(21) of Regulation (EU) No 2017/2402 published on 31 July 2018 (the "**Draft HRTS**") are currently with the Commission for adoption and will need to be subject to the scrutiny of the European Parliament and Council before being published in the Official Journal of the European Union. The final Regulatory Technical Standards on homogeneity ("**HRTS**") are expected to be published during the course of 2019, whereby the date of such publication remains unknown yet. Once the HRTS is published, the Guidelines are likely to be updated to comply with the HRTS, taking into account any conflict between the current Guidelines and the HRTS.

Although the Transaction has been structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in Articles 20, 21 and 22 of the Securitisation Regulation and is expected to be certified as such by Prime Collateralised Securities ("**PCS**") Limited on the Closing Date, no guarantee can be given that it maintains this status throughout its lifetime. Non-compliance with such status may result in higher capital requirements for investors as an investment in the Notes would not benefit from Articles 260, 262 and 264 of the CRR. Furthermore, non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer. As the Order of Priority does not foresee a reimbursement of the Issuer for the payment of any of such administrative sanctions and/or remedial measures the repayment of the Notes may be adversely affected.

To ensure that this Transaction will comply with future changes or requirements of any Delegated Regulation which entered into force after the Closing Date, the Issuer and the Servicer will be entitled to change the Transaction Documents as well as the Conditions, in accordance with amendment provisions in the Transaction Documents and the Conditions, to comply with such requirements.

On 28 December 2017 Regulation (EU) 2017/2401 amending Regulation (EU) 575/2013 was published in the Official Journal of the European Union which was intended to implement the revised securitisation framework developed by Basel Committee on Banking Supervision (the "**CRR Amendment Regulation**").

Notably, the risk weights applicable to securitisation exposures for credit institutions and investment firms will in general substantially increase under the new securitisation framework implemented under the CRR Amendment Regulation and the Securitisation Regulation and these new risk weights apply since 1 January 2019 or will apply as of 1 January 2020, depending on the features of the particular securitisation exposure.

Prospective investors should carefully consider (and, where appropriate, take independent advice) in relation to the capital charges associated with an investment in the Notes, especially during this transition period. In particular, investors should carefully consider the effects of the change (and likely increase) to the capital charges associated with an investment in the Notes for credit institutions and investment firms which already apply or are expected to take effect from 1 January 2020, depending on the particular exposure. These effects may include, but are not limited to, a decrease in demand for the Notes in the secondary market, which may lead to a decreased price for the Notes. It may also lead to decreased liquidity and increased volatility in the secondary market. Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements.

Also, in July 2016, the Basel Committee on Banking Supervision published its own standard for the regulatory capital treatment of securitisation exposures that includes the regulatory capital treatment for "simple, transparent and comparable" (STC) securitisations.

As at the date of this Base Prospectus, there can be no assurance as to the regulatory consequences of the UK leaving the European Union as a result of the UK Referendum see "*Risk Factors –Political Uncertainty*" above.

CRA3

Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013 ("**CRA3**") has introduced a requirement that issuers or related third parties of SFIs solicit two independent ratings for their obligations and should consider appointing at least one rating agency having less than a 10% market share. Where the issuer or a related third party does not appoint at least one credit rating agency with no more than 10 per cent. market share, this must be documented. Fitch, S&P and Moody's have been engaged to rate all Classes of Notes and this decision has been documented. As there is no guidance on the requirements for any such documentation there remains some uncertainty whether the Issuer's documentation efforts will be considered sufficient for these purposes and what the consequences of any non-compliance may be for investors in the Notes.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for the Issuer, the Seller and/or some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Restrictions on Transfers

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The offering of the Notes will be made pursuant to exemptions from the registration provisions of the Securities Act and from state securities laws. No Person is obliged or intends to register the Notes under the Securities Act or any state securities

laws. Accordingly, offers and sales of the Notes are subject to the restrictions described under "*SUBSCRIPTION AND SALE*".

U.S. Risk Retention

The U.S. Risk Retention Rules generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of the U.S. Risk Retention Rules, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligations that they generally impose.

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

The Notes sold as part of the initial distribution may not be purchased by Risk Retention U.S. Persons in the transaction. Prospective investors should note that whilst the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to the definition of U.S. person under Regulation S, the definitions are not identical and persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules.

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

The Arranger or any of its respective affiliates makes no representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Base Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (the "**Eurosystem eligible collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline (EU) 2015/510 of the European Central Bank (the "**ECB**") of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast) as amended from time to time (the "**ECB Guideline**"), which was published in the Official Journal of the European Union on 2 April 2015 and applies from 1 May 2015. Following amendments to the ECB Guideline made by Guideline (EU) 2016/64 of 18 November 2015 effective from 5 January 2016, asset backed securities comprising receivables with residual values were excluded from the eligibility criteria. Consequently, the Class A Notes will not currently be recognised as Eurosystem eligible collateral. The Servicer will nevertheless make loan-level data

available in such manner as required by the ECB to comply with the Eurosystem eligibility criteria, subject to applicable data protection rules in case the Class A Notes become eligible in the future.

On 15 December 2010 the Governing Council of the ECB decided to establish loan-by-loan information requirements for asset-backed securities in the Eurosystem collateral framework. On 28 November 2012, in the Guideline of the ECB of 26 November 2012 amending Guideline ECB/2011/14 on monetary policy instruments and procedures of the Eurosystem (ECB/2012/25), the ECB has laid down the reporting requirements related to the loan-level data for asset-backed securities. For asset-backed securities to become or to remain eligible for Eurosystem monetary policy operations, the Eurosystem requires comprehensive and standardised loan-level data on the pool of cash flow generating assets underlying an asset-backed security to be submitted by the relevant parties in the asset-backed security, as set out in Annex VIII (loan-level data reporting requirements for asset-backed securities) of the ECB Guideline. Non-compliance with provision of loan-level data will lead to suspension of or refusal to grant eligibility to the asset-backed security transaction in question. For asset backed securities where the cash flow generating assets comprise auto loans, consumer finance loans or leasing receivables, the loan-by-loan information requirements have applied from 1 January 2013 and the nine-month transition period ended on 30 September 2014.

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

Prospective holders of the Notes should consult their own professional advisers with respect to whether or not the Notes constitute Eurosystem eligible collateral at any point of time during the life of the Notes.

Bank of England Eligibility

Certain investors in the Class A Notes may wish to consider the use of the Class A Notes as eligible securities for the purposes of the Bank of England's Discount Window Facility ("**DWF**"). Recognition of the Class A Notes as eligible securities for the purposes of the DWF will depend upon satisfaction of the eligibility criteria as specified by the Bank of England. If the Class A Notes do not satisfy the criteria specified by the Bank of England, there is a risk that the Class A Notes will not be eligible DWF collateral. None of the Issuer, the Arranger, the Lead Manager or the Managers gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for the DWF eligibility and be recognised as eligible DWF collateral. Any potential investor in the Class A Notes should make its own determinations and seek its own advice with respect to whether or not the Class A Notes constitute eligible DWF collateral.

Recovery and Resolution Proceedings

As a result of the Banking Recovery and Resolution Directive 2014/59/EU of 15 May 2014 or "**BRRD**", it is possible that a credit institution or investment firm with its head office in an EEA state and/or certain group companies (such institution, investment firm or group company could encompass any Swap Counterparty) could be subject to certain resolution actions in that state. Any such action may affect the ability of any relevant entity to satisfy its obligations under the Transaction Documents (including the Swap Agreements) and there can be no assurance that Noteholders will not be adversely affected as a result.

On 23 November 2016, the European Commission presented a comprehensive package of reforms in order to further strengthen the resilience of banks resident in the European Union, to improve banks' lending capacity and to improve liquidity of the markets, including a proposal to amend the BRRD ("**BRRD II**"). To fast-track selected parts of the proposal, the Directive (EU) 2017/2399 amending the BRRD (the "**BRRD Amending Directive**") as regards the ranking of unsecured debt instruments entered into force on 28 December 2017. In May 2018, the European Council published its recommended amendments to the Commission's November 2016 BRRD II proposal and the Committee on Economic and Monetary Affairs ("**ECON**") followed in July 2018. On 5 December 2018, the European Parliament announced that it had reached agreement with the European Council of the EU on the BRRD II. On 16 April 2019 the European

Parliament endorsed the provisional agreement reached during the political trilogues at the beginning of December 2018. On 14 May 2019 the agreement has been adopted by the European Council. At this stage it cannot be predicted when and in which form the remaining parts of the proposal may be implemented, nor the impact of the BRRD Amending Directive and future amendments on the Noteholders.

Risk from reliance on verification by PCS

The Servicer (on behalf of the Seller as the originator for the purposes of the Securitisation Regulation), and the Issuer, (as SSPE for the purposes of the Securitisation Regulation), have used the services of Prime Collateralised Securities (UK) Limited ("**PCS**"), a third party authorised pursuant to Article 28 of the Securitisation Regulation, to verify whether the securitisation transaction described in this Base Prospectus complies with Articles 19 to 22 of the Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date. However, none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Arranger, the Swap Counterparties, the Lead Manager or the Managers gives any explicit or implied representation or warranty as to (i) inclusion in the list administered by ESMA within the meaning of Article 27 of the Securitisation Regulation, (ii) that the securitisation transaction described in this Base Prospectus does or continues to comply with the Securitisation Regulation, (iii) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of Article 18 of the Securitisation Regulation after the date of this Base Prospectus.

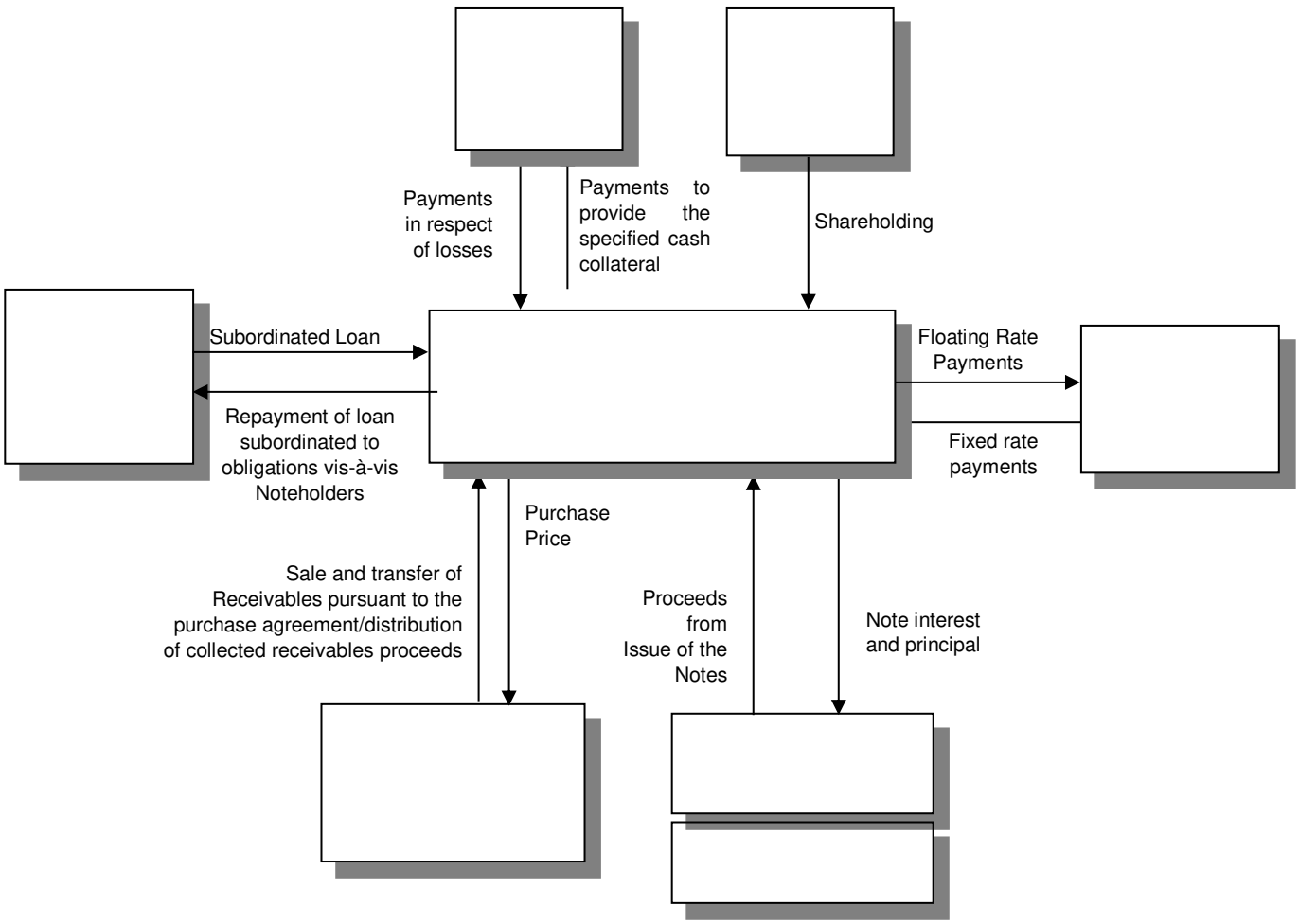
The verification by PCS does not affect the liability of the Seller, as originator and the Issuer, as SSPE in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of such verification by PCS shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation. Notwithstanding PCS' verification of compliance of a securitisation with Articles 19 to 22 of the Securitisation Regulation, such verification by PCS does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation. A verification does not remove the obligation placed on investors to assess whether a securitisation labelled as 'STS' or 'simple, transparent and standardised' has actually satisfied the criteria. Investors must not solely or mechanistically rely on any STS notification or PCS' verification to this extent.

The Servicer (on behalf of the Seller, as originator) will include in its notification pursuant to Article 27(1) of the Securitisation Regulation, a statement that compliance of the securitisation described in this Base Prospectus with Articles 19 to 22 of the Securitisation Regulation has been verified by PCS.

The designation of the securitisation transaction described in this Base Prospectus as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the securitisation transaction described in this Base Prospectus as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes.

STRUCTURE DIAGRAM



TRANSACTION OVERVIEW

The following "TRANSACTION OVERVIEW" must be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Base Prospectus and in the relevant Final Terms. For a discussion of significant risk factors to be construed in connection with an investment in the Notes, see "RISK FACTORS". Capitalised terms not specifically defined in this TRANSACTION OVERVIEW shall have the meanings ascribed to them in clause 1 of the Master Definitions Schedule set out in the Incorporated Terms Memorandum which is dated on or about the date of this Base Prospectus and signed, for purposes of identification, by each of the Transaction Parties.

THE PARTIES

Issuer	Driver UK Master S.A., acting for and on behalf of its Compartment 2, a securitisation company within the meaning of the Luxembourg law of 22 March 2004 on securitisation as amended ("**Luxembourg Securitisation Law**"), incorporated under the form of a public limited liability company (*Société Anonyme*), with registered office at 22-24 Boulevard Royal, L-2449 Luxembourg registered with the trade and companies register under number B 162 723. The Issuer has elected in its Articles of Incorporation (*Statuts*) to be governed by the Luxembourg Securitisation Law. The exclusive purpose of the Issuer is to enter into one or more securitisation transactions, each via a separate compartment ("**Compartment**") within the meaning of the Luxembourg Securitisation Law. The Notes will be funding the second securitisation transaction (the "**Transaction**") of the Issuer.
Foundation	Stichting CarLux, a foundation duly incorporated and validly existing under the laws of The Netherlands, having its registered office at Barbara Strozzilaan 101, 1083 HN Amsterdam, The Netherlands and registered with the trade register of the Chamber of Commerce in Amsterdam under number 34283304 (the "**Foundation**"). The Foundation owns all of the issued shares representing one hundred per cent (100%) of the Issuer. The Foundation does not have shareholders and would distribute any profits received from the Issuer (if any) to charitable organisations.
Driver UK Master Compartment 2	Compartment 2 of Driver UK Master S.A. relating to the Transaction and the issue of the Notes has been created by a decision of the board of directors of Driver UK Master S.A. taken on 25 October 2013.
Seller	Volkswagen Financial Services (UK) Limited ("**VWFS**"), incorporated under the laws of the England as a company with limited liability (see the section "*THE SELLER AND SERVICER*") having its corporate seat at Milton Keynes, United Kingdom and its registered offices at Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes with registered number 02835230.
Servicer	VWFS, incorporated under the laws of England as a company with limited liability having its corporate seat at Milton Keynes, United Kingdom and its registered offices at Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes with registered number 02835230.
Arranger	Lloyds Bank plc, 25 Gresham Street, London, EC2V 7HN, United Kingdom.
Lead Manager	Lloyds Bank plc, 25 Gresham Street, London, EC2V 7HN, United Kingdom.
Managers	NatWest Markets Plc, 250 Bishopsgate, London, EC2M 4AA, United Kingdom, Barclays Bank PLC, 5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom, Barclays Bank Ireland

	PLC, One Molesworth Street, Dublin 2, Ireland, D02 RF29, Scotiabank (Ireland) Designated Activity Company, 4th Floor, I.F.S.C. House, Custom House Quay, Dublin 1, Ireland, Citibank Europe PLC, UK Branch, acting through its UK branch at Citigroup Centre, Canada Square, London E14 5LB, United Kingdom, HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom, MUFG Bank, Ltd, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AN, United Kingdom, Crédit Agricole Corporate and Investment Bank, 12, place des Etats-Unis, CS 70052, 92547 Montrouge CEDEX, France, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany, BNP Paribas a French société anonyme with its registered Office at 16 boulevard des Italiens, 75009 Paris, France , Santander Corporate & Investment Banking, 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom, Standard Chartered Bank, 1 Basinghall Avenue, London, EC2V 5DD, United Kingdom, Wells Fargo Bank, National Association (London Branch), 420 Montgomery Street, San Francisco, CA 94104, USA and acting through its London Branch with offices at One Plantation Place, 30 Fenchurch Street, London, EC3M 3BD, United Kingdom, Bank of America N.A., London Branch 2 King Edward Street, London EC1A 1HQ, Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch, Hauptsitz Frankfurt am Main, Registergericht: Amtsgericht Frankfurt am Main, HRB 77207, Germany, DBS Bank Lt.d, Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB, United Kingdom, Mizuho Bank, Ltd. Mizuho House 30 Old Bailey, London, EC4M 7AU, United Kingdom and any additional Managers appointed under the Programme. For the avoidance of doubt, each Manager, the Lead Manager and the Arranger will act on its own behalf, and the Managers, Lead Manager and the Arranger do not form a syndicate.
Swap Counterparties	Each of (i) Banco Santander, S.A., Ciudad Grupo Santander, Edificio Dehesa, planta 1, Avda. Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain, (ii) DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany, (iii) Skandinaviska Enskilda Banken AB (publ), Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden (iv) Crédit Agricole Corporate and Investment Bank, 12, place des Etats-Unis, CS 70052, 92547 Montrouge CEDEX, France and (v) The Bank of Nova Scotia, having its registered office at 40 King Street West, Scotia Plaza, 55th Floor Toronto, Ontario, Canada M5H 1H1. .
Subordinated Lender	Volkswagen International Luxemburg S.A., 19-21, Route d'Arlon, Bloc B, L-8009 Strassen Luxembourg
Cash Collateral Account Bank	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.
Distribution Account Bank	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.
Monthly Collateral Account Bank	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.
Accumulation Account Bank	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.
Counterparty Downgrade Collateral Account Bank	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

Cash Administrator	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.
Security Trustee	Wilmington Trust (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom.
Calculation Agent, Principal Paying Agent and Interest Determination Agent	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.
Registrar	HSBC France, Luxembourg Branch, 16 Boulevard D'Avranches, L-1160 Luxembourg.
Custodian	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.
Corporate Services Provider	Circumference FS (Luxembourg) S.A., 22-24 Boulevard Royal , L-2449 Luxembourg.
Data Protection Trustee	Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany.
Rating Agencies	Fitch Ratings Limited, 30 North Colonnade, London, E14 5GN; Moody's Investors Service Limited, Canary Wharf, 1 Canada Square, London E14 5FA; and S&P Global Ratings Europe Limited, 20 Canada Square, Canary Wharf, London E14 5LH, United Kingdom.
Clearing Systems	Clearstream Banking société anonyme, 42 Avenue JF Kennedy, L-1885 Luxembourg and Euroclear Bank NV./SA., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

THE NOTES

Class A Notes and Class B Notes	The subject of this Base Prospectus are the Notes which may be issued under the Programme by the Issuer on any date prior to May 2027 (the "**Programme Maturity Date**"), all as further described herein. With respect to payment of interest and principal, all Series of Class A Notes rank *pari passu* amongst themselves but rank senior to all Series of Class B Notes. With respect to payment of interest and principal, all Series of Class B Notes rank *pari passu* amongst themselves but rank junior to all Series of Class A Notes.
Issue Dates	Series of Class A Notes and Series of Class B Notes were issued on 20 November 2013 (the "**Initial Issue Date**"), on 25 November 2014, on 25 November 2015, on 27 June 2016, on 25 October 2016, 26 May 2017, 26 February 2018, 25 May 2018 and will be issued on the Closing Date and may be issued on any further Payment Date falling (i) in the case of Further Notes of an existing Series of Class A Notes or an existing Series of Class B Notes, prior to the Series Revolving Period Expiration Date applicable to such Series, or (ii) in the case of Further Notes of a different Series, on any Payment Date prior to the Programme Maturity Date (each such further Payment Date a "**Further Issue Date**"). The Issuer will inform the existing Noteholders of any such intention to issue by sending a notice to the relevant Noteholder.
Issue Price	The issue price at which a Series of Notes of any Class of Notes will be sold is set out in the relevant Final Terms.

Denomination

Each of the Notes will be issued in a principal amount of GBP 100,000.

Interest and Principal

Class A Notes

Each Series of the Class A Notes entitle the Class A Noteholders thereof to receive from the Available Distribution Amount on each Payment Date:

(a) interest at the rate equivalent to the sum (subject to a floor of zero) of LIBOR plus a rate specified in the Final Terms for the relevant Series (the "**Class A Notes Interest Rate**") on the Nominal Amount of the Class A Notes outstanding immediately prior to such Payment Date; and

(b) thereafter, on and from the first Payment Date after the Series Revolving Period Expiration Date in respect of such Series, from the remaining Available Distribution Amount on each Payment Date (and prior to the occurrence of an Enforcement Event, provided that (A) the payment of interest due and payable on the Class B Notes has been paid and (B) the balance of the Cash Collateral Account equals the Specified General Cash Collateral Account Balance), payment of the Class A Amortisation Amount which comprises:

1. where on the relevant Payment Date some of the outstanding Series of Notes but not all Series of 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 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

2. 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 B Notes

Each Series of the Class B Notes entitle the Class B Noteholders thereof to receive on each Payment Date, out of the amounts remaining from the Available Distribution Amount on each Payment

Date:

(a) after payment of interest due and payable on the Class A Notes, interest at the rate equivalent to the sum (subject to a floor of zero) of LIBOR plus a rate specified in the Final Terms for the relevant Series (the "**Class B Notes Interest Rate**") on the Nominal Amount of the Class B Notes the outstanding immediately prior to such Payment Date; and

(b) thereafter, on and from the first Payment Date after the Series Revolving Period Expiration Date in respect of such Series, from the remaining Available Distribution Amount (and prior to the occurrence of an Enforcement Event, provided that (A) the payment of interest due and payable on the Class A Notes and Class B Notes have been paid, (B) the payment of the Class A Amortisation Amount and the Class A Accumulation Amount has been paid and (C) the balance of the Cash Collateral Account equals the Specified General Cash Collateral Account Balance), on each Payment Date, payment of the Class B Amortisation Amount, which comprises:

1. where on the relevant Payment Date some of the outstanding Series of Notes but not all Series of 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 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

2. 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.

With respect to payments of interest and principal, particular attention should be paid to the risk factor descriptions as set forth in "*RISK FACTORS*" and in particular the risk factor outlined under "*RISK FACTORS - Liability and Limited Recourse under the Notes*".

Interest Period

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 in respect of the Notes issued on the Initial Issue Date was the period from (and including) the Initial Issue Date to (but excluding) the first

	Payment Date.
Ratings	As at the date of this Base Prospectus the Class A Notes are rated AAA (sf) by S&P, and Aaa(sf) by Moody's and AAA (sf) by Fitch. As at the date of this Base Prospectus the Class B Notes are rated at least A+(sf) by Fitch, A+(sf) by S&P and at least A1 (sf) by Moody's. The ratings of the Class A Notes indicate the ultimate payment of principal and the timely payment of interest. The ratings of the Class B Notes indicate the ultimate payment of principal and interest. The ratings should not be regarded as a recommendation by the Issuer, the Seller, the Servicer (if different from the Seller), the Managers, the Arranger, the Lead Manager, the Security Trustee, the Principal Paying Agent, the Interest Determination Agent, the Registrar, the Calculation Agent, the Data Protection Trustee, the Swap Counterparties, the Account Bank or the Rating Agencies to buy, sell or hold the Notes; the ratings are subject to revision or withdrawal at any time.
Discount Rate	5.872%. The Discount Rate shall include an amount equal to the Interest Compensation Rate which is available to pay Interest Compensation Order of Priority Required Amounts on any Payment Date.
Discounted Receivables Balance	The Discounted Receivables Balance means, in respect of each Purchased Receivable, its scheduled cash flow (including amounts of overdue Principal and interest under the relevant Financing Contract) discounted as at the relevant date at the Discount Rate. For the avoidance of doubt, the Discounted Receivables Balance shall exclude a Purchased Receivable which becomes a Written-Off Purchased Receivable.
Order of Priority	All payments of the Issuer under the Transaction Documents have to be made subject to, and in accordance with, the Order of Priority. See "*TRUST AGREEMENT*".
Foreclosure Event	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 interest and principal on the Notes other than interest on the most senior 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.
Payment Dates	Each 25th day of a calendar month or, if such day is not a Business Day, then the next following Business Day, unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day, (each a "**Payment Date**").
Business Day	Business Day means any day on which 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.

Revolving Period

The Revolving Period means the period from (and including) the Initial Issue Date and ending on (and including) the earlier of (i) the Series Revolving Period Expiration Date of the last outstanding Series of Class A Notes and (ii) the occurrence of an Early Amortisation Event.

Series Revolving Period Expiration Date

The Series Revolving Period Expiration Date means with respect to each Series of Notes the date specified for such Series as the "*Series Revolving Period Expiration Date*" in the applicable Final Terms, or as may have been subsequently extended in accordance with the Conditions of the Notes.

On the 25 May 2018 the "Series Revolving Period Expiration Date" occurred in respect of the Series 2013-3 Class A Notes and the Series 2016-1 Class A Notes.

On the Closing Date the "Series Revolving Period Expiration Date" will occur in respect of the Series 2013-2 Class B Notes.

Available Distribution Amount

The monthly distribution of the Available Distribution Amount on each Payment Date in accordance with the Order of Priority. The Available Distribution Amount on each Payment Date comprises:

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

(b) amounts received as Collections received or collected by the Servicer; plus

(c) payments from the Cash Collateral Account as provided for in clause 19.3 of the Trust Agreement; plus

(d) (i) Net Swap Receipts under the Swap Agreements, (ii) where the relevant 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 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 and (iii) where the relevant Swap Agreement has been terminated amounts allocated in accordance with clause 19.12 of the Trust 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) 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 (h) the Interest Compensation Order of Priority Amount; less (i) 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 and clause 19.12 (*Distribution Account, Cash Collateral Account, Counterparty Downgrade Collateral Account, Swap Provisions*) of the Trust Agreement), the Cash Collateral Account and the Monthly 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 Agreement; (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/or VWFS in accordance with the priority of payment set out in Clause 19.13 (*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 (iv) in the case of interest accruing on the Monthly Collateral Account, be netted against the Servicer's obligation to pay the Monthly Collateral Part 1 and the Monthly Collateral Part 2 and be paid to the Seller following the exercise of the Clean-Up Call Option or once the Notes and the Subordinated Loan have been fully redeemed.
Final Maturity Date	For each Series of Notes, the date specified as such in the respective Final Terms.
Distribution Account	A Distribution Account of the Issuer will be maintained with the Distribution Account Bank into which the Servicer will remit Collections from the Purchased Receivables on the specified times agreed under the Servicing Agreement.
Applicable Law	The Notes are governed by German law. The English Transaction Documents are governed by English law and certain documents to be entered into in relation to Scottish Receivables are governed by Scots law.
Tax Status of the Notes	See "*TAXATION*".
Selling Restrictions	See "*SUBSCRIPTION AND SALE - SELLING RESTRICTIONS*".
Clearing Systems	Clearstream Luxembourg and Euroclear (see "*GENERAL INFORMATION - PAYMENT INFORMATION*").
Clearing Codes for the Notes	The Clearing Codes for the Notes will be set out in the relevant Final Terms.
Listing and Admission to Trading	Application has been made for the Notes to be issued under the Programme to be listed on the official list of the Luxembourg Stock

Exchange and to be admitted to trading at the regulated market of the Luxembourg Stock Exchange.

Restrictions on transferability

Subject to applicable rules and regulations of Clearstream Luxembourg and Euroclear, the interests in the Notes represented by the Global Notes are freely transferable.

PURCHASED RECEIVABLES

Purchase of Initial Receivables

Under the Receivables Purchase Agreement, the Issuer purchased and accepted on 20 November 2013 the assignment of the Initial Receivables as at the Initial Cut-off Date, which Receivables have the characteristics described in "*DESCRIPTION OF THE PORTFOLIO*".

Initial Cut-Off Date

31 October 2013.

Purchase of Additional Receivables

The Receivables Purchase Agreement provides that the Issuer will, during the Revolving Period, on any Payment Date (each an "**Additional Purchase Date**") apply the amount standing to the credit of the Accumulation Account, any proceeds obtained by the Issuer from the issue of Further Notes and any Subordinated Loan Increase Amounts to purchase from VWFS any Additional Receivables if and to the extent offered by VWFS subject to the fulfilment of certain conditions. Such conditions include, *inter alia*, the requirement that (a) the Additional Receivables meet the Eligibility Criteria set forth in the Receivables Purchase Agreement and (b) that the Additional Receivables are subject to the first floating charge pursuant to clause 4 (*Floating Charge*) of the Deed of Charge and Assignment. Where the Additional Receivables include Scottish Receivables, pending perfection under Scots law of such sale by duly intimated assignation, VWFS will hold the benefit of the Scottish Receivables and the other Scottish Trust Property in trust for the benefit of the Issuer on the terms of a Scottish Trust.

In addition, at the same time as completion of such sale of Receivables originated by VWFS:

(a) the Issuer and VWFS will execute a Scottish Declaration of Trust in respect of, *inter alia,* those of the relevant Receivables which are Scottish Receivables and VWFS will intimate and deliver such Scottish Declaration of Trust to the Issuer; and

(b) the Issuer will assign the benefit of the Scottish Trust so created to the Security Trustee substantially in the form of the assignation in security as set out in the Deed of Charge and Assignment and the Issuer will procure that that assignation is intimated to the Seller and delivered to the Security Trustee.

VWFS will further make certain the representations and warranties on each such Additional Purchase Date (as further described under "*DESCRIPTION OF THE PORTFOLIO - Representations and Warranties of the Seller*"). After the Revolving Period, the Issuer will no longer purchase and accept assignment of Additional Receivables.

VWFS warranted to the Issuer in the Receivables Purchase Agreement (before it was amended and restated on 25 November 2014) (i) as at 20 November 2013 in respect of the Initial VWFS Receivables and (ii) as at each Additional Purchase Date prior to the Additional Cut-Off Date falling in October 2014 in relation to the relevant Additional Receivables acquired on such Additional Purchase Dates that all VWFS Receivables sold under the Receivables Purchase Agreement on 20 November 2013 and any Additional Purchase Dates prior to 25 November 2014 met the eligibility criteria set forth in the Receivables Purchase Agreement before it was amended and restated on 25 November 2014.

VWFS warranted to the Issuer in the Receivables Purchase Agreement (after it was amended and restated on 25 November 2014) on 25 November 2014 but as if made at the Additional Cut-Off Date falling in October 2014 in relation to the VWFS Receivables purchased on 25 November 2014 that all VWFS Receivables sold under the Receivables Purchase Agreement met the eligibility criteria set forth in the Receivables Purchase Agreement before it was amended and restated on 25 November 2014.

On each Additional Cut-Off Date in relation to the relevant Additional Receivables acquired on an Additional Purchase Date after 25 November 2014, VWFS warrants to the Issuer in the Receivables Purchase Agreement (in the then applicable version current as at such Additional Purchase Date) that all VWFS Receivables sold under the Receivables Purchase Agreement and on any Additional Purchase Date after 25 November 2014 meet the eligibility criteria set forth in the Receivables Purchase Agreement in the then applicable version current as at such Additional Purchase Date.

Assignment by the Seller to the Issuer of the benefit of the Receivables derived from Financing Contracts governed by the laws of England and Wales will take effect in equity only because no notice of the assignment will be given to Obligors. The assignment will be perfected following the occurrence of certain Notification Events.

Remedy for breach of representation and warranty

Under the Receivables Purchase Agreement, in the event of a breach of a warranty given by VWFS in relation to a VWFS Receivable (i) as at 20 November 2013 in relation to the Initial VWFS Receivables, (ii) as at each Additional Purchase Date prior to the Additional Cut-Off Date falling in October 2014 in relation to the relevant Additional Receivables acquired on such Additional Purchase Dates, (iii) on 25 November 2014 but as if made at the Additional Cut-Off Date falling in October 2014 in relation to the VWFS Receivables purchased on 25 November 2014, or (iv) otherwise, as at each relevant Additional Cut-Off Date in relation to the relevant Additional Receivables acquired on such Additional Purchase Dates after 25 November 2014, and such failure materially and adversely affects the interests of the Issuer or the Noteholders, the Seller shall have until the end of the Monthly Period which includes the sixtieth (60^{th}) day (or, if the Seller elects, an earlier date) after the date that the Seller became aware or was notified of such breach to cure or correct such breach (the "**Cure Period**"). The Issuer's sole remedy will be to require the Seller to take one of the following remedial actions:

(a) remedy the matter giving rise to such breach if such is capable of remedy provided that, if a remedy within the relevant Cure Period (as defined above) is not practicable, the Seller may remedy such breach by the last day of the following calendar month; or

(b) repurchase the relevant Purchased Receivable at a price equal to, or, in case of a breach of clause 8.1(h) (*Warranties and Representations*) of the Receivables Purchase Agreement, pay to the Issuer the Settlement Amount of such Purchased Receivable at the end of the calendar month immediately preceding such repurchase provided that, if it is not practicable to repurchase such Purchased Receivable within the relevant Cure Period (as defined above), the Seller may repurchase such Purchased Receivable on the immediately following Payment Date.

The Servicer shall immediately notify the Issuer and the Security Trustee if the Servicer becomes aware of any breach of the Seller's representations and warranties set out in clause 8.1 or 8.2 (*Warranties and Representations*) of the Receivables Purchase Agreement.

Additionally, each of the Issuer and Security Trustee agree to notify VWFS promptly upon becoming aware of any breach of representation or warranty set out in clause 8.1 (*Warranties and Representations*) of the Receivables Purchase Agreement in relation to a Purchased Receivable. This will not constitute an obligation of the Issuer and/or the Security Trustee to investigate whether any such breach has occurred.

Seller warranty given in respect of itself

If the Seller breaches any warranty given in respect of itself in the Receivables Purchase Agreement as at each Additional Purchase Date and the breach materially and adversely affects the interests of the Issuer and Noteholders, the Issuer may require VWFS to remedy the matter giving rise to such breach if such matter is capable of remedy provided that, if a remedy within the relevant Cure Period (as defined above) is not practicable, the Seller may remedy such breach by the last day of the following calendar month. The Seller also agrees, subject to certain exclusions and limitations, to indemnify the Issuer and the Security Trustee for any breach of its obligations under the Receivables Purchase Agreement and the other Transaction Documents to which it is a party, its failure to comply with any applicable law, rule or regulation imposed upon it by the laws of England and Wales or Scotland or the non-conformity of any Financing Contract with such law, rule or regulation or any product liability claim for damages for personal injury or damage to property or other similar or related claim, liability or action proceedings in respect of which are commenced in the courts of England and Wales or Scotland, arising in connection with any Receivable or Vehicle related thereto or Financing Contract.

Purchased Receivables

The Initial Receivables were sold by the Seller pursuant to the Receivables Purchase Agreement and arose from loans granted to Obligors for the financing of the vehicles under the Financing Contracts. See further "*DESCRIPTION OF PORTFOLIO*". Additional Receivables will be sold by VWFS to the Issuer pursuant to the Receivables Purchase Agreement, and arise from loans granted to

	Obligors for the financing of vehicles under the Financing Contracts. All Financing Contracts and Receivables sold under the Receivables Purchase Agreement on 20 November 2013 meet or, in case of Additional Receivables and the Financing Contracts relating thereto, will meet at the relevant Additional Purchase Date the Eligibility Criteria set forth in the Receivables Purchase Agreement and were selected prior to or on 20 November 2013 or, in case of Additional Receivables, prior to the relevant Additional Purchase Date (see "*DESCRIPTION OF THE PORTFOLIO - ELIGIBILITY CRITERIA*").
Applicable Law	The Financing Contracts are governed by English law or Scottish law.
Form of Financing Contracts	The Financing Contracts take the form of hire purchase agreements ("**HP Agreements**" or "**HP No Balloon**") and personal contract purchase agreements ("**PCP Agreements**" or "**PCP**") between VWFS and Obligors.
HP Agreements	Mainly entered into with retail Obligors, HP Agreements are available for both new and used vehicles. HP Agreements contain standard rental terms where an initial payment is made and then the balance is amortised in substantially equal monthly instalments. At the end of the term of the HP Agreement, after an additional "option to purchase" fee is paid, the Obligor owns the vehicle.
PCP Agreements	PCP Agreements are used for the financing of new and used vehicles in the retail market. PCP Agreements are similar to HP Agreements but with an additional larger "balloon" final rental payment at the end of the term of the PCP Agreement, where the Obligor can either settle the contract by paying the balloon payment (and thereby purchase the vehicle) or, subject to the vehicle being in a condition acceptable to VWFS and within agreed mileage, return the vehicle to VWFS in full and final settlement of the PCP Agreement. Where the Obligor chooses not to return the vehicle, title in the vehicle passes to the Obligor when the Obligor pays the additional "option to purchase" fee to VWFS (which fee does not form part of the Receivables). Where the Obligor chooses to return the vehicle, VWFS then acts as the Obligor's agent in selling the vehicle and the sale proceeds of the vehicle are applied to settle the Final Rental Amount. Any surplus on sale in excess of the Final Rental Amount is retained by VWFS as a fee for acting as the Obligor's agent and is not passed back to the Obligor. The sale proceeds of the vehicle, including any surplus on sale in excess of the Final Rental Amount, are transferred to the Issuer as PCP Recoveries and Enforcement Proceeds. Any shortfall between the sale proceeds and the Final Rental Amount is not recovered from the Obligor.
Eligibility Criteria	VWFS warranted to the Issuer in the Receivables Purchase Agreement (before it was amended and restated on 25 November 2014) (i) as at 20 November 2013 in respect of the Initial VWFS Receivables and (ii) as at each Additional Purchase Date prior to the Additional Cut-Off Date falling in October 2014 in relation to the relevant Additional Receivables acquired on such Additional Purchase Dates that all VWFS Receivables sold under the Receivables Purchase Agreement on 20 November 2013 and on any Additional Purchase Date prior to 25 November 2014 met the eligibility criteria set forth in the Receivables Purchase Agreement before it was amended and restated on 25 November 2014. VWFS represents and warrants to the Issuer and to the Security

Trustee, in respect of the VWFS Receivables sold by it under the Receivables Purchase Agreement, (i) on 25 November 2014 but as if made as at the Additional Cut-Off Date falling in October 2014 in relation to the Additional Receivables purchased on 25 November 2014, and (ii) otherwise as at each Additional Cut-Off Date in relation to the Additional Receivables acquired on such Additional Purchase Date after 25 November 2014, that each VWFS Receivable meets each of the following conditions (for the avoidance of doubt, when applying the conditions below the Receivables have been selected randomly and not with the intention to prejudice the Noteholders):

(a) that the purchase of the Receivables may not have the result that the Aggregate Discounted Receivables Balance of all Purchased Receivables exceeds the following concentration limits with respect to the percentage of Discounted Receivables Balance generated under Financing Contracts for (i) used vehicles (concentration limit: 50 per cent.), (ii) PCP used contracts (concentration limit: 40 per cent) and (iii) under Financing Contracts for non-VW group brand vehicles (concentration limit: 10 per cent.);

(b) that none of the Obligors is an Affiliate of VWFS;

(c) that the related Financing Contracts have been entered into exclusively with Obligors which, if they are corporate entities have their registered office in England, Scotland or Wales or, if they are individuals have their place of residence in England, Scotland or Wales;

(d) that (according to the Seller's records) no pending bankruptcy or insolvency proceedings are initiated against any of the Obligors;

(e) that such Purchased Receivable is denominated and payable in Sterling;

(f) that no Purchased Receivable is overdue;

(g) that the related Financing Contracts shall be governed by the laws of England and Wales or Scotland (depending on where the Obligor is resident or incorporated);

(h) that the relevant Financing Contracts constitute legal valid, binding and enforceable agreements with full recourse to the Obligor;

(i) that the status and enforceability of the Purchased Receivables is not impaired due to warranty claims or any other rights of the Obligor (even if the Issuer knew or could have known on the Cut-Off Date of the existence of such defences or rights);

(j) that the status and enforceability of the Purchased Receivables is not impaired by set-off rights and that no Obligor maintains deposits on accounts with VWFS;

(k) that those related Financing Contracts which are regulated by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 comply in all material respects with the requirements of the Consumer Credit Act 1974, as amended, (the "**CCA**"), associated secondary legislation on

consumer financing and the rules in the Consumer Credit Sourcebook within the FCA Handbook and, in particular contain legally accurate instructions in respect of the right of revocation of the Obligors and that none of the Obligors has used its right of revocation within the term of revocation;

(l) that such Purchased Receivable arises under a Financing Contract that (a) contains an obligation to pay a specified sum of money and is subject to no contingencies (other than an obligation to pay interest on overdue amounts), (b) does not require the Obligor under such Financing Contract to consent to the transfer, sale or assignment of the rights and duties of the Seller under such Financing Contract or to the sale to a third party of the Vehicle the subject thereof, and (c) does not contain a confidentiality provision that purports to restrict the Purchaser's or the Security Trustee's exercise of rights under the Receivables Purchase Agreement, including, without limitation, the right to review such Financing Contract;

(m) that it can dispose of the Purchased Receivables free from rights of third parties and, to the best of the Seller's knowledge, the Purchased Receivables are not in a condition that can be foreseen to adversely affect the enforceability of the assignment;

(n) the Seller is the legal and beneficial owner, free from any Security Interest, of the Purchased Receivables;

(o) that such Purchased Receivable was generated in the ordinary course of the Seller's business from the sale of goods or provision of credit or other services to the relevant Obligor and the related Financing Contract was entered into in accordance with the Customary Operating Practices;

(p) that other than the right to make partial early repayments as provided for in the CCA, there are no provisions in the Financing Contract related to such Purchased Receivable whereby the Obligor may reduce the amount of such Purchased Receivable payable by the Obligor below the level of the stated payments as at the date of commencement of such Financing Contract (excluding any change as a result of any change in the rate of Value Added Tax or the corporation tax or capital allowances regimes). However, at the discretion of the Servicer and in accordance with its Customary Operating Practices, the Obligor may be given an option to reschedule repayments in a manner that increases or decreases the term of such Financing Contract and the consequential finance income; provided, that the total capital repayment shall not be impacted by any such measure;

(q) that the Seller had at the time of origination of the Financing Contract under which such Purchased Receivable arises the necessary licences pursuant to the CCA, the necessary interim permissions pursuant to the Financial Services and Markets Act 2000 and as at the date of the Receivables Purchase Agreement has the necessary permissions pursuant to the Financial Services and Markets Act 2000, and each Financing Contract that is regulated by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 complies with the CCA, any statutory instrument or regulation made thereunder and the rules in

the Consumer Credit Sourcebook within the FCA Handbook, and the Seller has not done anything that would cause such Purchased Receivable to be unenforceable under the CCA;

(r) that on the relevant Cut-Off Date at least one instalment has been paid in respect of each of the Purchased Receivables and that the Purchased Receivables require substantially equal monthly payments to be made within seventy two (72) months of the date of origination of the Financing Contract and may also provide for a final balloon payment;

(s) that the Seller has complied with all material laws and regulations under the Data Protection Rules with respect to such Purchased Receivable;

(t) that the terms of the Financing Contract related to such Purchased Receivable require the Obligor to pay all insurance, repair/maintenance and taxes with respect to the related Vehicle;

(u) that the Vehicle related to such Purchased Receivable is not recorded in the records of the Servicer as at (such Purchase Date as having been (a) a total loss for insurance purposes or (b) stolen;

(v) that the purchase of Receivables may not have the result that the total outstanding amount (for the avoidance of doubt, this refers to the Aggregate Discounted Receivables Balance) of Purchased Receivables resulting from Financing Contracts with one and the same Obligor exceeds 0.2% of the Aggregate Discounted Receivables Balance;

(w) that in the case of any PCP Receivable, the Vehicle relating to such PCP Receivable is not a Porsche;

(x) that applicable details of the Vehicle relating to such Purchased Receivable and the relevant motor finance contract have been submitted by VWFS for registration with HP Information Ltd;

(y) that the Obligor related to the Purchased Receivable is not:

a. an Obligor who VWFS considers as unlikely to pay its obligations to VWFS and/or to a Obligor who is past due more than 90 days on any material credit obligation to VWFS; or

b. a credit-impaired Obligor or guarantor who, on the basis of information obtained (i) from the Obligor of the relevant Receivable, (ii) in the course of VWFS' servicing of the Receivables or VWFS' risk management procedures, or (iii) from a third party:

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

date of transfer of the Purchased Receivables to the Issuer;

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

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

(z) no Purchased Receivable constitutes a transferable security as defined in Article 4(1) point 44 of MiFID II;

(aa) no Purchased Receivable constitutes a securitisation position as defined in the Securitisation Regulation; and

(bb) no Purchased Receivable constitutes a derivative contract.

Collections

With respect to any Purchased Receivable, the following amounts received during the preceding 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 (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;

(d) any payments received by the Servicer by way of recoveries in respect of any such Purchased Receivable that has become a Defaulted 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.

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 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);

(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.

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 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 option to purchase fee specified in the Financing Contract and (f) cashflow from maintenance contracts.

Interest Compensation Amount

The element of the Discount Rate which with respect to any Payment Date 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 Order of Priority Amount

On any Payment Date, the sum of:

(a) the amount of 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

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 relevant internal rate of return (rather than the Discount Rate).

Interest Compensation Ledger

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.

Redelivery Repurchase Agreement

The Issuer will, on the Closing Date, enter into a Redelivery Repurchase Agreement with VWFS. Subject to an Insolvency Event not having occurred in respect of VWFS if, on any day during a Monthly Period, a Financing Contract related to a Purchased Receivable becomes a Redelivery Financing Contract (such Purchased Receivable being a "**Redelivery Purchased Receivable**"), then on the Payment Date falling after the end of such Monthly Period (or, at the option of VWFS, on the second Payment Date falling after the end of such Monthly Period) (such date being the "**Redelivery Repurchase Date**") VWFS shall repurchase the Redelivery Purchased Receivable from the Issuer for a price equal to the Redelivery Repurchase Price. The Redelivery Repurchase Price is equal to the outstanding principal balance of the 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). On the Closing Date, VWFS will repurchase any Redelivery Purchased Receivables

existing as at the Closing Date.

Driver UK 2011 and CCJ Receivables Repurchase Agreement

The Seller, the Issuer and the Security Trustee will, on the Closing Date, enter into a repurchase agreement with respect to the Driver UK 2011 Receivables and CCJ Receivables (the "**Driver UK 2011 and CCJ Receivables Repurchase Agreement**") pursuant to which the Issuer has agreed to sell, and VWFS has agreed to purchase: (i) the Issuer's right, title and interest in and to all of the Driver UK 2011 Receivables held by the Issuer, (ii) the Issuer's right, title and interest in and to a small number of Receivables included in the Portfolio where either (A) the related Obligor has had a county court judgment 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 (the "**CCJ Receivables**") on the Closing Date.

Written-Off Purchased Receivables

If during any Monthly Period, the Seller classifies any Purchased Receivable under a Financing Contract as a Written-Off Purchased Receivable, it may repurchase from the Issuer the benefit of all such Written-Off Purchased Receivables on the following Payment Date (or on any Payment Date thereafter) and on the Payment Date on which such Written-Off Purchased Receivable is repurchased pay consideration of £1 per Purchased Receivable so repurchased, paid into the Distribution Account in arrear on such Payment Date.

THE SECURITY

Security for the obligations of the Issuer

The Issuer, acting for and on behalf of its Compartment 2 has entered into a Trust Agreement, a Deed of Charge and Assignment and an assignation in security, governed by the laws of Germany, England and Scotland, as applicable.

Under the Trust Agreement, the Issuer has instructed and authorised the Security Trustee to act as trustee (*Treuhänder*) for the benefit of the Transaction Creditors pursuant to the terms of the Trust Agreement and the Deed of Charge and Assignment.

In the Trust Agreement, the Issuer undertakes to pay the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to all the Transaction Creditors (including the holders of the Notes) pursuant to the Transaction Documents (the "**Trustee Claim**").

To provide collateral for the respective Trustee Claim, the Issuer assigns to the Security Trustee all his claims and other rights arising from the German Transaction Documents (with the exception of claims and other rights arising from the Trust Agreement) for the avoidance of doubt (including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future German law contracts the Issuer has entered or may enter into in connection with the Transaction Documents.

In addition, the Issuer pledges to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement.

In addition, the Notes are secured and share the same Security with

the other Secured Obligations of the Issuer as set out in the Deed of Charge and Assignment and the assignation in security.

The Security granted by the Issuer pursuant to the Deed of Charge and Assignment and a supplement thereto includes:

(a) an assignment by way of first fixed security of the Benefit of all of its present and future right, title and interest to, in and under the English Purchased Receivables;

(b) an assignment by way of first fixed security of the Benefit of all of its present and future right, title and interest to, in and under:

(i) the Charged Transaction Documents;

(ii) each other contract, agreement, deed and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;

(c) a first fixed charge over the Benefit of the Accounts of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and

(d) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including the Issuer's uncalled capital (excluding any property or assets from time to time or for the time being effectively charged by way of fixed charge or assigned by way of security, but excepting from the foregoing exclusion the whole of the Issuer's undertaking, property assets and rights situated in Scotland or otherwise governed by Scottish law all of which are charged by the floating charge).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer granted and will grant Assignations in Security in favour of the Trustee, for itself and on trust for the Transaction Creditors relative to the Scottish Declarations of Trust under which VWFS holds and will hold in trust for the Issuer all its present and future rights, title and interest in, to and under, *inter alia*, the Scottish Receivables.

IMPORTANT TRANSACTION DOCUMENTS AND TRANSACTION FEATURES

Servicing Agreement

Under the Servicing Agreement between the Issuer, the Security Trustee and VWFS, VWFS, *inter alia*, agrees to:

(a) service and collect the Purchased Receivables in accordance with the Servicing Agreement;

(b) transfer to the Distribution Account of the Issuer on each Payment Date the Collections for the relevant Monthly Period (see "**Monthly Collateral Account**" above);

(c) undertake to facilitate ECB, Bank of England, Securitisation Regulation and EMIR reporting for the Issuer; and

(d) perform other tasks incidental to the above.

Servicer Replacement Event

Any of the following events (each a "**Servicer Replacement Event**"):

(a) the Servicer fails to make any payment or deposit to be made by it to the Distribution Account within five (5) Business Days of when due;

(b) the Servicer fails on two separate occasions within any continuous period of 12 months to deliver a copy of the Monthly Investor Report to the Noteholders within five (5) Business Days of the date upon which it is required so to do pursuant to the terms of the Servicing Agreement;

(c) the Servicer shall fail 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) or (b) 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);

(d) 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);

(e) the Servicer becomes subject to an Insolvency Event;

(f) 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; or

(g) there is a going concern qualification in the annual audited financial statements of the Servicer,

provided, however, that if a Servicer Replacement Event referred to under paragraph (a), or (b) 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 90 days, a Servicer Replacement Event will be deemed not to have occurred.

Account Agreement

Under the terms of the Account Agreement, the Issuer holds the Accumulation Account with the Accumulation Account Bank, the Distribution Account with the Distribution Account Bank, each Counterparty Downgrade Collateral Account with the Counterparty Downgrade Collateral Account Bank, the Cash Collateral Account with the Cash Collateral Account Bank and the Monthly Collateral Account with the Monthly Collateral Account Bank.

Should the Account Bank cease to have the Account Bank Required Rating, the Account Bank shall no less than 30 (thirty) and no more than thirty three (33) days from the downgrade (i) procure the transfer of all rights and obligations of the relevant Account Bank to an Eligible Collateral Bank, or (ii) (in the case of a rating from S&P only) take any other action in order to maintain the rating of the Notes or to restore the rating of the Notes.

Cash Collateral Account

On the Initial Issue Date, the Issuer deposited GBP 28,681,200 in the Cash Collateral Account as the Cash Collateral Amount and on each Further Issue Date, such amount will be increased by an amount to increase it to 1.2 per cent. of the aggregate outstanding nominal amount of the Notes on such Further Issue Date. Drawings from the Cash Collateral Account will be made in accordance with the Order of Priority.

Counterparty Downgrade Collateral Account

Each counterparty downgrade collateral account of the Issuer established with the Counterparty Downgrade Collateral Account Bank for collateral provided by the relevant Swap Counterparty pursuant to the Swap Agreements. Any cash collateral or securities collateral posted to such Counterparty Downgrade Collateral Account as a result of a ratings downgrade of the relevant Swap Counterparty shall be monitored on a specific collateral ledger and any cash collateral shall bear interest. Such collateral shall be segregated from the Distribution Account and from the general cash flow of the Issuer and shall not constitute Collections. Collateral posted to such Counterparty Downgrade Collateral Account is solely for the purposes of, and in connection with, collateralising the Swap Agreements.

Monthly Collateral Account

An account of the Issuer established with the Monthly Collateral Account Bank.

For the purposes of the below, the "**Monthly Remittance Condition**" shall be no longer satisfied if any of the following events

occur:

(a) Volkswagen AG no longer has (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 (or any of its successors within the Volkswagen Group as parent of the Servicer) ceases to be in effect or (iii) Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS; or

(b) either Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) (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 (or any of its successors within the Volkswagen Group as parent of the Servicer) 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) Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS; or

(c) (c) Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) no longer has a long-term rating for unsecured and unguaranteed debt of at least "Baa1" by Moody's.

VWFS, in its capacity as Servicer, will be entitled to commingle moneys representing Collections with its own funds during each Monthly Period in accordance with the following procedure:

(a) if and as long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single deposit of such monthly Collections to the Distribution Account on each Payment Date;

(b) if and as long as the Monthly Remittance Condition is not satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period provided that, no later than fourteen (14) calendar days after the first day on which the Monthly Remittance Condition has not been satisfied (the "**Monthly Collateral Start Date**"), VWFS complies with the following mechanism. For the avoidance of doubt, in respect of any Payment Date falling in the period between the date on which the Monthly Remittance Condition is no longer satisfied and the Monthly Collateral Start Date, VWFS shall make a single deposit of such monthly Collections to the Distribution Account on such Payment Date:

(i) On the Monthly Collateral Start Date VWFS shall:

(1) Transfer to the Distribution Account an amount equal to Collections received in the period from (and including) the first calendar day until (and including) the last calendar day of the Monthly Period immediately preceding the Monthly Period in which the Monthly Collateral Start Date falls unless such Collections have already been transferred to the Issuer on the Payment Date falling in the same calendar month as the Monthly Collateral Start Date; and

(2) (A) post an amount to the Monthly Collateral Account equal to Expected Collections for the period from (and including) the first calendar day until (and including) the last calendar day of the Monthly Period in which the Monthly Collateral Start Date falls and (B) maintain such Expected Collections until the Payment Date in the immediately succeeding calendar month whereupon the Issuer will transfer such Expected Collections to the Distribution Account.

(ii) With regard to any Payment Date falling after the Monthly Collateral Start Date VWFS shall (save in respect of any Expected Collections posted under limb (b)(i)(2) above) on and from the Monthly Collateral Start Date:

(1) (A) on the eleventh Business Day prior to the start of the Monthly Period relating to such Payment Date, determine the amount representing the Monthly Collateral Part 1 for the Monthly Period relating to such Payment Date and to transfer an amount equal to the Monthly Collateral Part 1 to the Monthly Collateral Account as security for the Issuer's claim with respect to the Monthly Collections Part 1 for the Monthly Period relating to such Payment Date and (B) to maintain the Monthly Collateral Part 1 as collateral on the Monthly Collateral Account until the Monthly Collections Part 1 for such Monthly Period have been paid; and

(2) (A) on the eleventh Business Day prior to the sixteenth calendar day of the Monthly Period relating to such Payment Date, determine the amount representing the Monthly Collateral Part 2 for the Monthly Period relating to such Payment Date and transfer an amount equal to the Monthly Collateral Part 2 for the Monthly Period relating to such Payment Date to the Monthly Collateral Account as security for the Issuer's claim with respect to the Monthly Collections Part 2 and (B) to maintain the Monthly Collateral Part 2 as collateral on the Monthly Collateral Account until the Monthly Collections Part 2 for such Monthly Period have been paid; and

(c) VWFS will be required to transfer the following amounts (each as a single deposit) to the Distribution Account, save in respect of any Collections paid under limb (b)(i)(1) and (b)(ii) above:

(i) on the fifth Business Day of each calendar month, the Monthly Collections Part 2 for the Monthly Period ending on the last day of the immediately preceding calendar month; and

(ii) on the fifth Business Day following the fifteenth calendar day of each calendar month, the Monthly Collections Part 1 for the current Monthly Period;

(d) any funds credited to the Monthly Collateral Account shall be released to VWFS, (i) if and as long as the Monthly Remittance Condition is satisfied again or (ii) VWFS' obligation to transfer and maintain the Monthly Collateral Part 1 and the Monthly Collateral Part 2 has ceased to exist or (iii) if and to the extent that the Monthly Collateral Part 1 or, as the case may be, the Monthly Collateral Part 2 for the current Monthly Period is determined to be less than the Monthly Collateral Part 1 or the Monthly Collateral Part 2, respectively, for the immediately preceding Monthly Period; and

(e) on each Payment Date the Servicer shall:

(i) if the amounts transferred to the Distribution Account in accordance with paragraphs (b)(i)(2) and (c) above exceed the Collections received during the preceding Monthly Period, effect the release of such excess amounts from the Distribution Account; or

(ii) if the Collections received during the preceding Monthly Period exceed the amounts transferred to the Distribution Account in accordance with paragraphs (b)(i)(2) and (c) above, transfer the excess amount of such Collections to the Distribution Account.

Subordinated Loan

The Subordinated Lender granted the Subordinated Loan in a total initial nominal amount of GBP 390,427,064.35 to the Issuer on 20 November 2013 and of GBP 955,629,682.45 on the Closing Date. Subject to the terms of the Subordinated Loan Agreement, the Subordinated Lender may agree from time to time to grant additional advances up to an total amount of the Subordinated Loan of GBP 1,900,000,000, provided that the Subordinated Lender shall be required to grant additional advances to the extent required to increase the loan amount to the Subordinated Loan Increase Amount. The Subordinated Loan serves as credit enhancement and ranks below the Notes with respect to payment of interest and principal.

Swap Agreements

The Issuer will enter into each Swap Agreement with the relevant Swap Counterparty. Each Swap Agreement will hedge in respect of a particular Series of Notes the interest rate risk deriving from fixed rate interest payments owed by the Obligors to the Issuer under the Receivables and floating rate interest payments owed by the Issuer under the relevant Series of Notes.

Corporate Services Agreement

The Issuer entered into the Corporate Services Agreement with

Circumference FS (Luxembourg) S.A. as Corporate Services Provider and the Security Trustee, pursuant to which the Corporate Services Provider shall perform certain services for the Issuer, particularly taking over the accounting for the Issuer and providing the directors of the Issuer in any company law matters and providing the registered office of the Issuer.

Data Protection Trust Agreement

VWFS appointed Wilmington Trust SP Services (Frankfurt) GmbH, as Data Protection Trustee under the provisions of the Data Protection Trust Agreement and made the Portfolio Decryption Key (which is for the identification of the names and addresses of the Obligors in respect of the Purchased Receivables) available to the Data Protection Trustee. The Data Protection Trustee will carefully safeguard the Portfolio Decryption Key and protect it against unauthorised access by any third party. Delivery of the Portfolio Decryption Key is permissible only to (i) (at the request of the Security Trustee) a replacement Servicer or (ii) to the Seller or, at the request of the Seller or the Security Trustee, to the replacement Data Protection Trustee subject to applicable data protection laws and banking secrecy provisions. The Data Protection Trustee has agreed to notify the Obligors of the assignment of the Purchased Receivables to the Issuer and instruct the Obligors to make all payments in respect of the Purchased Receivables to the Distribution Account of the Issuer upon the occurrence of a Notification Event.

Risk Factors

Prospective investors in the Notes should consider, among other things, certain risk factors in connection with the purchase of the Notes. Such risk factors as described in this Base Prospectus may influence the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes. The risks in connection with the investment in the Notes include, *inter alia*, risks relating to the assets and the Transaction Documents, risks relating to the Notes and risks relating to the Issuer. These risk factors represent the principal risks inherent in investing in the Notes only and shall not be deemed as exhaustive.

GENERAL DESCRIPTION OF THE PROGRAMME

The Programme is a GBP 10,000,000,000 Programme for the issuance of the Notes under which the Issuer may from time to time issue asset backed floating rate notes denominated in GBP (subject always to compliance with all legal and/or regulatory requirements). The applicable terms to any Notes will be agreed between the Issuer and the relevant purchaser prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes attached to, or incorporated by reference into, the relevant Global Note representing such Notes, as completed by the applicable Final Terms attached to, or incorporated by reference into, such Global Note (see "*TERMS AND CONDITIONS OF THE NOTES - 1. FORM AND NOMINAL AMOUNT OF THE NOTES*" below for further detail).

USE OF PROCEEDS

The aggregate gross proceeds from the issuance of the Notes and the borrowings under the Subordinated Loan were used on 20 November 2013 to (i) finance the purchase of the Initial Receivables, (ii) to pay costs related to the issue of the Notes and refinance the costs related to the receipt of the Subordinated Loan and (iii) to endow the Cash Collateral Account.

The proceeds of any Further Notes has been and will be used to finance the purchase by the Issuer of receivables arising against Obligors under financing agreements for the acquisition of vehicles granted to such Obligors by VWFS pursuant to the terms and under the conditions of the Receivables Purchase Agreement and for the redemption of existing series of Notes as agreed with the holders of each Series of Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

(a) The Issuer's 2017 Financial Statements (defined below); and

(b) The Issuer's 2018 Financial Statements (defined below).

The following information, which has been published and filed with the Commission de Surveillance du Secteur Financier, shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus and have been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The information incorporated by reference above is available as follows:

Section of Prospectus	Document incorporated by reference
The Issuer, Financial Statements	The Issuer's audited annual financial statements for the year ended 30 June 2018 (the "**2018 Financial Statements**"), prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts:
	Page Directors' report .....2-7 Audit report .....8-12 Balance sheet as at 30 June 2018 .....…13-17 Profit and loss account for the year ended 30 June 2018 .. ……18-19 Notes to the accounts…… …….20-42
The Issuer, Financial Statements	The Issuer's audited annual financial statements for the year ended 30 June 2017 (the "**2017 Financial Statements**"), prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts:
	Page Directors' report .....2-6 Audit report .....7-12 Balance sheet as at 30 June 2017 .....13-17 Profit and loss account for the year ended 30 June 2017 .....18-19 Notes to the accounts……20-41

The information incorporated by reference that is not included in the above cross-reference list, is considered additional information and is not required by the relevant schedules of Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended.

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

General Abstract of the Conditions of the Notes

The Notes do not represent obligations of VWFS or any other party other than the Issuer acting for and on behalf of its Compartment 2.

Denomination

The issue in the aggregate Nominal Amount of up to GBP 10,000,000,000 consists of transferable Notes with a Nominal Amount of GBP 100,000 each, ranking equally among themselves. The Notes rank senior to the Subordinated Loan.

Registered Global Notes

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

Each Global Note for any Series of Class A Notes shall be deposited with a Common Safekeeper for Clearstream, Luxembourg and Euroclear and be held in book-entry form only. Each Global Note for any Series of Class B Notes shall be deposited with a Common Depositary for Clearstream, Luxembourg and Euroclear and be held in book-entry form only. The interests in the Notes are transferable according to applicable rules and regulations of Clearstream, Luxembourg and Euroclear. None of the Global Notes will be exchangeable for definitive Notes.

The aggregate principal amount of Notes of a Series of Class A Notes or a Series of Class B Notes represented by the relevant Global Note issued with respect to such Series shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Notes and, for these purposes, a statement issued by an ICSD stating the aggregate principal amount of the Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Notes the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Notes shall be entered accordingly in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Notes shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

Payments of Principal and Interest

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

The Issuer shall have the right to request, by notice to the holders of any Series of the Class A Notes or any Series of Class B Notes, as applicable, to be delivered in accordance with Condition 13 not later than one month prior to the then current revolving period expiration date applicable to such Series of Class A Notes or such Series of Class B Notes (each a "**Series Revolving Period Expiration Date**", where the first such date for each Series will be set out in the relevant Final Terms), the extension of such current Series Revolving Period Expiration Date together with an amendment to the Margin with respect to such extension period (if relevant) and the extension of the relevant Series Final Maturity Date for a period specified in the notice which shall equal to the period specified in such notice for the extension of the current Series Revolving Period Expiration Date. The extended relevant Series Revolving Period Expiration Date and the new Margin, if any, for the period for which such Series Revolving Period Expiration Date has been

extended shall become effective only if (A) the Issuer received confirmation from the Rating Agencies that the rating of the relevant Series of Class A Notes or Series of Class B Notes, as applicable and to the extent rated will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than for the then outstanding Notes before the Series Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the relevant Series of Class A Notes or Series of Class B Notes as applicable and to the extent rated prior to the amendments and (B) by no later than the third Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer acting for and on behalf of its Compartment 2 has confirmed by notice to the holders in the form prescribed in Condition 13 that it has received such reaffirmation and that it agrees to the requested amendments and (C) the Notes have the benefit of an interest rate swap with an Eligible Swap Counterparty under which the interest payments due under the relevant Series of Notes are hedged to the extended Final Maturity Date of the Notes.

Each Series of Notes is scheduled to be redeemed in full on the Payment Date specified to be the scheduled repayment date for such Series in the relevant Final Terms (each a "**Scheduled Repayment Date**"), provided that whenever with respect to a Series of Notes the relevant Series Revolving Period Expiration Date is extended, the relevant Scheduled Repayment Date shall be extended automatically for the same period as the relevant Series Revolving Period Expiration Date applicable to such Series of Notes.

Subject to the occurrence of an Enforcement Event all payments of interest on and principal of each Series of Notes will be due and payable at the latest in full on the respective Final Maturity Date of such Series of Notes as set out in the relevant Final Terms (each a "**Final Maturity Date**") provided that whenever the Series Revolving Period Expiration Date is extended in accordance with the Conditions, the relevant Final Maturity Date shall be extended automatically for the same period as the Series Revolving Period Expiration Date applicable to such Series of Notes.

On 29 December 2014 and thereafter until the final payment date, on the 25th day of each calendar month or, in the event such day is not a Business Day, on the next following Business Day, unless such day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (the "**Payment Date**") the Issuer shall, subject to Condition 5(d), pay to each Noteholder interest on the nominal amount of Notes outstanding immediately prior to the respective Payment Date at the interest rate applicable to such Series of Class A Notes or Series of Class B Notes, as applicable (as specified in the relevant Final Terms), and shall make repayments of the principal amount of the relevant Notes by paying to the Noteholders of any Amortising Series of Class A Notes the relevant Class A Amortisation Amount or of any Amortising Series of Class B Notes the relevant Class B Amortisation Amount.

The 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; plus

(c) payments from the Cash Collateral Account as provided for in clause 19.3 of the Trust Agreement; plus

(d) (i) Net Swap Receipts under the Swap Agreements, (ii) where the relevant 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 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 and (iii) where the relevant Swap Agreement has been terminated amounts allocated in accordance with clause 19.12 of the Trust 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) 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

(h) the Interest Compensation Order of Priority Amount; less

(i) the Interest Compensation Amount.

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

Order of Priority

On each Payment Date, to the extent of the respective Available Distribution Amount in accordance with the Order of Priority of distributions set forth below, the Issuer will pay to the holders of any Series of Class A Notes which are an Amortising Series of Class A Notes an aggregate amount in respect of principal equal to the Class A Amortisation Amount. The Class A Amortisation Amount comprises:

(a) where on the relevant Payment Date some of the outstanding Series of Class A Notes but not all Series of 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 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

(b) 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

On each Payment Date, to the extent of the respective Available Distribution Amount in accordance with the Order of Priority of distributions set forth below, the Issuer will pay to the holders of any Series of Class B Notes which are an Amortising Series of Class B Notes an aggregate amount in respect of principal equal to the Class B Amortisation Amount. The Class B Amortisation Amount comprises:

(a) where on the relevant Payment Date some of the outstanding Series of Class B Notes but not all Series of 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 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

(b) 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.

Order of Priority of Distributions

In respect of the Notes, distributions will be made on each Payment Date from the Available Distribution Amount and, subject to clause 19.3 of the Trust Agreement, the Cash Collateral Account, according to the following Order of Priority, provided that any distributions arising from a Term Takeout shall not be distributed according to the following Order of Priority but shall be distributed in the following order: first to the then outstanding Class A Notes, until the Redeemable Amount of all then outstanding Class A Notes has been redeemed in full, second, to the then outstanding Class B Notes, until the Redeemable Amount of all then outstanding Class B Notes has been redeemed in full, third, to the Subordinated Loan and fourth to the Seller by way of a success fee,

On each Payment Date prior to the occurrence of an Enforcement Event:

(a) *first*, amounts due and payable in respect of taxes (if any) by the Issuer;

(b) *second*, amounts (excluding any payments under the Trustee Claim) due and payable by the Issuer (i) to the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment and (ii) pari passu to any successor of the Security Trustee (if applicable) appointed pursuant to clause 31 (*Termination by the Security Trustee for good cause*) or clause 32 (*Replacement of the Security Trustee*) of the Trust Agreement or under any agreement replacing the Trust Agreement;

(c) *third*, to the Servicer, the Servicer Fee;

(d) *fourth*, of equal rank amounts due and payable and allocated to the Issuer: (i) to the directors of the Issuer; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to each Agent under the Agency Agreement; (iv) to the Account Bank and Cash Administrator under the Account Agreement; (v) to the Rating Agencies the fees for the monitoring of the Issue; (vi) to the Managers under the Note Purchase Agreement; (vii) to the Custodian under the Custody Agreement; (viii) to the Data Protection Trustee under the Data Protection Trust Agreement; and (ix) to the Issuer in respect of other administration costs and expenses of the Issuer, including, without limitation, any costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, any auditors' fees, any tax filing fees and any annual return or exempt company status fees;

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

(f) *sixth*, *pari passu* and rateably to each other, amounts due and payable in respect of (a) interest accrued on the Class A Notes during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all Class A Notes;

(g) *seventh, pari passu* and rateably as to each other, amounts due and payable in respect of (a) interest accrued on the Class B Notes during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all Class B Notes;

(h) *eighth*, to the Cash Collateral Account, until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;

(i) *ninth*, *pari passu* and rateably, (a) the Class A Amortisation Amount to each Amortising Series of Class A Notes and (b) an amount no less than zero equal to the Class A Accumulation Amount;

(j) *tenth*, *pari passu* and rateably, (a) the Class B Amortisation Amount to each Amortising Series of Class B Notes and (b) an amount no less than zero equal to the Class B Accumulation Amount;

(k) *eleventh*, *pari passu* and rateably as to each other in or towards payment, pro rata and pari passu, of amounts due and payable to a Swap Counterparty under any Swap Agreement other than payments made under item fifth above;

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

(m) *thirteenth*, to the Subordinated Lender, to repay the outstanding principal amount of the Subordinated Loan; and

(n) *fourteenth*, to pay all remaining excess to VWFS by way of a final success fee.

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

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

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

(c) *third*, to pay all remaining excess to VWFS by way of a final success fee.

Following the occurrence of an Enforcement Event, distributions will be made by the Security Trustee from the Available Distribution Amount and any proceeds of the enforcement of the Security, in accordance with the following Order of Priority:

(a) *first*, amounts due and payable in respect of taxes (if any) by the Issuer;

(b) *second*, amounts (excluding any payments under the Trustee Claim) due and payable by the Issuer (i) to the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment, (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clause 31 (*Termination by the Security Trustee for good cause*) or clause 32 (*Replacement of the Security Trustee*) of the Trust Agreement or under any agreement replacing the Trust Agreement, and (iii) any fees, costs, expenses, indemnities and other amounts due and payable to any receiver, manager, receiver and manager, administrator or administrative receiver appointed in respect of the Issuer in accordance with the Deed of Charge and Assignment;

(c) *third*, to the Servicer, the Servicer Fee;

(d) *fourth*, of equal rank amounts due and payable and allocated to the Issuer: (i) to the directors of the Issuer; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to each Agent under the Agency Agreement; (iv) to the Account Bank and Cash Administrator under the Account Agreement; (v) to the Rating Agencies the fees for the monitoring of the Issue; (vi) to the Managers under the Note Purchase Agreement; (vii) to the Custodian under the Custody Agreement; (viii) to the Data Protection Trustee under the Data Protection Trust Agreement; and (ix) to the Issuer in respect of other administration costs and expenses of the Issuer, including, without limitation, any costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, any auditors' fees, any tax filing fees and any annual return or exempt company status fees;

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

(f) *sixth*, *pari passu* and rateably to each other amounts due and payable in respect of (a) interest accrued on the Class A Notes during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all Class A Notes;

(g) *seventh*, *pari passu* and on a pro-rata basis, to each Series of Class A Notes the amount of principal due on such Series of Class A Notes until the Class A Notes have been redeemed in full;

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

(i) *ninth*, *pari passu* and on a pro-rata basis, to each Series of Class B Notes the amount of principal due on such Series of Class B Notes until the Class B Notes have been redeemed in full;

(j) *tenth*, *pari passu* and rateably as to each other in or towards payment, pro rata and *pari passu*, of amounts due and payable to a Swap Counterparty under any Swap Agreement other than payments made under item fifth above;

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

(l) *twelfth*, to the Subordinated Lender, to repay the outstanding principal amount of the Subordinated Loan; and

(m) *thirteenth*, to pay all remaining excess to VWFS by way of a final success fee.

Cash Collateral Account

On the Initial Issue Date, the Issuer deposited GBP 28,621,200 in the Cash Collateral Account and on each Further Issue Date, such amount will be increased by an amount to increase it to 1.2 per cent. of the aggregate outstanding nominal amount of the Notes on such Further Issue Date. The Issuer has agreed to keep the Cash Collateral Account at all times with a bank that has Account Bank Required Ratings. In the event that the Cash Collateral Account Bank ceases to have the Account Bank Required Ratings, the Account Bank shall, at its own cost (for the avoidance of doubt, it shall cover the legal fees as separately agreed between the Issuer and the Account Bank), no less than 30 (thirty) and no more than thirty three (33) calendar days of the occurrence of such downgrade, do one of the following: (i) procure the transfer of the Accounts held with it to an Eligible Collateral Bank, or (ii) (in the case of a rating from S&P) take any other action in order to maintain the rating of the Notes or to restore the rating of the Notes.

On each Payment Date, amounts payable under item *eighth* of the Order of Priority set out in clause 20.3(a) (*Order of Priority*) of the Trust Agreement shall be deposited in the Cash Collateral Account until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance.

The funds credited to the Cash Collateral Account (other than the balance standing to the credit of the Interest Compensation Ledger) are referred to as the "**General Cash Collateral Amount**". On each Payment Date, the General Cash Collateral Amount shall be used:

(a) first, to cover any shortfalls in the amounts payable under items *first* through *seventh* of the Order of Priority set out in clause 20.3(a) (*Order of Priority*) of the Trust Agreement;

(b) second, to make payment of the amounts due and payable under clause 20.3(b) (*Order of Priority*) of the Trust Agreement; and

(c) third, on the earlier of (i) the latest occurring Final Maturity Date of any Series of Notes or (ii) the date on which the Aggregate Discounted Receivables Balance has been reduced to zero, to make payment of the amounts due and payable under items *ninth, tenth, twelfth, thirteenth and fourteenth* of the Order of Priority set out in clause 20.3(a) (*Order of Priority*) of the Trust Agreement.

On each Payment Date following the occurrence of an Enforcement Event, the General Cash Collateral Amount (including the balance standing to the credit of the Interest Compensation Ledger) shall be applied in accordance with clause 20.3(c) (*Order of Priority*) of the Trust Agreement.

In addition, the Servicer is entitled to utilise the General Cash Collateral Amount to the extent and in the amounts as agreed with its auditors for the purposes of the Clean-Up Call Option. In connection with the exercise of the Clean-Up Call Option, VWFS shall ensure that all amounts outstanding under the Notes and any obligations ranking pari passu with or senior to the Notes in the Order of Priority are discharged in full.

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

Optional Redemption of the Notes / Clean-Up Call Option

Under the Receivables Purchase Agreement, VWFS will have the right at its option but not the obligation, to require the Issuer to exercise the Clean-Up Call Option and to repurchase the Purchased Receivables from the Issuer at any time when the sum of the Discounted Receivables Balances of all VWFS Receivables as at the end of the most recent Monthly Period is less than 10 per cent. of the sum of the Discounted Receivables Balances of all VWFS Receivables on the Additional Cut-Off Date in April 2019 (or if there has been a tap issuance of Further Notes, as of the Additional Cut-Off Date immediately preceding such tap issuance of Further Notes), provided that all payment obligations under the Notes, and any obligations ranking pari passu with or senior to the Notes in the Order of Priority, will be met in full on the exercise of such option. VWFS shall give one month prior written notice of its intention to require the exercise of the Clean-Up Call Option. Such notice shall be published in accordance with Condition 13 of the Notes (the "**Clean-Up Call Option Notice**") and, in addition shall be published in the Monthly Investor Report.

The Clean-Up Call Option Settlement Amount shall be 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 an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under both Swap Agreements) theoretically needed to swap the floating rate interest payments under the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. per annum, and plus (iii) 0.03 per cent. for administrative costs and fees. It shall be calculated on the last calendar day of the month in which the repurchase is to become effective.

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.

Sale of Receivables to other Secured Vehicles

The Issuer may on any Payment Date, for the purpose of a Term Takeout, offer to sell and assign to any member of Volkswagen Group or to a securitisation vehicle nominated by the Seller (in each case, the "**Transferee**") any or all Purchased Receivables (the "**Term Takeout Receivables**") provided that the Rating Agencies will have confirmed (by way of press release or otherwise) that the sale of the Term Takeout Receivables will not in and of itself result in a downgrade, withdrawal or qualification of the rating assigned to Class A Notes or the Class B Notes prior to the Term Takeout. If accepted by the Transferee, the purchase price to be paid by the Transferee acquiring the Term Takeout Receivables will be required to be:

(a) no less than the outstanding Discounted Receivables Balance of the Term Takeout Receivables as at the respective Payment Date less an amount equal to the sum of (i) the amount of over-collateralisation applied to the Term Takeout in accordance with the capital structure of applicable term transaction and (ii) the amount required as cash collateral for the applicable term transaction;

(b) in any event no less than the Aggregate Redeemable Amount; and

(c) paid to the Distribution Account, provided that the purchase price will not be distributed according to the applicable Order of Priority and it will be distributed, first, to the then outstanding Class A Notes, until the Redeemable Amount of all then outstanding Class A Notes has been redeemed in full, secondly, to the then outstanding Class B Notes, until the Redeemable Amount of all then outstanding Class B Notes has been redeemed in full, thirdly, to the Subordinated Loan and fourthly, to the Seller by way of a success fee.

The selection of Term Takeout Receivables will be made on a random basis (taking into account, however, any eligibility criteria agreed between the Seller and the respective Transferee) and the proceeds from any Term Takeout will be paid into the Distribution Account but will not be applied according to the Order of Priority but instead be distributed as separately provided in clause 20.3 (*Order of Priority*) of the Trust Agreement. For the avoidance of doubt, in case of Non-Amortising Series of Notes any redemption payments will be made in a way to redeem a certain number of Notes in their principal amount of GBP 100,000.

Principal Paying Agent

The Issuer will make payments to the Noteholders through the Principal Paying Agent. Payments shall be made from the accounts of the Issuer with HSBC Bank plc as Account Bank without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the distribution takes place. HSBC Bank plc is an independent credit institution and is not Affiliate to VWFS or the Issuer and may be substituted as provided for in Condition 9.

Security, Security Trustee and Enforcement

The Issuer, acting for and on behalf of its Compartment 2 has entered into a Trust Agreement, a Deed of Charge and Assignment and Assignations in Security.

For the benefit of the Transaction Creditors, the Issuer has appointed the Security Trustee pursuant to the Trust Agreement and has instructed and authorised the Security Trustee to act as trustee (*Treuhänder*) for the benefit of the Transaction Creditors pursuant to the terms of the Trust Agreement and the Deed of Charge and Assignment and the Assignations in Security

Trust Agreement

Pursuant to the Trust Agreement, the Issuer has assigned or transferred (as applicable) to the Security Trustee for security purposes all its claims and other rights arising from the German Transaction Documents (with the exception of claims and other rights arising from the Trust Agreement) (including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future German law contracts the Issuer has entered or may enter into in connection with the Notes, the Subordinated Loan, the Swap Agreements or the Receivables. In addition, the Issuer pledged to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement.

After the occurrence of an Enforcement Event, the Security Trustee will at its reasonable discretion foreclose or enforce or cause the foreclosure or the enforcement of the Security.

The Issuer, acting for and on behalf of its Compartment 2 has entered into a Trust Agreement, a Deed of Charge and Assignment and an Assignation in Security.

In the Trust Agreement, the Issuer has undertaken to pay the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to all the Transaction Creditors (including the holders of the Notes) pursuant to the Transaction Documents (the "**Trustee Claim**").

To provide collateral for the Trustee Claim, the Issuer assigns to the Security Trustee all its claims and other rights arising from the German Transaction Documents (with the exception of claims and other rights arising from the Trust Agreement) for the avoidance of doubt (including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future German law contracts the Issuer has entered or may enter into from time to time in connection with the Transaction Documents.

Deed of Charge and Assignment and Assignation in Security

In addition, the Notes are secured and share the same Security with the other Secured Obligations of the Issuer as set out in the Deed of Charge and Assignment and the Assignation in Security.

The Security granted by the Issuer pursuant to the Deed of Charge and Assignment, includes:

(a) an assignment by way of first fixed security of the Benefit of all of its present and future right, title and interest to, in and under the English Purchased Receivables;

(b) an assignment by way of first fixed security of the Benefit of all of its present and future right, title and interest to, in and under:

  (i) the Charged Transaction Documents;

  (ii) each other contract, agreement, deed and document, present and future, to which the Issuer is or becomes a party, including, without limitation, all rights to receive payment of any amounts which may become payable to the Issuer thereunder and all payments received by the Issuer thereunder from time to time, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to

become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;

(c) a first fixed charge over the Benefit of the Accounts of the Issuer, other than any such accounts situated outside England and Wales (and any replacement therefor), and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing; and

(d) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future including the Issuer's uncalled capital (excluding any property or assets from time to time or for the time being effectively charged by way of fixed charge or assigned by way of security, but excepting from the foregoing exclusion the whole of the Issuer's undertaking, property assets and rights situated in Scotland or otherwise governed by Scottish law all of which are charged by the floating charge).

In addition, as continuing security for the payment or discharge of the Secured Obligations, the Issuer granted and will grant Assignations in Security in favour of the Trustee, for itself and on trust for the Transaction Creditors relative to the Scottish Declarations of Trust under which VWFS holds and will hold in trust for the Issuer all its present and future rights, title and interest in, to and under, *inter alia*, the Scottish Receivables.

Servicer

Subject to revocation by the Issuer after a Servicer Replacement Event, the Issuer has appointed VWFS as the Servicer to provide the Services to the Issuer in relation to the Financing Contracts and the Receivables, and also to exercise certain of the Issuer's rights in respect of the Financing Contracts and the Receivables, all as further described below under "*ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT*".

Dismissal and Replacement of the Servicer

After a Servicer Replacement Event, the Issuer is entitled to dismiss the Servicer as outlined in the Servicing Agreement.

Replacement of Issuer

Subject to certain preconditions the Issuer acting for and on behalf of its Compartment 2 is entitled to appoint another company (the "**New Issuer**") in place of itself as debtor for all obligations arising from and in connection with the Notes, as further described in Condition 11 of the Class A Notes and the Class B Notes.

Taxes

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected (hereinafter collectively referred to as "**taxes**") on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by applicable law (or pursuant to FATCA). The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Noteholder's request, provide proof thereof. It is not obliged to pay any additional amounts as a result of the deduction or withholding.

Limited Recourse and Non-petition

The Notes and the Subordinated Loan represent obligations of the Issuer only, and do not represent obligations of the Arranger, the Managers, the Lead Manager, the Security Trustee, VWFS or VW Bank or any of its affiliates (together the "**Volkswagen Group**") or any affiliate of the Issuer or any other third person or entity. Neither the Arranger, the Managers, the Lead Manager, nor the Security Trustee, nor VWFS, nor

the Volkswagen Group, nor any affiliate of the Issuer, nor any other third person or entity, assume any liability to the Noteholders if the Issuer fails to make a payment due under the Notes or the Subordinated Loan.

All payment obligations of the Issuer under the Notes and the Subordinated Loan constitute limited recourse obligations to pay only the Available Distribution Amount which includes, *inter alia*, amounts received by the Issuer under the Purchased Receivables and under the other Transaction Documents. The Available Distribution Amount may not be sufficient to pay amounts accrued under the Notes, which may result in an Interest Shortfall as defined in the Incorporated Terms Memorandum, however, an Interest Shortfall other than non-payment of interest on the most senior Class of Notes (subject to the expiry of the 5 Business Day grace period) will not constitute a Foreclosure Event. The Notes shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Notes and the Subordinated Loan shall only be effected by the Security Trustee in accordance with the Trust Agreement. A Foreclosure Event will, following the service of an Enforcement Notice by the Security Trustee, result in the enforcement of the collateral held by the Security Trustee. If the Security Trustee enforces the claims under the Notes and/or the Subordinated Loan, such enforcement will be limited to those assets which were transferred to the Security Trustee and to any other assets of the Issuer. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all Noteholders the Subordinated Lender or Swap Counterparties in full, then any shortfall arising shall be extinguished and neither any Noteholder, nor the Security Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will be so available thereafter.

If any of the events which require the Security Trustee to take action should occur, the Security Trustee will have legal access to the Security (see the section "*TRUST AGREEMENT*" below) only. The Security Trustee itself is not a guarantor, nor have any guarantees been given by other parties, with respect to which the Security Trustee could assert claims on behalf of the Noteholders and/or the Subordinated Lender.

None of the Noteholders (nor any other Person acting on behalf of any of them) shall be entitled at any time until the expiry of at least one year and one day after the Final Maturity Date, to institute against the Issuer; or join in any institution against the Issuer of, any insolvency proceedings in connection with any obligations of the Issuer relating to the Notes, save for lodging a claim in the liquidation of the Issuer which is initiated by another Person who is not a Noteholder or a party to any Transaction Document.

Notices

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

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

In addition, as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, all notices to the Noteholders regarding the Notes shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice referred to above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Should an official listing be absent, then such notices shall be published in the German Federal Gazette (*Bundesanzeiger*).

Applicable Law, Place of Performance and Place of Jurisdiction

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

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

For any litigation in connection with the Conditions of the Notes, which will be initiated against the Issuer in a court of Germany, the Issuer has appointed Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany, to accept service of process.

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

Modifications

Save in respect of a Benchmark Rate Modification undertaken in accordance with Condition 15(c) (*Amendments to the Conditions and Benchmark Rate Modification*) the Conditions of any Series of Notes may only be modified through contractual agreement to be concluded between the Issuer and all Noteholders of each Series of the relevant Class of Notes as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG*)) with a prior notification to the Rating Agencies (to the extent such Series of Notes is rated) or by a Noteholder's resolution adopted with unanimous consent of the Noteholders of such Series of the relevant Class of Notes pursuant to Sections 5 to 22 of aforementioned act.

The Conditions and any Transaction Document may be amended for the purposes of effecting a Benchmark Rate Modification without the consent of the Noteholders (subject to and in accordance with the mechanism in Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*)). The Issuer is required to provide the Transaction Creditors (including the Swap Counterparties) with at least 30 days' notice of the proposed modifications to the Alternative Benchmark Rate which shall apply in respect of the Conditions and the Swap Agreements for the purposes of determining the floating amount payable by the floating rate payer in respect of the Swap Agreements without a requirement for the consent of the relevant Swap Counterparty to such change in the benchmark rate and to such other related or consequential amendments to the Transaction Documents (including, if applicable, the Swap Agreements) as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the Benchmark Rate Modification and, in the case of such other related or consequential amendments to the Transaction Documents, the Issuer has obtained the consent of any other Transaction Creditors which are not Noteholders in accordance with the provisions of the Incorporated Terms Memorandum.

The Issuer will also be entitled to amend any term or provision of the Conditions with the consent of the Security Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein or in any regulatory technical standards authorised under the Securitisation Regulation. Any such amendment shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email.

ABSTRACT OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

Trust Agreement

The Issuer has entered into the Trust Agreement with, amongst others, the Security Trustee and VWFS. Under the Trust Agreement the Issuer has instructed and authorised the Security Trustee to act as fiduciary agent for the Transaction Creditors. The Security Trustee is not affiliated with the Issuer or VWFS and maintains no relationships other than arm's length business relationships with the Issuer and VWFS.

The Trust Agreement creates the Trustee Claim of the Security Trustee against the Issuer pursuant to which the Security Trustee shall be entitled to demand that the Issuer makes all payments owed to the Transaction Creditors directly or, in the event of non-performance, to the Security Trustee for transfer of such amounts to the respective Transaction Creditors.

To provide collateral for the Trustee Claim, the Issuer assigns to the Security Trustee all its claims and other rights arising from the German Transaction Documents (with the exception of claims and other rights arising from the Trust Agreement) for the avoidance of doubt (including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future German law contracts the Issuer has entered or may enter into from time to time in connection with the Transaction Documents.

The Security Trustee is not obliged to monitor the performance of the duties of the Issuer under the Notes, the Conditions of the Notes, the Subordinated Loan or any other Transaction Documents to which the Issuer is a party. All rights of the Noteholders shall remain at all times and under all circumstances vested in the Noteholders.

In addition, the Issuer pledges to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement. The parties to the Trust Agreement have agreed that the Security Trustee, under the Trust Agreement, shall act exclusively for the benefit of the Transaction Creditors.

Except as expressly provided for otherwise in the Trust Agreement, the Security Trustee is not required to monitor the fulfilment of the Issuer's obligations under the Notes, the Conditions or any other Transaction Document.

Notwithstanding the provisions of the Trust Agreement, all rights of the Noteholders under the Notes shall remain at all times and under all circumstances vested in the Noteholders.

Subject to the occurrence of a Foreclosure Event, amounts generally will not be due and payable on any Note on any Payment Date prior to the Final Maturity Date of that Note except to the extent there are sufficient funds in the Available Distribution Amount and the General Cash Collateral Amount to pay such amounts in accordance with the Order of Priority.

Amounts received by the Issuer (or the Cash Administrator on its behalf) which constitute Excess Swap Collateral, Swap Tax Credits and Swap Replacement Proceeds (only to the extent such Swap Replacement Proceeds are applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Swap Counterparty) shall, to the extent due and payable under the terms of such Swap Agreement, be paid by the Cash Administrator on behalf of the Issuer directly to the relevant Swap Counterparty without regard to the Order of Priority.

VWFS will be entitled to amend the Trust Agreement with the consent of the Issuer if such amendment is notified to the Security Trustee and the Rating Agencies and that such amendment will not, according to the Security Trustee, be materially prejudicial to the interests of any of the Transaction Creditors and it has received confirmation from the Rating Agencies that the ratings assigned to the Notes will not be adversely affected, unless the Transaction Creditors that are materially affected, or to the extent that any Transaction Creditors are materially affected by such amendment, all such Transaction Creditors have consented to it. If the amendment relates to the amount, the currency or the timing of the cash-flow received by the Issuer under the Purchased Receivables, the application of such cash-flow by the Issuer, or the ranking of a Swap Counterparty in the Order of Priority, then the consent of the Swap Counterparty will be required.

For the complete text of the Trust Agreement please see "*TRUST AGREEMENT*" of this Base Prospectus.

Swap Agreements

The Issuer will enter into a Swap Agreement with respect to each Series of Notes with the swap counterparty for such Series of Notes (the swap counterparty so specified being the "**Swap Counterparty**"), as described in the section "*THE SWAP COUNTERPARTIES*" below. Each Swap Agreement will hedge the floating interest rate risk in respect of the applicable Series of Notes.

If a Swap Counterparty suffers a ratings downgrade and ceases to be an Eligible Swap Counterparty, the Issuer may terminate the relevant Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions could include the relevant Swap Counterparty collateralising its obligations as a referenced amount calculated in accordance with a credit support annex to the 1992 or 2002 ISDA Master Agreement, transferring its obligations to a replacement Swap Counterparty or procuring a guarantee.

Under each Swap Agreement, the Issuer will undertake to pay to the relevant Swap Counterparty on each Payment Date an amount equal to the amount of interest on the aggregate outstanding nominal amount of the Notes on each Payment Date, calculated on the basis of a fixed rate of interest as specified for the relevant Series of Notes in the relevant Final Terms. The Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the relevant Series of Notes (except the Series 2013-3 Class A, the Series 2016-1 Class A Notes and the Series 2013-2 Class B Notes), calculated (a) on the basis of 1-month LIBOR plus 0.65 per cent. per annum on the basis of the actual number of days elapsed in an interest period divided by 365 in case of the Class A Notes and (b) of 1-month LIBOR plus 1.20 per cent. per annum in case of the Class B Notes.

In respect of the Series 2013-3 Class A Notes the Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Series 2013-3 Class A Notes calculated on the basis of 1-month LIBOR plus 0.55 per cent. per annum on the basis of the actual number of days elapsed in an interest period divided by 365.

In respect of the Series 2016-1 Class A Notes the Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Series 2016-1 Class A Notes calculated on the basis of 1-month LIBOR plus 0.55 per cent. per annum on the basis of the actual number of days elapsed in an interest period divided by 365.

In respect of the Series 2013-2 Class B Notes the Swap Counterparty will undertake to pay to the Issuer on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Series 2013-2 Class B Notes calculated on the basis of 1-month LIBOR plus 0.95 per cent. per annum on the basis of the actual number of days elapsed in an interest period divided by 365.

Payments under each Swap Agreement will be exchanged on a net basis on each Payment Date. Payments made by the Issuer under the Swap Agreements, comprising (i) Net Swap Payments (being the net amounts with respect to regularly scheduled payments owed by the Issuer to the Swap Counterparty (but excluding termination payments and other amounts payable to the Swap Counterparty under the Swap Agreement)) and (ii) swap termination payments (other than termination payments related to an event of default under the Swap Agreements where the relevant Swap Counterparty is a defaulting party (as defined in the Swap Agreements), or a termination event due to the failure by the relevant Swap Counterparty to take the required action after a downgrade of its credit rating) rank higher in priority than all payments on the Notes.

Payments by the relevant Swap Counterparty to the Issuer under each Swap Agreement (except for payments by the relevant Swap Counterparty into any Counterparty Downgrade Collateral Account relating to such Swap Counterparty) will be made into the Distribution Account and will, to the extent necessary, be increased to ensure that such payments are free and clear of all taxes.

The events of default applicable to the Issuer under the Swap Agreements are limited to if, among other things, the Issuer fails to make a payment under a Swap Agreement when due and such failure is not

remedied within three (3) Business Days of notice of such failure being given or certain bankruptcy and insolvency events occurring with respect to the Issuer.

Events of default under the Swap Agreements applicable to the relevant Swap Counterparty include, the following:

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

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

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

(a) illegality of the transactions contemplated by the Swap Agreements;

(b) an Enforcement Event under the Trust Agreement occurs or prepayment in full, but not in part, of the Notes occurs; or

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

  (i) posts an amount of collateral (in the form of cash and/or securities) as calculated in accordance with the credit support annex to each Swap Agreement; or

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

  (iii) assigns its rights and obligations under the Swap Agreement to a successor Swap Counterparty with an acceptable rating; or

  (iv) takes such other action in order to maintain the rating of the Notes, or to restore the rating of the Notes to the level it would have been at immediately prior to such downgrade.

A segregated Counterparty Downgrade Collateral Account in respect of each Swap Counterparty is established with the Account Bank and security created over such account in favour of the Security Trustee in accordance with provisions in the Account Agreement and the Trust Agreement. Any cash collateral or securities collateral posted to such Counterparty Downgrade Collateral Account as a result of a ratings downgrade (as referred to in paragraph *Termination of the Swap Agreements* above) shall be monitored on a specific collateral ledger and any cash collateral shall bear interest. Such collateral shall be segregated from the Distribution Account and from the general cash flow of the Issuer and shall not constitute Collections. Collateral posted to such Counterparty Downgrade Collateral Account is solely for the purposes of, and in connection with, collateralising the Swap Agreements.

Upon the occurrence of any event of default or termination event specified in a Swap Agreement, the non-defaulting party (in case of an event of default), or the party affected or burdened by a termination event pursuant to the provisions of the Swap Agreements may, after a period of time set forth in the Swap Agreement, elect to terminate such Swap Agreement. If a Swap Agreement is terminated due to an event of default or a termination event, a Swap Termination Payment may be due to the Swap Counterparty by the Issuer out of its available funds. The amount of any such Swap Termination Payment may be based on the actual cost or market quotations of the cost of entering into a similar swap transaction or such other calculations as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement. Any such Swap Termination Payment could, if market rates or other conditions have changed materially, be substantial. The Swap Termination Payment required to be made by the Issuer to a Swap Counterparty will rank higher in priority than all payments under the relevant Series of Notes except as explained above in paragraph 'Termination payment priorities and subordination'. In such event, the Receivables and the General Cash Collateral Amount may be insufficient to satisfy the required payments under the relevant Series of Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments due in respect of such Series of Notes.

If a Swap Agreement is terminated by either party or the Swap Counterparty becomes insolvent, the Issuer may not be able to enter into a replacement Swap Agreement immediately or at all. To the extent a replacement swap is not on a timely basis entered into, the amount available to pay the principal of and interest under the Notes will be reduced if the interest rates under such Notes exceed the rate the Issuer would have been required to pay the Swap Counterparty under the terminated Swap Agreement. Under these circumstances the Purchased Receivables and the General Cash Collateral Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

If a Swap Termination Payment is due to the Swap Counterparty, any Swap Replacement Proceeds shall, to the extent of that Swap Termination Payment, be remitted directly to the Counterparty Downgrade Collateral Account and shall be applied in payment of any Swap Termination Payments to the Swap Counterparty under the initial Swap Agreement without regard to the relevant Order of Priority and in accordance with the terms of the relevant Swap Agreement. If Swap Replacement Proceeds are insufficient to pay in full the Swap Termination Payment due to the initial Swap Counterparty, any shortfall shall be paid to such Swap Counterparty in accordance with the applicable Order of Priority. If Swap Replacement Proceeds exceed the Swap Termination Payment due to the initial Swap Counterparty, any excess shall be treated as part of the Available Distribution Amount.

The relevant Swap Counterparty may at its own cost transfer its obligations under the Swap Agreement to a third party which is an Eligible Swap Counterparty. There can be no assurance that the credit quality of such replacement Swap Counterparty will ultimately prove as strong as that of the original Swap Counterparty.

Servicing Agreement

Subject to revocation by the Issuer after a Servicer Replacement Event, VWFS is instructed pursuant to the terms of the Servicing Agreement to act as Servicer in order to provide certain management and administrative services to the Issuer and the Security Trustee in relation to the portfolio of assets composed of the Purchased Receivables, the Servicing Agreement, any applicable laws, regulations, judgments and other directions or orders to which it may be subject and its Customary Operating Practices, devoting or procuring that there is devoted to the performance of its obligations under the Servicing Agreement at least the same amount of time and attention and that there is exercised the same level of skill, care and diligence in the performance of those obligations, the exercise of its discretions under the Servicing Agreement and its exercise of the rights of the Issuer and the Security Trustee in respect of the Purchased Receivables, the Financing Contracts and the Vehicles as it would if it were administering motor vehicle hire purchase agreements and personal contract purchases in respect of which it held the entire benefit (both legally and beneficially).

VWFS, as the Servicer, is entitled to commingle funds such as Collections from the Purchased Receivables with its own funds during each Monthly Period in accordance with the following procedure:

(a) if and as long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single deposit of such monthly Collections to the Distribution Account on each Payment Date; and

(b) if and as long as the Monthly Remittance Condition is not satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period only in accordance with the procedure outlined in detail in "ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT - Commingling".

VWFS as Servicer undertakes to the Issuer that it will, for as long as the Class A Notes or (if possible in accordance with the Eurosystem eligibility criteria or Bank of England eligibility criteria in force from time to time) any other Class of Notes are intended to be held in a manner which will allow Eurosystem eligibility or Bank of England eligibility, make loan level data in such a manner available as required to comply with:

(a) the Eurosystem eligibility criteria set out in the Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), which was published in the Official Journal of the European Union on 2 April 2015 and applies from 1 May 2015, as amended from time to time including as amended by Guideline (EU) 2016/64 of 18 November 2015 effective from 5 January 2016; and

(b) the Bank of England eligibility criteria and transparency criteria for asset backed securities (as set out in the Detailed Information Transparency for Asset-Backed Securities for Auto-loan ABS of 17 December 2012 as amended and applicable from time to time).

VWFS as Servicer further undertakes to the Issuer that, pursuant to the Securitisation Regulation, it will (on behalf of the Issuer) make the information available to the Noteholders, to competent authorities, as referred to in Article 29 of the Securitisation Regulation and to potential Noteholders all such information as the Issuer is required to make available pursuant to and in compliance with the Securitisation Regulation Disclosure Requirements. To the extent no securitisation repository is registered in accordance with Article 10 of the Securitisation Regulation, the Servicer will make such information available on the website of the European Data Warehouse (www.eurodw.eu) which, for the avoidance of doubt, will comply with the Securitisation Regulation Disclosure Requirements. If a securitisation repository should be registered in accordance with Article 10 of the Securitisation Regulation, the Servicer on behalf of the Issuer will make the information available to such securitisation repository.

Information as to the present lending business procedures of VWFS are described in the sections entitled "*BUSINESS PROCEDURES OF VWFS*" and "*ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT*" below, however, VWFS will be permitted to change those business procedures from time to time in its own discretion.

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

The Servicer will be entitled to receive a fee on each Payment Date for the relevant Monthly Period in accordance with the Order of Priority. The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses. The Servicer will have no responsibility, however, to pay or fund any credit losses with respect to the Purchased Receivables.

After a Servicer Replacement Event, the Issuer is entitled to dismiss the Servicer and is required to appoint a successor servicer in accordance with the provisions of the Servicing Agreement.

Data Protection Trust Agreement

In accordance with the Data Protection Trust Agreement, VWFS will:

(a) make an encrypted list (with only the names and addresses and contract numbers of the respective Obligors) available to the Issuer (the "**Data File**"); and

(b) deposit or cause to be deposited with the Data Protection Trustee a sealed containment key (the "**Portfolio Decryption Key**") (which is for the decryption of the Data File of the names and addresses of the respective Obligors for each contract number relating to a Financing Contract which relates to all Purchased Receivables).

VWFS further undertakes, on or about each Payment Date, to update the encrypted list contained in the Data File, and to make such updated encrypted list available to the Issuer whilst at the same time ensuring that the Portfolio Decryption Key entrusted to the Data Protection Trustee remains valid and, if not, promptly make a new Portfolio Decryption Key available to the Data Protection Trustee.

The Data Protection Trustee will carefully safeguard the Portfolio Decryption Key and protect it against unauthorised access by any third party. Delivery of the Portfolio Decryption Key is permissible only to (i) (at the request of the Security Trustee) a replacement Servicer or (ii) to the Seller or, at the request of the Seller or the Security Trustee, to the replacement Data Protection Trustee subject to applicable data

protection laws and banking secrecy provisions. The Data Protection Trustee has agreed to notify the Obligors of the assignment of the Purchased Receivables to the Issuer and instruct the Obligors to make all payments in respect of the Purchased Receivables to the Distribution Account of the Issuer upon the occurrence of a Notification Event or upon delivery of a Notification Event Notice.

Modifications

Subject to clause 40 (*Amendments*) of the Trust Agreement, and save for any correction of a manifest or proven error or variation of a formal, minor or technical nature which may be made by the Security Trustee without the consent or sanction of any of the Noteholders, the Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager, the Managers or any other Person, any amendment, restatement or variation of a Transaction Document, is valid only if made in accordance with clause 6 (*Amendments, Accession*) of the Incorporated Terms Memorandum.

In the case of modifications which do not materially and adversely affect the interests of the Noteholders or any other Transaction Creditor:

(i) it is notified to the Security Trustee and the Rating Agencies in writing; and

(ii) if the modification is required:

(1) 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, (1) VWFS on behalf of the Issuer certifies in writing 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; (2) and in the case of a modification proposed by either the Account Bank or the Swap Counterparty, (A) either the Account Bank or the Swap Counterparty, as the case may be, certifies in writing to the Issuer and the Security Trustee that such modification is necessary for the purposes of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies (B) either the Account Bank or the Swap Counterparty obtains written confirmation from the Rating Agencies that such modification would not result in a downgrade of the Notes, or the Account Bank or Swap Counterparty certifies that it has notified each of the Rating Agencies of the modification and such modification would not result in a downgrade of the Notes;

(2) 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;

VWFS has certified to the Security Trustee in writing that such modification is required solely for such purpose and the Security Trustee has been provided with certain information to its satisfaction; and

(iii) 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 (2) 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 (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; or

(iv) 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 (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*).

If any of the amendments to any term of the Transaction Documents relate to the amount, the currency or the timing of the cashflow received by the Issuer under the Receivables, the application of such cashflow by the Issuer, or the ranking of the Swap Counterparties in the Order of Priority or following the posting of credit support by a Swap Counterparty to the Counterparty Downgrade Collateral Account, then the consent of the relevant Swap Counterparties will be required.

In case of amendments to any term of the Transaction Documents which materially and adversely affect the interests of the Issuer, the Security Trustee, the Noteholders, the Swap Counterparties or the Subordinated Lender then also the consent of such parties will be required.

The Conditions and any Transaction Document may be amended for the purposes of effecting a Benchmark Rate Modification without the consent of the Noteholders (subject to and in accordance with the mechanism in Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*)). The Issuer is required to provide the Transaction Creditors (including the Swap Counterparties) with at least 30 days' notice of the proposed modifications to the Alternative Benchmark Rate which shall apply in respect of the Conditions and the Swap Agreements for the purposes of determining the floating amount payable by the floating rate payer in respect of the Swap Agreements without a requirement for the consent of the relevant Swap Counterparty to such change in the benchmark rate and to such other related or consequential amendments to the Transaction Documents (including, if applicable, the Swap Agreements) as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the Benchmark Rate Modification and, in the case of such other related or consequential amendments to the Transaction Documents, the Issuer has obtained the consent of any other Transaction Creditors which are not Noteholders in accordance with the provisions of the Incorporated Terms Memorandum.

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 Securitisation Regulation or a reputable international law firm that such amendments are required for the Transaction to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards authorised under the Securitisation Regulation. Any such amendment shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email.

TAXATION

The following information is of a general nature and is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective investor in the Notes. It should be read in conjunction with the section entitled "*RISK FACTORS*". Potential investors in the Notes should satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Notes and, therefore, should consult their professional tax advisors.

The attention of prospective Noteholders is drawn to Condition 10 of the Notes (*Taxes*).

Taxation in Luxembourg

The statements herein regarding certain tax considerations effective in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg on the date of this Base Prospectus and are subject to any changes in law.

The following information is of a general nature only, it is not intended to be, nor should it be construed to be, legal or tax advice, and does not purport to be a comprehensive description of all the Luxembourg tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject as a result of the purchase, ownership and disposition of the Notes.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding Tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to Luxembourg resident individual holders of the Notes, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) or upon payment of principal in case of redemption or repurchase of the Notes.

The attention of prospective Noteholders is drawn to Condition 10 of the Notes (*Taxes*), whereby payments under the Notes will only be made after deduction or withholding of any mandatory withholding or deductions on account of tax. The Issuer will not be required to pay additional amounts in respect of any such withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. See "*TERMS AND CONDITIONS OF THE NOTES — CONDITION 10 (TAXES)*".

(a) **Non-resident Noteholders**

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of the Notes held by non-resident Noteholders.

(b) **Resident Noteholders**

Under Luxembourg general tax laws currently in force and subject to the Luxembourg law of 23 December 2005 mentioned below, as amended, there is no withholding tax on payments of principal, premium or interest made to resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any

Luxembourg withholding tax payable upon redemption, repurchase or exchange of the Notes held by resident Noteholders.

Under the Luxembourg law of 23 December 2005, as amended (the "**Relibi Law**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. The withholding tax applied in accordance with the Relibi Law will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law, as amended would be subject to withholding tax of 20 per cent.

Income Taxation

(a) **Non-resident Noteholders**

Non-resident Noteholders, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income thereon are attributable, are not subject to Luxembourg income taxes on income accrued or received, redemption premiums or issue discounts, under the Notes nor on capital gains realised on the sale, exchange or disposal of the Notes. Non-resident corporate or individual holders acting in the course of the management of a professional or business undertaking, who have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which or to whom such Notes are attributable, are subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale, exchange or disposal of the Notes.

(b) **Resident Noteholders**

Luxembourg resident Noteholders will not be liable for any Luxembourg income tax on repayment of principal under the Notes.

(i) resident individual Noteholders

Resident individual Noteholders, acting in the course of the management of his/her private wealth, are subject to Luxembourg income tax at progressive rates in respect of interest or similar income received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 20 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State).

A gain realised by resident individual Noteholders, acting in the course of the management of his/her private wealth, upon the sale, exchange or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale, exchange or disposal took place more than six (6) months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

Resident Noteholders, acting in the course of the management of a professional or business undertaking must include interest or similar income received, redemption premiums or issue discounts, under the Notes, as well as any gain realised upon the sale, exchange or disposal, in any form whatsoever, of Notes, in their taxable basis, which will be subject to Luxembourg income tax at progressive rates. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

(ii) resident corporate Noteholders

Resident corporate Noteholders must include any interest or similar income received, redemption premiums or issue discounts, under the Notes, as well as any gain realised upon the sale, exchange or disposal, in any form whatsoever, of the Notes, in their taxable income for Luxembourg income tax assessment purposes.
Noteholders that are governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or the law of 13 February 2007 on specialised investment funds, as amended, or the law of 23 July 2016 on reserved alternative investment funds not having the exclusive purpose of investing in risk capital are neither subject to Luxembourg income tax in respect of interest or similar income received, redemption premiums or issue discounts, under the Notes, as well as any gain realised upon the sale, exchange or disposal, in any form whatsoever, of the Notes.

Net wealth taxation

Resident corporate Noteholders as well as non-resident corporate Noteholders which maintain a permanent establishment, fixed place of business or a permanent representative in Luxembourg to which such Notes or income thereon are attributable, are subject to Luxembourg wealth tax on such Notes, except if the Noteholders are a family estate management company introduced by the law of 11 May 2007, as amended, an undertaking for collective investment governed by the law of 17 December 2010, as amended, a securitisation vehicle governed by and compliant with the law of 22 March 2004 on securitisation, as amended, a company governed by and compliant with the law of 15 June 2004 on venture capital vehicles, as amended, or a specialised investment fund governed by the law of 13 February 2007 on specialised investment funds, as amended or a pension-saving company as well as a pension-saving association, both governed by the law of 13 July 2005, as amended or reserved alternative investment funds governed by the law of 23 July 2016.

Non-resident corporate Noteholders, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income thereon are attributable, as well as individual Noteholders, whether he/she is resident of Luxembourg or not, are not subject to Luxembourg wealth tax.

The net wealth tax charge for a given year can be avoided or reduced if a specific reserve, equal to five times the net wealth tax to save, is created before the end of the subsequent tax year and maintained during the five following tax years. The net wealth tax reduction corresponds to one fifth of the reserve created, except that the maximum net wealth tax to be saved is limited to the corporate income tax amount due for the same tax year, including the employment fund surcharge, but before imputation of available tax credits.

Corporate resident Noteholders will further be subject to (a) a minimum net wealth tax of EUR 4,815, if it holds assets such as fixed financial assets, receivables owed to affiliated companies, transferable securities, postal checking accounts, checks and cash, in a proportion that exceeds 90 % of its total balance sheet value and if the total balance sheet value exceeds EUR 350,000, or (b) a minimum net wealth tax between EUR 535 and EUR 32,100 based on the total amount of its assets. Items (e.g., real estate properties or assets allocated to a permanent establishment) located in a treaty country, where the latter has the exclusive tax right, are not considered for the calculation of the 90% threshold. Despite the above mentioned exceptions, the minimum net wealth tax also applies if the resident corporate Noteholders is a securitization company governed by the law of 22 March 2004 on securitization, as amended, or an investment company in risk capital governed by the law of 15 June 2004 on venture capital vehicles, as amended, or a pension-saving company or a pension-saving association, both governed by the law of 13 July 2005, as amended or reserved alternative investment funds investing exclusively in risk capital governed by the law of 23 July 2016.

Other taxes

Neither the issuance nor the transfer of Notes will give rise to any Luxembourg stamp duty, value-added tax, issuance tax, registration tax, transfer tax or similar taxes or duties, provided that the relevant issue or transfer agreement is not submitted to registration in Luxembourg which is not *per se* mandatory.

However, a registration duty may be due upon the registration of the Notes in Luxembourg on a voluntary basis.

Where a Noteholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a notary or recorded in Luxembourg.

Residence

A Noteholder will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of such Notes or the execution, performance, delivery and/or enforcement in respect thereof.

THE FOREGOING INFORMATION IS NOT EXHAUSTIVE; IT DOES NOT, IN PARTICULAR, DEAL WITH ALL TYPES OF TAXES NOR WITH THE POSITION OF INDIVIDUAL INVESTORS. PROSPECTIVE INVESTORS SHOULD, THEREFORE, CONSULT THEIR PROFESSIONAL ADVISORS.

CERTIFICATION BY TSI

True Sale International GmbH ("**TSI**") grants the issuer a certificate entitled "CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD", which may be used as a quality label for the Notes in question.

The certification label has been officially registered as a trademark and is usually licensed to an issuer of securities if the securities meet, inter alia, the following conditions:

- compliance with specific requirements regarding the special purpose vehicle or the trust managed as a special fund involved in the transaction;
- use of a special purpose vehicle or the trust managed as a special fund which is domiciled within the European Union;
- the issuer must agree to the general certification conditions, including the annexes, and must pay a certification fee;
- the issuer must accept TSI's disclosure and reporting standards, including the publication of the monthly reports, prospectus and the declaration of undertaking issued by the German parent company on the True Sale International GmbH website (www.true-sale-international.de);
- the originator's German parent company must confirm that the quality criteria of the "CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD" label are maintained throughout the duration of the transaction;
- since September 2018 and on the basis of TSI´s interpretation of the Securitisation Regulation (Regulation (EU) 2017/2402) as of 12 December 2017, certain quality standards included in the STS requirements are also incorporated in TSI´s DEUTSCHER VERBRIEFUNGSSTANDARD criteria for EU securitisation transactions with car financing receivables as underlying. However it should be noted that the TSI certification does not constitute a verification according to Article 28 of the Securitisation Regulation, neither has TSI checked and verified the originator's statements.

Certification by True Sale International GmbH ("**TSI**") is not a recommendation to buy, sell or hold securities. TSI's certification label is issued on the basis of an assurance given to True Sale International GmbH by the originator's German parent company, as of the date of this Base Prospectus, that, throughout the duration of the Transaction, he will comply with:

(a) the reporting and disclosure requirements of True Sale International GmbH, and

(b) the main quality criteria of the "CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD" label.

True Sale International GmbH has relied on the above-mentioned declaration of undertaking and has not made any investigations or examinations in respect of the declaration of undertaking, any transaction party or any securities, and disclaims any responsibility for monitoring continuing compliance with these standards by the parties concerned or any other aspect of their activities or operations.

VERIFICATION BY PCS

An application has been made to Prime Collateralised Securities (UK) Limited ("**PCS**") for the securitisation transaction described in this Base Prospectus to receive a report from PCS verifying compliance with the criteria stemming from Articles 18, 19, 20, 21 and 22 of the Securitisation Regulation (the "**STS Verification**"). There can be no assurance that the securitisation transaction described in this Base Prospectus will receive the STS Verification and if the securitisation transaction described in this Base Prospectus does receive the STS Verification, this shall not, under any circumstances, affect the liability of VWFS (as the originator for the purposes of the Securitisation Regulation) and the Issuer (as the SSPE for the purposes of the Securitisation Regulation) in respect of their legal obligations under the Securitisation Regulation, nor shall it affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation.

The STS Verification is provided by PCS. The STS Verification is not a recommendation to buy, sell or hold securities, is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended). PCS is not an "expert" as defined in the Securities Act.

PCS is not a law firm and nothing in the STS Verification constitutes legal advice in any jurisdiction. PCS is authorised by the United Kingdom Financial Conduct Authority, pursuant to Article 28 of the Securitisation Regulation, to act as a third party verifying STS compliance. This authorisation covers STS Verifications in the European Union.

By providing the STS Verification in respect of any securities PCS does not express any views about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. Investors should conduct their own research regarding the nature of the STS Verification and must read the information set out in http://pcsmarket.org. In the provision of the STS Verification, PCS has based its decision on information provided directly and indirectly by the Seller. PCS does not undertake its own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the Notes and the completion of the STS Verification is not a confirmation or implication that the information provided by or on behalf of the Seller as part of the STS Verification is accurate or complete.

In completing an STS Verification, PCS bases its analysis on the STS criteria appearing in Articles 20 to 26 of the Securitisation Regulation together with, if relevant, the appropriate provisions of Article 43, (together, the "**STS Criteria**"). Unless specifically mentioned in the STS Verification, PCS relies on the English version of the Securitisation Regulation. In addition, Article 19(2) of the Securitisation Regulation requires the European Banking Authorities, from time to time, to issue guidelines and recommendations interpreting the STS criteria. The EBA has issued the EBA STS Guidelines Non-ABCP Securitisations. The task of interpreting individual STS Criteria rests with national competent authorities ("**NCAs**"). Any NCA may publish or otherwise publicly disseminate from time to time interpretations of specific criteria ("**NCA Interpretations**"). The STS criteria, as drafted in the Securitisation Regulation, are subject to a potentially wide variety of interpretations. In compiling an STS Verification, PCS uses its discretion to interpret the STS criteria based on (a) the text of the Securitisation Regulation, (b) any relevant guidelines issued by EBA and (c) any relevant NCA Interpretation. There can be no guarantees that any regulatory authority or any court of law interpreting the STS criteria will agree with the interpretation of PCS. There can be no guarantees that any future guidelines issued by EBA or NCA Interpretations may not differ in their approach from those used by PCS in interpreting any STS criterion prior to the issuance of such new guideline or interpretation. In particular, guidelines issued by EBA are not binding on any NCA. There can be no guarantees that any interpretation by any NCA will be the same as that set out in the EBA Guidelines and therefore used, prior to the publication of such NCA interpretation, by PCS in completing an STS Verification. Although PCS will use all reasonable endeavours to ascertain the position of any relevant NCA as to STS criteria interpretation, PCS cannot guarantee that it will have been made aware of any NCA interpretation in cases where such interpretation has not been officially published by the relevant NCA. Accordingly, the provision of an STS Verification is only an opinion by PCS and not a statement of fact. It is not a guarantee or

warranty that any national competent authority, court, investor or any other person will accept the STS status of the relevant securitisation.

All PCS Services speak only as of the date on which they are issued. PCS has no obligation to monitor (nor any intention to monitor) any securitisation the subject of any PCS Service. PCS has no obligation and does not undertake to update any PCS Service to account for (a) any change of law or regulatory interpretation or (b) any act or failure to act by any person relating to those STS Criteria that speak to actions taking place following the close of any transaction such as, without limitation, the obligation to continue to provide certain mandated information.

DESCRIPTION OF THE PORTFOLIO

The Receivables Purchase Agreement

On 20 November 2013 and each Additional Purchase Date prior to the Closing Date, VWFS has sold to the Issuer and the Issuer has purchased from VWFS all right, title and interest of VWFS in the Initial VWFS Receivables and any Additional Receivables offered for sale on such Additional Purchase Dates. Such sales were made by way of absolute assignment and, accordingly, VWFS, with full title guarantee, and so far as relating to the Scottish Receivables (which will be held in trust), with absolute warrandice, assigned to (or held on trust for) the Issuer all of its rights, title and interest in and to each Initial VWFS Receivable, including to the fullest extent possible under applicable law, all Ancillary Rights related to such Initial VWFS Receivables but excluding the Excluded Amounts. These are equitable assignments until they are perfected following the occurrence of a Notification Event.

On each Additional Purchase Date on or after the Closing Date, VWFS may sell to the Issuer and the Issuer may purchase from VWFS all rights, title and interest of VWFS to the Additional Receivables specified by VWFS in the relevant Notice of Sale. Each such sale is made by way of absolute assignment and, accordingly, VWFS, with full title guarantee, and so far as relating to the Scottish Receivables (which will be held in trust), with absolute warrandice, assigned and will assign and agree to assign to (or hold in trust for) the Issuer all of its rights, title and interest in and to each Additional Receivable, including to the fullest extent possible under applicable law, all Ancillary Rights related to such Additional Receivables but excluding the Excluded Amounts. These will be equitable assignments until they are perfected following the occurrence of a Notification Event.

VWFS is the "originator" for the purposes of Article 2(3) of the Securitisation Regulation. All Receivables included in the Portfolio have been originated by VWFS and are sold to the Issuer by VWFS in its capacity as Seller.

Clean-Up Call Option

Under the Receivables Purchase Agreement, VWFS will have the right at its option but not the obligation, to require the Issuer to exercise the Clean-Up Call Option and to repurchase the Purchased Receivables from the Issuer at any time when the sum of the Discounted Receivables Balances of all VWFS Receivables as at the end of the most recent Monthly Period is less than 10 per cent. of the sum of the Discounted Receivables Balances of all VWFS Receivables on the Additional Cut-Off Date in April 2019 (or if there has been a tap issuance of Further Notes, as of the Additional Cut-Off Date immediately preceding such tap issuance of Further Notes), provided that all payment obligations under the Notes, and any obligations ranking pari passu with or senior to the Notes in the Order of Priority, will be met in full on the exercise of such option. VWFS shall give one month prior written notice of its intention to require the exercise of the Clean-Up Call Option. Such notice shall be published in accordance with Condition 13 of the Notes (the "**Clean-Up Call Option Notice**") and, in addition shall be published in the Monthly Investor Report.

The Receivables

The Initial Receivables purchased by the Issuer from the Seller on 20 November 2013 and the Additional Receivables purchased from VWFS on each Additional Purchase Date (together the "**Purchased Receivables**") comprise claims against Obligors in respect of payments due under Financing Contracts (excluding Excluded Amounts) for the provision of credit for the purchase of motor vehicles.

Although the borrower ("**Obligor**") is the registered keeper of the vehicle, VWFS retains title to the vehicles. The Financing Contracts contain provisions entitling, but not obliging, the Obligor to purchase the vehicle at the end of the hire period, normally on payment of a specified purchase fee.

The Financing Contracts are governed by English or Scottish law and take the form of hire purchase agreements ("**HP Agreements**" or "**HP No Balloon**") and personal contract purchase agreements ("**PCP Agreements**" or "**PCP**") between VWFS and Obligors.

HP Agreements

Mainly directed at retail Obligors, HP Agreements are available for both new and used vehicles. HP Agreements contain standard rental terms where an initial payment is made and then the balance is amortised in substantially equal monthly instalments. At the end of the term of the HP Agreement, after an additional "option to purchase" fee is paid, the Obligor owns the vehicle.

PCP Agreements

PCP Agreements are used for the financing of new and used vehicles in the retail market. PCP Agreements are similar to HP Agreements but with an additional larger "balloon" final rental payment at the end of the term of the PCP Agreement, where the Obligor can either settle the contract by paying the balloon payment (and thereby purchase the vehicle) or, subject to the vehicle being in a condition acceptable to VWFS and within agreed mileage, return the vehicle to VWFS in full and final settlement of the PCP Agreement.

Where the Obligor chooses not to return the vehicle, title in the vehicle passes to the Obligor when the Obligor pays the additional "option to purchase" fee to VWFS (which fee does not form part of the Receivables). Where the Obligor chooses to return the vehicle, VWFS then acts as the Obligor's agent in selling the vehicle and the sale proceeds of the vehicle are applied to settle the Final Rental Amount. Any surplus on sale in excess of the Final Rental Amount is retained by VWFS as a fee for acting as the Obligor's agent and is not passed back to the Obligor. The sale proceeds of the vehicle, including any surplus on sale in excess of the Final Rental Amount, are transferred to the Issuer as PCP Recoveries and Enforcement Proceeds. Any shortfall between the sale proceeds and the Final Rental Amount is not recovered from the Obligor.

During the last six months of 2018, in respect of maturing PCP Agreements, 2.15 per cent of the Obligors returned the vehicle for sale to VWFS.

The Initial Receivables Purchase Price

The Initial Receivables Purchase Price was paid by the Issuer to VWFS as total consideration with respect to the Initial VWFS Receivables, discounted by the Discount Rate (together with the related Ancillary Rights) on 20 November 2013. The Issuer also paid an amount of consideration to Private VCL S.A. acting with respect of its Compartment Private VCL 2013-1 with respect to the Driver UK 2011 Receivables which have since been repurchased by VWFS.

Additional Receivables Purchase Price

The Additional Receivables Purchase Price is the purchase price in respect of the Additional Receivables calculated as follows:

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

(A) the issuance of the Further Notes in accordance with clause 3.2 of the Note Purchase Agreement at the Additional Purchase Date;

(B) the amount of funds available from the Order of Priority for the purchase of Additional Receivables at the Additional Purchase Date; and

(C) the amount, if any, available on any Purchase Date under the Subordinated Loan.

The Additional Receivables Purchase Price shall equal the sum of:

1.

(a) the Additional Discounted Receivables Balance of the Additional Receivables to be purchased under the Receivables Purchase Agreement less the Replenished Additional Discounted Receivables Balance, multiplied by

(b) one (1) minus 2.83 per cent., less, (where applicable)

(c) (A) amounts required for the endowment of the Cash Collateral Account with the respective Cash Collateral Amount and (B) certain costs related to the issue of the Further Notes; and

2.

(a) the Replenished Additional Discounted Receivables Balance, multiplied by

(b) one (1) minus the Additional 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. For the avoidance of doubt, no Additional Receivables Purchase Price shall be paid by the Purchaser for Additional Receivables which are transferred to the Purchaser for overcollateralisation purposes.

Representations and Warranties in relation to the Sale of the Purchased Receivables

VWFS represents and warrants to the Issuer and to the Security Trustee, in respect of itself (i) as at 20 November 2013 in relation to the Initial VWFS Receivables, (ii) as at each Additional Cut-Off Date prior to the Additional Cut-Off Date falling in October 2014 in relation to the relevant Additional Receivables acquired on such Additional Purchase Dates, (iii) on 25 November 2014 but as if made as at the Additional Cut-Off Date falling in October 2014 in relation to the VWFS Receivables purchased on 25 November 2014, and (iv) otherwise, as at each relevant Additional Cut-Off Date in relation to the relevant Additional Receivables acquired on such Additional Purchase Dates after 25 November 2014, that:

(a) VWFS is a company duly incorporated under the laws of England with full corporate power, authority and legal right to own its assets and conduct its business as such assets are presently owned and its business is presently conducted and with power to enter into the Receivables Purchase Agreement and the other Transaction Documents to which VWFS is a party and to exercise its rights and perform its obligations thereunder.

(b) all corporate actions required to be done, fulfilled and performed in order (a) to enable VWFS lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in each Transaction Document to which VWFS is a party or under any assignment or trust, made by it in respect of any VWFS Receivable assigned or held on trust or scheduled to be assigned or held on trust pursuant to the Receivables Purchase Agreement and (b) to ensure that the obligations expressed to be assumed by it in each Transaction Document to which VWFS is a party or under any such assignment are legal, valid and binding on it, have been done, fulfilled and performed or shall be done, fulfilled or performed prior to the execution of such Transaction Document or assignment (as the case may be).

(c) the execution by VWFS of each Transaction Document to which VWFS is a party and the making of each assignment or trust made by it in respect of any VWFS Receivables assigned or held on trust or scheduled to be assigned or held on trust pursuant to the Receivables Purchase Agreement and the exercise of its rights and the performance of its obligations in any such assignment or holding on trust does not and will not conflict with or violate:

(i) its Memorandum or Articles of Association; or

(ii) (to an extent or in a manner which has or is likely to have a Material Adverse Effect) any law to which it is subject.

(d) all approvals, authorisations, consents, orders or other actions of any person or of any governmental or regulatory body or official required in connection with the execution and delivery of each Transaction Document to which VWFS is a party and/or the making of each assignment or holding on trust of VWFS Receivables in the manner contemplated herein or therein, the performance of the transactions contemplated by each Transaction Document to which VWFS is a party and the fulfilment of the terms thereof have been obtained.

(e) so far as it is aware, there are no proceedings or investigations pending against it before any court, regulatory body, arbitral tribunal or public or administrative body or agency or ruling that would in its opinion if adversely determined have a material and adverse effect on the collectability of the VWFS Receivables, or result in any material impairment of the right or ability of VWFS to carry on its business substantially as now conducted, or result in any material liability on the part of VWFS, or which would render invalid the Transaction Documents to which VWFS is a party or the VWFS Receivables or the obligations of VWFS contemplated in those documents, or which would materially impair the ability of VWFS to perform its obligations under the terms of any Transaction Document to which it VWFS is a party.

(f) the execution of any Transaction Document to which VWFS is a party or the assignment, assignation or transfer of any VWFS Receivables in the manner therein contemplated and the exercise by VWFS of its rights and the performance of its obligations thereunder with regard to such VWFS Receivables does not and will not conflict with, or constitute a material default under, any agreement, contract, mortgage, deed of charge or other instrument to which it is a party or by which it or any of its assets is otherwise bound.

(g) all information furnished by or on behalf of VWFS in writing to any Noteholder for purposes of or in connection with the Transaction Documents or any transaction contemplated under the Transaction Documents is true and accurate in all material respects on and as at the date such information was furnished (except to the extent that such furnished information relates solely to an earlier date, in which case such information is true and accurate in all material respects on and as at such earlier date).

(h) VWFS has not taken any corporate action nor have any other steps been taken or legal proceedings been started or (to the best of its knowledge and belief) threatened against it for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or any or all of its assets.

(i) VWFS is resident for tax purposes in the United Kingdom and will not cease to be treated as being resident for tax purposes in the United Kingdom by virtue of the application of section 18 of the Corporation Tax Act 2009. It belongs in the United Kingdom for the purposes of United Kingdom VAT.

(j) VWFS centre of main interests (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated in the United Kingdom and it does not have a branch, business establishment or other fixed establishment other than in the United Kingdom.

(k) the Purchased Receivables are originated in the ordinary course of the business of VWFS pursuant to underwriting standards which are no less stringent than those which also apply to Financing Contracts which will not be securitised. In particular, VWFS represents and warrants that it has in place (i) effective systems to apply its standard criteria for granting the Purchased Receivables and (ii) processes for approving and, where relevant, amending, renewing and re-financing the Purchased Receivables, in order to ensure that granting of the Purchased Receivables is based on a thorough assessment of each Obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Obligor meeting its obligations under the relevant agreement. Furthermore, VWFS represents and warrants that the assessment of each Obligor's creditworthiness shall meet the requirements of Article 8 of Directive 2008/48/EC, in particular, the assessment: (i) will be performed on the basis of sufficient information, where appropriate obtained from the Obligor and, where necessary, on the basis of a consultation of the relevant database, and (ii) will be repeated before any significant increase in the total amount is granted after the conclusion of the financial contract, in combination with an update of the Obligor's financial information.

Eligibility Criteria

VWFS warranted to the Issuer in the Receivables Purchase Agreement (before it was amended and restated on 25 November 2014) (i) as at 20 November 2013 in respect of the Initial VWFS Receivables and

(ii) as at each Additional Purchase Date prior to the Additional Cut-Off Date falling in October 2014 in relation to the relevant Additional Receivables acquired on any Additional Purchase Dates prior to 25 November 2014 that all VWFS Receivables sold under the Receivables Purchase Agreement on 20 November 2013 and on any Additional Purchase Dates prior to 25 November 2014 met the eligibility criteria set forth in the Receivables Purchase Agreement before it was amended and restated on 25 November 2014.

VWFS represents and warrants to the Issuer and to the Security Trustee, in respect of the VWFS Receivables sold by it under the Receivables Purchase Agreement, (i) on 25 November 2014 and (ii) otherwise as at each Additional Cut-Off Date in relation to the Additional Receivables to be acquired on such Additional Purchase Date after 25 November 2014, that each VWFS Receivable meets each of the following conditions (for the avoidance of doubt, when applying the conditions below the Receivables have been selected randomly and not with the intention to prejudice the Noteholders):

(a) that the purchase of the Receivables may not have the result that the Aggregate Discounted Receivables Balance of all Purchased Receivables exceeds the following concentration limits with respect to the percentage of Discounted Receivables Balance generated under Financing Contracts for (i) used vehicles (concentration limit: 50 per cent.), (ii) PCP used contracts (concentration limit: 40 per cent) and (iii) under Financing Contracts for non-VW group brand vehicles (concentration limit: 10 per cent.);

(b) that none of the Obligors is an Affiliate of VWFS;

(c) that the related Financing Contracts have been entered into exclusively with Obligors which, if they are corporate entities have their registered office in England, Scotland or Wales or, if they are individuals have their place of residence in England, Scotland or Wales;

(d) that (according to the Seller's records) no pending bankruptcy or insolvency proceedings are initiated against any of the Obligors;

(e) that such Purchased Receivable is denominated and payable in Sterling;

(f) that no Purchased Receivable is overdue;

(g) that the related Financing Contracts shall be governed by the laws of England and Wales or Scotland (depending on where the Obligor is resident or incorporated);

(h) that the relevant Financing Contracts constitute legal valid, binding and enforceable agreements with full recourse to the Obligor;

(i) that the status and enforceability of the Purchased Receivables is not impaired due to warranty claims or any other rights of the Obligor (even if the Issuer knew or could have known on the Cut-Off Date of the existence of such defences or rights);

(j) that the status and enforceability of the Purchased Receivables is not impaired by set-off rights and that no Obligor maintains deposits on accounts with VWFS;

(k) that those related Financing Contracts which are regulated by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 comply in all material respects with the requirements of the Consumer Credit Act 1974, as amended, (the "**CCA**"), associated secondary legislation on consumer financing and the rules in the Consumer Credit Sourcebook within the FCA Handbook and, in particular contain legally accurate instructions in respect of the right of revocation of the Obligors and that none of the Obligors has used its right of revocation within the term of revocation;

(l) that such Purchased Receivable arises under a Financing Contract that (a) contains an obligation to pay a specified sum of money and is subject to no contingencies (other than an obligation to pay interest on overdue amounts), (b) does not require the Obligor under such Financing Contract to consent to the transfer, sale or assignment of the rights and duties of the Seller under such Financing Contract or to the sale to a third party of the Vehicle the subject thereof, and (c) does not

contain a confidentiality provision that purports to restrict the Purchaser's or the Security Trustee's exercise of rights under the Receivables Purchase Agreement, including, without limitation, the right to review such Financing Contract;

(m) that it can dispose of the Purchased Receivables free from rights of third parties and, to the best of the Seller's knowledge, the Purchased Receivables are not in a condition that can be foreseen to adversely affect the enforceability of the assignment;

(n) the Seller is the legal and beneficial owner, free from any Security Interest, of the Purchased Receivables;

(o) that such Purchased Receivable was generated in the ordinary course of the Seller's business from the sale of goods or provision of credit or other services to the relevant Obligor and the related Financing Contract was entered into in accordance with the Customary Operating Practices;

(p) that other than the right to make partial early repayments as provided for in the CCA, there are no provisions in the Financing Contract related to such Purchased Receivable whereby the Obligor may reduce the amount of such Purchased Receivable payable by the Obligor below the level of the stated payments as at the date of commencement of such Financing Contract (excluding any change as a result of any change in the rate of Value Added Tax or the corporation tax or capital allowances regimes). However, at the discretion of the Servicer and in accordance with its Customary Operating Practices, the Obligor may be given an option to reschedule repayments in a manner that increases or decreases the term of such Financing Contract and the consequential finance income; provided, that the total capital repayment shall not be impacted by any such measure;

(q) that the Seller had at the time of origination of the Financing Contract under which such Purchased Receivable arises the necessary licences pursuant to the CCA, the necessary interim permissions pursuant to the Financial Services and Markets Act 2000 and as at the date of the Receivables Purchase Agreement has the necessary permissions pursuant to the Financial Services and Markets Act 2000, and each Financing Contract that is regulated by the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 complies with the CCA, any statutory instrument or regulation made thereunder and the rules in the Consumer Credit Sourcebook within the FCA Handbook, and the Seller has not done anything that would cause such Purchased Receivable to be unenforceable under the CCA;

(r) that on the relevant Cut-Off Date at least one instalment has been paid in respect of each of the Purchased Receivables and that the Purchased Receivables require substantially equal monthly payments to be made within seventy two (72) months of the date of origination of the Financing Contract and may also provide for a final balloon payment;

(s) that the Seller has complied with all material laws and regulations under the Data Protection Rules with respect to such Purchased Receivable;

(t) that the terms of the Financing Contract related to such Purchased Receivable require the Obligor to pay all insurance, repair/maintenance and taxes with respect to the related Vehicle;

(u) that the Vehicle related to such Purchased Receivable is not recorded in the records of the Servicer as at (such Purchase Date as having been (a) a total loss for insurance purposes or (b) stolen;

(v) that the purchase of Receivables may not have the result that the total outstanding amount (for the avoidance of doubt, this refers to the Aggregate Discounted Receivables Balance) of Purchased Receivables resulting from Financing Contracts with one and the same Obligor exceeds 0.2% of the Aggregate Discounted Receivables Balance;

(w) that in the case of any PCP Receivable, the Vehicle relating to such PCP Receivable is not a Porsche;

(x) that applicable details of the Vehicle relating to such Purchased Receivable and the relevant motor finance contract have been submitted by VWFS for registration with HP Information Ltd;

(y) that the Obligor related to the Purchased Receivable is not:

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

(ii) a credit-impaired Obligor or guarantor who, on the basis of information obtained (i) from the Obligor of the relevant Receivable, (ii) in the course of VWFS' servicing of the Receivables or VWFS' risk management procedures, or (iii) from a third party:

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

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

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

(z) no Purchased Receivable constitutes a transferable security as defined in Article 4(1) point 44 of MiFID II;

(aa) no Purchased Receivable constitutes a securitisation position as defined in the Securitisation Regulation; and

(bb) no Purchased Receivable constitutes a derivative contract

Changes to underwriting standards

VWFS as Seller agrees that if it makes any material changes to its underwriting standards it will promptly provide the Issuer and the Security Trustee with details of such changes together with an explanation of the purpose of such changes. The Issuer will notify such changes to investors in accordance with Condition 13 (*Notices*) without undue delay.

Homogeneity

For the purposes of Article 20(8) of the Securitisation Regulation and Articles 1(a) to (d) of the Draft HRTS, the Purchased Receivables: (i) have been underwritten according to similar underwriting standards, (ii) are serviced according to similar servicing procedures, (iii) fall within the same category of auto loans and leases and (iv) in accordance with the homogeneity factors set forth in Article 20(8) of the Securitisation Regulation and Article 3(5)(b) of the Draft HRTS, the Obligors are all resident or incorporated in one jurisdiction, being the United Kingdom.

Notification of Assignment to Obligors

At any time after the occurrence of a Notification Event, each of the Issuer and the Security Trustee may:

(a) give notice in its own name (and/or on behalf of the Servicer pursuant to the VWFS Power of Attorney) to all or any of the Obligors of the sale, assignment and assignation of all or any of the Purchased Receivables by delivering a Notification Event Notice; and/or

(b) direct (and/or require the Servicer to direct) all or any of the Obligors to pay amounts outstanding in respect of Purchased Receivables directly to the Issuer, the Distribution Account or any other account which is specified by the Issuer or the Security Trustee; and/or

(c) give instructions (and/or require the Servicer to give instructions) to immediately transfer amounts received in respect of Collections to the Distribution Account but (if applicable) which have not already been paid to the Issuer as Monthly Collections Part 1 or Monthly Collections Part 2 (as applicable); and/or

(d) take such other action and enter into such documents as it reasonably considers to be necessary, appropriate or desirable in order to recover any amount outstanding in respect of Purchased Receivables or to perfect, improve, protect, preserve or enforce their rights against the Obligors in respect of Purchased Receivables (including, without limitation, entering into supplemental transfer documents).

The Purchased Receivables acquired and transferred by assignment or held in trust under the Receivables Purchase Agreement have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes.

However, VWFS does not warrant the solvency (credit standing) of the relevant Obligors.

Written-Off Purchased Receivables

If during any Monthly Period, the Seller classifies any Purchased Receivable under a Financing Contract as a Written-Off Purchased Receivable, it may repurchase from the Issuer the benefit of all such Written-Off Purchased Receivables on the following Payment Date (or on any Payment Date thereafter) and on the Payment Date on which such Written-Off Purchased Receivable is repurchased pay consideration of £1 per Purchased Receivable repurchased, paid into the Distribution Account in arrear on such Payment Date.

Redelivery Repurchase Agreement

The Issuer will, on the Closing Date, enter into a Redelivery Repurchase Agreement with VWFS. Subject to an Insolvency Event not having occurred in respect of VWFS if, on any day during a Monthly Period, a Financing Contract related to a Purchased Receivable becomes a Redelivery Financing Contract (such Purchased Receivable being a "**Redelivery Purchased Receivable**"), then on the Payment Date falling after the end of such Monthly Period (or, at the option of VWFS, on the second Payment Date falling after the end of such Monthly Period) (such date being the "**Redelivery Repurchase Date**") VWFS shall repurchase the Redelivery Purchased Receivable from the Issuer for a price equal to the Redelivery Repurchase Price. The Redelivery Repurchase Price is an amount equal to the outstanding principal balance of the 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). On the Closing Date, VWFS will repurchase any Redelivery Purchased Receivables existing as at the Closing Date.

The Seller is not obliged to repurchase any Redelivery Purchased Receivable if, on the Redelivery Repurchase Date, such Purchased Receivable is a Delinquent Receivable or a Defaulted Receivable or (for the avoidance of doubt) as a result of the Early Settlement of any Purchased Receivable during the relevant Monthly Period.

THE PURCHASED RECEIVABLES POOL

The characteristics set forth in this section are based on the portfolio of Purchased Receivables as at the Additional Cut-Off Date falling in April 2019. The statistical distribution of the characteristics of the portfolio of Purchased Receivables as at the Additional Cut-Off Date falling in April 2019 is illustrated in the tables below.

As at the Additional Cut-off Date falling in April 2019, the Purchased Receivables:

- had an original term of maturity of 4 to 62 months and a remaining term to maturity between 1 and 60 months;
- had a contract rate of up to 14.99 per cent. and a weighted average contract rate of 6.14 per cent.;
- in respect of the Additional Receivables purchased on the Closing Date, were not past due; and
- satisfied the other criteria set forth in the transaction documents, including the criteria set forth under "DESCRIPTION OF THE PORTFOLIO" in this Base Prospectus.

The Monthly Investor Report will contain the information outlined in the paragraph entitled "*ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT - Reporting Duties of the Servicer*" of this Base Prospectus. As part of the Monthly Investor Report prepared by the Servicer in connection with the Notes, the Servicer will compute a Notes Factor.

The composition, distribution by remaining term, distribution by contract rate and geographic distribution, in each case of the Purchased Receivables as at the Statistical Cut-Off Date, are set forth in the tables below.

Composition of the Purchased Loan Receivables Pool as at the Additional Cut-Off Date falling in April 2019

Outstanding Aggregate Discounted Receivables Balance	GBP 5,813,198,635.08
Number of Financing Contracts	388,021
Average Outstanding Discounted Receivables Balance	GBP 14,981.66
Range of Outstanding Discounted Receivables Balance	Up to GBP 344,336.63
Weighted average contract rate	6.14 per cent
Range of contract rates	Up to 14.99 per cent
Weighted average remaining term	29.94 months
Range of remaining terms	1 to 60 months
Weighted average original term	47.01 months
Range of original terms	4 to 62 months

Run Out Schedule

This amortisation scenario is based on the assumptions (i) that no losses, prepayments or delinquencies occur and (ii) that the final pool cut produces similar cash flows as the preliminary pool cut. It should be noted that the actual amortisation of the Purchased Receivables may differ substantially from the amortisation scenario indicated below.

Month	Amortisation	Balance
05.2019	110,629,634.22	5,702,569,000.86
06.2019	110,234,180.62	5,592,334,820.24
07.2019	115,925,408.56	5,476,409,411.68
08.2019	118,826,925.32	5,357,582,486.36
09.2019	136,916,918.80	5,220,665,567.56
10.2019	159,407,028.17	5,061,258,539.39
11.2019	124,884,548.96	4,936,373,990.43
12.2019	121,925,431.54	4,814,448,558.89
01.2020	116,386,250.75	4,698,062,308.14
02.2020	117,568,329.57	4,580,493,978.57
03.2020	146,742,679.51	4,433,751,299.06
04.2020	158,510,746.08	4,275,240,552.98
05.2020	135,012,509.64	4,140,228,043.34
06.2020	124,043,078.68	4,016,184,964.66
07.2020	124,005,677.79	3,892,179,286.87
08.2020	118,464,364.06	3,773,714,922.81
09.2020	133,997,226.78	3,639,717,696.03
10.2020	174,108,006.07	3,465,609,689.96
11.2020	132,036,944.08	3,333,572,745.88
12.2020	125,248,947.46	3,208,323,798.42
01.2021	117,044,656.69	3,091,279,141.73
02.2021	126,130,878.07	2,965,148,263.66
03.2021	162,523,785.15	2,802,624,478.51
04.2021	202,926,395.69	2,599,698,082.82
05.2021	121,471,890.80	2,478,226,192.02
06.2021	120,347,364.89	2,357,878,827.13
07.2021	120,057,396.46	2,237,821,430.67
08.2021	121,538,595.41	2,116,282,835.26
09.2021	121,421,333.17	1,994,861,502.09
10.2021	155,858,235.16	1,839,003,266.93
11.2021	110,662,156.19	1,728,341,110.74
12.2021	95,475,464.37	1,632,865,646.37
01.2022	83,019,702.82	1,549,845,943.55
02.2022	109,052,746.62	1,440,793,196.93
03.2022	145,822,596.04	1,294,970,600.89
04.2022	159,747,380.03	1,135,223,220.86
05.2022	90,801,465.61	1,044,421,755.25
06.2022	112,828,479.04	931,593,276.21
07.2022	105,988,389.74	825,604,886.47
08.2022	96,833,004.67	728,771,881.80
09.2022	96,285,811.07	632,486,070.73
10.2022	122,125,098.56	510,360,972.17
11.2022	81,918,836.67	428,442,135.50
12.2022	64,832,996.14	363,609,139.36
01.2023	58,106,285.88	305,502,853.48
02.2023	86,975,749.00	218,527,104.48
03.2023	115,238,051.52	103,289,052.96
04.2023	94,463,953.62	8,825,099.34
05.2023	2,297,884.43	6,527,214.91
06.2023	1,215,735.90	5,311,479.01
07.2023	1,079,502.22	4,231,976.79
08.2023	946,653.99	3,285,322.80
09.2023	806,489.38	2,478,833.42
10.2023	652,349.55	1,826,483.87
11.2023	543,306.59	1,283,177.28
12.2023	463,781.39	819,395.89
01.2024	408,036.46	411,359.43
02.2024	281,138.43	130,221.00
03.2024	129,385.08	835.92
04.2024	835.92	-
	5,813,198,635.08	

1. Brand & Type of Vehicle

Audi

New/Used	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Balance	Type of Contract				Type of Obligor			
					Hire Purchase		PCP		Retail		Corporate	
					Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
New Vehicles	95,168	24.53%	2,041,886,681.83	35.13%	387	4,279,285.23	94,781	2,037,607,396.60	93,528	2,003,832,182.78	1,640	38,054,499.05
Used Vehicles	50,615	13.04%	860,851,676.94	14.81%	8,057	67,059,524.64	42,558	793,792,152.30	49,845	846,037,811.53	770	14,813,865.41
Total	145,783	37.57%	2,902,738,358.77	49.93%	8,444	71,338,809.87	137,339	2,831,399,548.90	143,373	2,849,869,994.31	2,410	52,868,364.46

Seat

New/Used	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Balance	Type of Contract				Type of Obligor			
					Hire Purchase		PCP		Retail		Corporate	
					Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
New Vehicles	25,220	6.50%	291,382,541.31	5.01%	608	2,747,297.91	24,612	288,635,243.40	25,160	290,688,445.85	60	694,095.46
Used Vehicles	9,799	2.53%	86,263,472.12	1.48%	3,118	14,665,907.33	6,681	71,597,564.79	9,755	85,975,153.14	44	288,318.98
Total	35,019	9.03%	377,646,013.43	6.50%	3,726	17,413,205.24	31,293	360,232,808.19	34,915	376,663,598.99	104	982,414.44

Skoda

New/Used	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Balance	Type of Contract				Type of Obligor			
					Hire Purchase		PCP		Retail		Corporate	
					Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
New Vehicles	35,633	9.18%	403,620,688.26	6.94%	176	743,853.36	35,457	402,876,834.90	35,415	401,275,880.66	218	2,344,807.60
Used Vehicles	14,206	3.66%	129,696,644.37	2.23%	4,816	25,140,431.93	9,390	104,556,212.44	14,054	128,292,398.81	152	1,404,245.56
Total	49,839	12.84%	533,317,332.63	9.17%	4,992	25,884,285.29	44,847	507,433,047.34	49,469	529,568,279.47	370	3,749,053.16

VW

New/Used	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Balance	Type of Contract				Type of Obligor			
					Hire Purchase		PCP		Retail		Corporate	
					Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
New Vehicles	94,907	24.46%	1,265,103,131.51	21.76%	3,021	32,379,428.60	91,886	1,232,723,702.91	91,562	1,219,603,720.80	3,345	45,499,410.71
Used Vehicles	58,823	15.16%	601,206,999.61	10.34%	17,842	118,353,144.37	40,981	482,853,855.24	54,589	562,975,606.09	4,234	38,231,393.52
Total	153,730	39.62%	1,866,310,131.12	32.10%	20,863	150,732,572.97	132,867	1,715,577,558.15	146,151	1,782,579,326.89	7,579	83,730,804.23

Other

New/Used	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Balance	Type of Contract				Type of Obligor			
					Hire Purchase		PCP		Retail		Corporate	
					Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
New Vehicles	815	0.21%	58,916,664.28	1.01%	407	10,196,667.53	408	48,719,996.75	690	52,599,151.36	125	6,317,512.92
Used Vehicles	2,835	0.73%	74,270,134.85	1.28%	2,360	31,217,932.10	475	43,052,202.75	2,602	68,129,014.69	233	6,141,120.16
Total	3,650	0.94%	133,186,799.13	2.29%	2,767	41,414,599.63	883	91,772,199.50	3,292	120,728,166.05	358	12,458,633.08

2. Downpayment

	Total Portfolio					Type of Contract						Type of Obligor						Type of Vehicle					
						Hire Purchase			PCP			Retail			Corporate			New Vehicle			Used Vehicle		
Down Payment	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Down Payment / Purchase Price in %	Number of Contracts	Outstanding Discounted Balance	Down Payment / Purchase Price in %	Number of Contracts	Outstanding Discounted Balance	Down Payment / Purchase Price in %	Number of Contracts	Outstanding Discounted Balance	Down Payment / Purchase Price in %	Number of Contracts	Outstanding Discounted Balance	Down Payment / Purchase Price in %	Number of Contracts	Outstanding Discounted Balance	Down Payment / Purchase Price in %	Number of Contracts	Outstanding Discounted Balance	Down Payment / Purchase Price in %
No Down Payment	14,116	3.64%	162,731,759.59	2.80%	-	5,346	38,202,803.90	-	8,770	124,528,955.69	-	13,694	157,203,866.97	-	422	5,527,892.62	-	1,390	17,980,502.58	-	12,726	144,751,257.01	-
<= 1,000	74,424	19.18%	1,009,532,451.19	17.37%	2.88%	5,969	43,339,741.40	4.68%	68,455	966,192,709.79	2.78%	73,719	998,876,464.46	2.88%	705	10,655,986.73	2.83%	37,287	545,154,093.63	2.66%	37,137	464,378,357.56	3.17%
1,001 - 2,000	66,374	17.11%	876,750,903.37	15.08%	8.41%	3,790	25,919,657.58	12.95%	62,584	850,831,245.79	8.23%	65,577	865,778,515.82	8.42%	797	10,972,387.55	7.83%	44,923	610,154,517.75	7.97%	21,451	266,596,385.62	9.50%
2,001 - 3,000	58,479	15.07%	795,350,286.82	13.68%	12.67%	3,365	22,596,037.54	18.80%	55,114	772,754,249.28	12.41%	57,488	783,446,375.18	12.67%	991	11,903,911.64	12.37%	41,985	586,688,954.91	12.12%	16,494	208,661,331.91	14.29%
3,001 - 4,000	43,603	11.24%	624,404,200.55	10.74%	16.10%	3,092	21,323,974.09	23.23%	40,511	603,080,226.46	15.72%	42,431	610,737,429.48	16.10%	1,172	13,666,771.07	15.87%	31,863	473,554,796.09	15.39%	11,740	150,849,404.46	18.36%
4,001 - 5,000	33,765	8.70%	518,573,276.72	8.92%	18.77%	2,916	21,287,078.20	27.15%	30,849	497,286,198.52	18.22%	32,681	503,903,517.29	18.81%	1,084	14,669,759.43	17.74%	24,282	388,932,226.30	17.86%	9,483	129,641,050.42	21.54%
5,001 - 6,000	23,089	5.95%	387,291,681.86	6.66%	20.53%	2,064	15,054,191.27	31.53%	21,025	372,237,490.59	19.84%	22,289	375,649,718.03	20.55%	800	11,641,963.83	19.90%	17,013	304,058,539.30	19.33%	6,076	83,233,142.56	24.84%
6,001 - 7,000	17,907	4.61%	311,364,029.03	5.36%	22.65%	1,703	12,554,344.92	34.91%	16,204	298,809,684.11	21.84%	17,220	300,900,646.46	22.67%	687	10,463,382.57	22.07%	13,698	253,351,645.18	21.42%	4,209	58,012,383.85	27.80%
7,001 - 8,000	13,063	3.37%	236,816,761.00	4.07%	24.50%	1,563	11,498,188.16	38.33%	11,500	225,318,572.84	23.34%	12,486	228,026,043.73	24.47%	577	8,790,717.27	25.19%	9,846	192,912,203.44	22.94%	3,217	43,904,557.56	30.91%
8,001 - 9,000	9,438	2.43%	178,600,735.35	3.07%	26.09%	1,231	8,753,600.03	40.93%	8,207	169,847,135.32	24.74%	8,969	171,642,643.96	26.03%	469	6,958,091.39	27.42%	7,099	146,529,006.30	24.32%	2,339	32,071,729.05	33.48%
9,001 - 10,000	7,708	1.99%	148,823,087.51	2.56%	27.95%	1,556	12,241,246.71	42.04%	6,152	136,581,840.80	25.73%	7,169	141,073,372.36	27.75%	539	7,749,715.15	30.89%	5,217	112,693,467.26	25.56%	2,491	36,129,620.25	34.64%
10,001 - 11,000	5,219	1.35%	99,817,162.14	1.72%	29.83%	1,145	8,228,035.42	44.76%	4,074	91,589,126.72	27.27%	4,809	94,123,913.20	29.64%	410	5,693,248.94	32.24%	3,718	81,565,456.79	27.01%	1,501	18,251,705.35	40.19%
11,001 - 12,000	3,653	0.94%	72,893,203.38	1.25%	30.90%	902	6,551,395.13	47.37%	2,751	66,341,808.25	27.72%	3,354	68,209,075.12	30.73%	299	4,684,128.26	32.92%	2,494	59,110,334.80	27.27%	1,159	13,782,868.58	43.25%
12,001 - 13,000	2,619	0.67%	50,036,784.21	0.86%	33.66%	674	5,174,636.48	49.18%	1,945	44,862,147.73	30.33%	2,394	46,586,906.57	33.50%	225	3,449,877.64	35.39%	1,728	38,952,692.01	30.01%	891	11,084,092.20	43.99%
13,001 - 14,000	2,231	0.57%	41,972,393.07	0.72%	35.80%	624	4,382,174.00	54.40%	1,607	37,590,219.07	31.59%	2,049	39,377,937.68	35.56%	182	2,594,455.39	38.76%	1,446	32,824,773.24	31.53%	785	9,147,619.83	47.66%
14,001 - 15,000	2,006	0.52%	39,792,730.94	0.68%	36.04%	673	5,722,473.34	51.02%	1,333	34,070,257.60	31.36%	1,778	36,355,889.99	35.62%	228	3,436,840.95	39.72%	1,220	28,978,854.44	31.80%	786	10,813,876.50	45.38%
> 15,000	10,327	2.66%	258,447,188.35	4.45%	43.14%	4,179	43,953,894.83	60.44%	6,148	214,493,293.52	35.40%	9,093	237,517,049.41	42.58%	1,234	20,930,138.94	48.24%	6,534	187,467,643.17	39.59%	3,793	70,979,545.18	50.81%
Total	388,021	100.00%	5,813,198,635.08	100.00%	17.14%	40,792	306,783,473.00	34.44%	347,229	5,506,415,162.08	15.54%	377,200	5,659,409,365.71	16.83%	10,821	153,789,269.37	25.83%	251,743	4,060,909,707.19	16.82%	136,278	1,752,288,927.89	17.93%

Statistics	
Minimum Down Payment	0.01
Maximum Down Payment	370,000.00
Average Down Payment (Obligors who made a Down Payment)	4,100.63
Average Down Payment (Total)	3,951.45

3. Obligor Type

Obligor Type	Total Portfolio			
	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance
Retail	377,200	97.21%	5,659,409,365.71	97.35%
Corporate	10,821	2.79%	153,789,269.37	2.65%
Total	388,021	100.00%	5,813,198,635.08	100.00%

4. Payment type

Payment Type	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
Direct Debit	386,941	99.72%	5,798,834,245.01	99.75%	40,625	305,795,875.79	346,316	5,493,038,369.22	376,191	5,646,020,214.71	10,750	152,814,030.30	251,083	4,051,196,280.34	135,858	1,747,637,964.67
Others	1,080	0.28%	14,364,390.07	0.25%	167	987,597.21	913	13,376,792.86	1,009	13,389,151.00	71	975,239.07	660	9,713,426.85	420	4,650,963.22
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

5. Obligor concentration

Contracts	Total Portfolio						Type of Contract				Type of Obligor				Type of Vehicle			
							Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
	Number of Obligors	Percentage of Obligors	Number of Loans	Percentage of Loans	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
1	379,129	98.93%	379,129	97.71%	5,667,018,603.73	97.49%	38,829	285,765,494.95	340,300	5,381,253,108.78	370,264	5,538,840,648.00	8,865	128,177,955.73	245,632	3,953,611,492.78	133,497	1,713,407,110.95
2	3,805	0.99%	7,610	1.96%	128,636,173.30	2.21%	1,108	10,688,601.24	6,502	117,947,572.06	6,718	116,600,501.63	892	12,035,671.67	5,175	93,838,662.94	2,435	34,797,510.36
3	190	0.05%	570	0.15%	8,916,572.88	0.15%	267	3,326,013.38	303	5,590,559.50	210	3,872,735.03	360	5,043,837.85	365	6,267,788.68	205	2,648,784.20
4	40	0.01%	160	0.04%	1,919,235.68	0.03%	121	1,288,501.18	39	630,734.50	8	95,481.05	152	1,823,754.63	95	1,269,976.94	65	649,258.74
5	17	0.00%	85	0.02%	895,563.82	0.02%	50	413,319.13	35	482,244.69	-	-	85	895,563.82	66	791,875.57	19	103,688.25
6-10	29	0.01%	224	0.06%	2,601,962.02	0.04%	174	2,091,019.47	50	510,942.55	-	-	224	2,601,962.02	190	2,194,141.87	34	407,820.15
>10	5	0.00%	243	0.06%	3,210,523.65	0.06%	243	3,210,523.65	-	-	-	-	243	3,210,523.65	220	2,935,768.41	23	274,755.24
Total	383,215	100.00%	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

6. Top 20 Obligors

	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Number	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
1	138	0.04%	2,037,113.40	0.04%	138	2,037,113.40	-	-	-	-	138	2,037,113.40	138	2,037,113.40	-	-
2	64	0.02%	674,598.52	0.01%	64	674,598.52	-	-	-	-	64	674,598.52	60	616,089.98	4	58,508.54
3	1	0.00%	344,336.63	0.01%	-	-	1	344,336.63	1	344,336.63	-	-	1	344,336.63	-	-
4	2	0.00%	325,536.66	0.01%	-	-	2	325,536.66	2	325,536.66	-	-	1	170,455.88	1	155,080.78
5	1	0.00%	299,174.07	0.01%	-	-	1	299,174.07	1	299,174.07	-	-	1	299,174.07	-	-
6	2	0.00%	298,229.51	0.01%	-	-	2	298,229.51	2	298,229.51	-	-	2	298,229.51	-	-
7	2	0.00%	287,703.47	0.00%	-	-	2	287,703.47	2	287,703.47	-	-	-	-	2	287,703.47
8	1	0.00%	284,021.75	0.00%	-	-	1	284,021.75	1	284,021.75	-	-	-	-	1	284,021.75
9	1	0.00%	273,633.70	0.00%	-	-	1	273,633.70	1	273,633.70	-	-	-	-	1	273,633.70
10	2	0.00%	273,597.26	0.00%	-	-	2	273,597.26	2	273,597.26	-	-	1	154,995.55	1	118,601.71
11	3	0.00%	273,149.32	0.00%	-	-	3	273,149.32	-	-	3	273,149.32	3	273,149.32	-	-
12	1	0.00%	265,418.41	0.00%	-	-	1	265,418.41	1	265,418.41	-	-	1	265,418.41	-	-
13	2	0.00%	251,091.86	0.00%	-	-	2	251,091.86	2	251,091.86	-	-	1	159,712.88	1	91,378.98
14	1	0.00%	244,434.30	0.00%	-	-	1	244,434.30	1	244,434.30	-	-	1	244,434.30	-	-
15	18	0.00%	242,446.22	0.00%	18	242,446.22	-	-	-	-	18	242,446.22	18	242,446.22	-	-
16	1	0.00%	237,036.87	0.00%	-	-	1	237,036.87	1	237,036.87	-	-	1	237,036.87	-	-
17	1	0.00%	236,500.40	0.00%	-	-	1	236,500.40	1	236,500.40	-	-	1	236,500.40	-	-
18	1	0.00%	230,783.78	0.00%	-	-	1	230,783.78	-	-	1	230,783.78	1	230,783.78	-	-
19	1	0.00%	226,747.31	0.00%	-	-	1	226,747.31	1	226,747.31	-	-	1	226,747.31	-	-
20	2	0.00%	226,689.30	0.00%	-	-	2	226,689.30	2	226,689.30	-	-	-	-	2	226,689.30
Total 1 - 20	245	0.06%	7,532,242.74	0.13%	220	2,954,158.14	25	4,578,084.60	21	4,074,151.50	224	3,458,091.24	232	6,036,624.51	13	1,495,618.23

7. Outstanding Discounted Balance

	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Outstanding Discounted Balance	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
0.01 - 5,000.00	29,172	7.52%	83,314,618.00	1.43%	18,067	46,503,625.09	11,105	36,810,992.91	26,945	77,617,252.95	2,227	5,697,365.05	7,849	24,603,139.90	21,323	58,711,478.10
5,000.01 - 10,000.00	90,617	23.35%	700,540,109.39	12.05%	12,662	91,566,992.85	77,955	608,973,116.54	88,262	682,961,669.68	2,355	17,578,439.71	54,291	424,223,831.09	36,326	276,316,278.30
10,000.01 - 15,000.00	104,848	27.02%	1,304,007,916.69	22.43%	5,776	70,142,101.49	99,072	1,233,865,815.20	102,617	1,276,277,385.16	2,231	27,730,531.53	70,394	877,617,168.24	34,454	426,390,748.45
15,000.01 - 20,000.00	76,888	19.82%	1,337,045,101.21	23.00%	2,353	40,374,648.62	74,535	1,296,670,452.59	75,282	1,309,135,383.63	1,606	27,909,717.58	54,719	953,415,014.09	22,169	383,630,087.12
20,000.01 - 25,000.00	47,454	12.23%	1,052,992,642.01	18.11%	1,026	22,775,782.56	46,428	1,030,216,859.45	46,358	1,028,582,956.25	1,096	24,409,685.76	34,789	771,692,717.08	12,665	281,299,924.93
25,000.01 - 30,000.00	19,185	4.94%	519,860,917.20	8.94%	393	10,631,382.58	18,792	509,229,534.62	18,638	504,942,412.42	547	14,918,504.78	14,005	379,670,453.75	5,180	140,190,463.45
> 30,000.00	19,857	5.12%	815,437,330.58	14.03%	515	24,788,939.81	19,342	790,648,390.77	19,098	779,892,305.62	759	35,545,024.96	15,696	629,687,383.04	4,161	185,749,947.54
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

Statistics	
Minimum Outstanding Discounted Balance	0.00
Maximum Outstanding Discounted Balance	344,336.63
Average Outstanding Discounted Balance	14,981.66

8. Outstanding Discounted Balance Sub-Portfolios

Sub-PF: Hire Purchase/New Vehicles	Total Portfolio				Type of Obligor			
					Retail		Corporate	
Outstanding Discounted Balance	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
0.01 - 5,000.00	1,509	0.39%	3,687,682.27	0.06%	949	2,234,894.96	560	1,452,787.31
5,000.01 - 10,000.00	1,094	0.28%	8,106,416.32	0.14%	490	3,530,149.61	604	4,576,266.71
10,000.01 - 15,000.00	863	0.22%	10,603,658.95	0.18%	240	2,884,066.51	623	7,719,592.44
15,000.01 - 20,000.00	509	0.13%	8,804,933.49	0.15%	113	1,924,646.41	396	6,880,287.08
20,000.01 - 25,000.00	303	0.08%	6,789,443.19	0.12%	76	1,711,766.50	227	5,077,676.69
25,000.01 - 30,000.00	140	0.04%	3,792,895.19	0.07%	35	940,244.80	105	2,852,650.39
> 30,000.00	181	0.05%	8,561,503.22	0.15%	104	5,848,705.00	77	2,712,798.22
Total	4,599	1.19%	50,346,532.63	0.87%	2,007	19,074,473.79	2,592	31,272,058.84

Sub-PF: Hire Purchase/Used Vehicles	Total Portfolio				Type of Obligor			
					Retail		Corporate	
Outstanding Discounted Balance	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
0.01 - 5,000.00	16,558	4.27%	42,815,942.82	0.74%	15,042	38,975,228.91	1,516	3,840,713.91
5,000.01 - 10,000.00	11,568	2.98%	83,460,576.53	1.44%	10,252	73,864,635.54	1,316	9,595,940.99
10,000.01 - 15,000.00	4,913	1.27%	59,538,442.54	1.02%	4,036	48,697,643.39	877	10,840,799.15
15,000.01 - 20,000.00	1,844	0.48%	31,569,715.13	0.54%	1,448	24,781,594.45	396	6,788,120.68
20,000.01 - 25,000.00	723	0.19%	15,986,339.37	0.28%	558	12,359,493.72	165	3,626,845.65
25,000.01 - 30,000.00	253	0.07%	6,838,487.39	0.12%	201	5,421,686.44	52	1,416,800.95
> 30,000.00	334	0.09%	16,227,436.59	0.28%	283	13,867,708.89	51	2,359,727.70
Total	36,193	9.33%	256,436,940.37	4.41%	31,820	217,967,991.34	4,373	38,468,949.03

Sub-PF: PCP/New Vehicles	Total Portfolio				Type of Obligor			
					Retail		Corporate	
Outstanding Discounted Balance	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
0.01 - 5,000.00	6,340	1.63%	20,915,457.63	0.36%	6,234	20,627,775.56	106	287,682.07
5,000.01 - 10,000.00	53,197	13.71%	416,117,414.77	7.16%	52,903	413,812,862.21	294	2,304,552.56
10,000.01 - 15,000.00	69,531	17.92%	867,013,509.29	14.91%	69,052	860,992,957.20	479	6,020,552.09
15,000.01 - 20,000.00	54,210	13.97%	944,610,080.60	16.25%	53,608	934,075,213.93	602	10,534,866.67
20,000.01 - 25,000.00	34,486	8.89%	764,903,273.89	13.16%	33,948	752,907,623.40	538	11,995,650.49
25,000.01 - 30,000.00	13,865	3.57%	375,877,558.56	6.47%	13,573	367,919,002.32	292	7,958,556.24
> 30,000.00	15,515	4.00%	621,125,879.82	10.68%	15,030	598,589,473.04	485	22,536,406.78
Total	247,144	63.69%	4,010,563,174.56	68.99%	244,348	3,948,924,907.66	2,796	61,638,266.90

Sub-PF: PCP/Used Vehicles	Total Portfolio				Type of Obligor			
					Retail		Corporate	
Outstanding Discounted Balance	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
0.01 - 5,000.00	4,765	1.23%	15,895,535.28	0.27%	4,720	15,779,353.52	45	116,181.76
5,000.01 - 10,000.00	24,758	6.38%	192,855,701.77	3.32%	24,617	191,754,022.32	141	1,101,679.45
10,000.01 - 15,000.00	29,541	7.61%	366,852,305.91	6.31%	29,289	363,702,718.06	252	3,149,587.85
15,000.01 - 20,000.00	20,325	5.24%	352,060,371.99	6.06%	20,113	348,353,928.84	212	3,706,443.15
20,000.01 - 25,000.00	11,942	3.08%	265,313,585.56	4.56%	11,776	261,604,072.63	166	3,709,512.93
25,000.01 - 30,000.00	4,927	1.27%	133,351,976.06	2.29%	4,829	130,661,478.86	98	2,690,497.20
> 30,000.00	3,827	0.99%	169,522,510.95	2.92%	3,681	161,586,418.69	146	7,936,092.26
Total	100,085	25.79%	1,495,851,987.52	25.73%	99,025	1,473,441,992.92	1,060	22,409,994.60

Overall Total	Total Portfolio				Type of Obligor			
					Retail		Corporate	
Outstanding Discounted Balance	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
0.01 - 5,000.00	29,172	7.52%	83,314,618.00	1.43%	26,945	77,617,252.95	2,227	5,697,365.05
5,000.01 - 10,000.00	90,617	23.35%	700,540,109.39	12.05%	88,262	682,961,669.68	2,355	17,578,439.71
10,000.01 - 15,000.00	104,848	27.02%	1,304,007,916.69	22.43%	102,617	1,276,277,385.16	2,231	27,730,531.53
15,000.01 - 20,000.00	76,888	19.82%	1,337,045,101.21	23.00%	75,282	1,309,135,383.63	1,606	27,909,717.58
20,000.01 - 25,000.00	47,454	12.23%	1,052,992,642.01	18.11%	46,358	1,028,582,956.25	1,096	24,409,685.76
25,000.01 - 30,000.00	19,185	4.94%	519,860,917.20	8.94%	18,638	504,942,412.42	547	14,918,504.78
> 30,000.00	19,857	5.12%	815,437,330.58	14.03%	19,098	779,892,305.62	759	35,545,024.96
Total	388,021	100.00%	5,813,198,635.08	100.00%	377,200	5,659,409,365.71	10,821	153,789,269.37

9. Original Principal Balance

	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Original Balance	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
0.01 - 5,000.00	5,929	1.53%	14,499,802.60	0.25%	5,427	12,798,052.71	502	1,701,749.89	5,766	14,137,878.36	163	361,924.24	190	425,616.70	5,739	14,074,185.90
5,000.01 - 10,000.00	47,532	12.25%	274,422,031.56	4.72%	15,190	70,165,488.12	32,342	204,256,543.44	46,360	269,181,932.18	1,172	5,240,099.38	16,247	96,383,424.54	31,285	178,038,607.02
10,000.01 - 15,000.00	99,143	25.55%	950,560,661.92	16.35%	10,111	77,391,081.18	89,032	873,169,580.74	96,825	933,691,835.28	2,318	16,868,826.64	60,671	566,261,051.66	38,472	384,299,610.26
15,000.01 - 20,000.00	90,410	23.30%	1,241,905,245.74	21.36%	5,261	55,592,555.69	85,149	1,186,312,690.05	87,929	1,215,886,413.98	2,481	26,018,831.76	60,976	818,386,194.62	29,434	423,519,051.12
20,000.01 - 25,000.00	64,065	16.51%	1,144,213,010.90	19.68%	2,489	34,654,707.38	61,576	1,109,558,303.52	62,315	1,118,299,608.28	1,750	25,913,402.62	46,663	808,843,167.94	17,402	335,369,842.96
25,000.01 - 30,000.00	38,955	10.04%	840,251,515.55	14.45%	1,050	18,221,344.40	37,905	822,030,171.15	37,793	818,545,917.85	1,162	21,705,597.70	31,185	655,512,840.39	7,770	184,738,675.16
> 30,000.00	41,987	10.82%	1,347,346,366.81	23.18%	1,264	37,960,243.52	40,723	1,309,386,123.29	40,212	1,289,665,779.78	1,775	57,680,587.03	35,811	1,115,097,411.34	6,176	232,248,955.47
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

Statistics	
Minimum Original Balance	1,000.00
Maximum Original Balance	363,932.21
Average Original Balance	19,098.43

10. Effective Interest Rate

	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Effective Interest Rate Paid by Obligor	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
< 0.10%	18,444	4.75%	185,719,891.50	3.19%	844	4,264,240.79	17,600	181,455,650.71	18,121	181,270,803.33	323	4,449,088.17	18,201	184,766,924.84	243	952,966.66
0.10% - 0.59%	9	0.00%	57,804.80	0.00%	5	19,821.52	4	37,983.28	9	57,804.80	-	-	3	36,387.45	6	21,417.35
0.60% - 1.09%	15	0.00%	497,594.96	0.01%	4	15,057.98	11	482,536.98	14	458,695.71	1	38,899.25	14	495,733.22	1	1,861.74
1.10% - 1.59%	6	0.00%	27,113.66	0.00%	4	17,019.39	2	10,094.27	6	27,113.66	-	-	2	10,094.27	4	17,019.39
1.60% - 2.09%	87	0.02%	2,270,018.72	0.04%	21	102,001.28	66	2,168,017.44	81	2,119,699.33	6	150,319.39	66	2,142,643.49	21	127,375.23
2.10% - 2.59%	69	0.02%	557,595.05	0.01%	12	52,359.61	57	505,235.44	68	546,406.64	1	11,188.41	58	508,018.77	11	49,576.28
2.60% - 3.09%	9,765	2.52%	120,224,344.25	2.07%	23	184,511.13	9,742	120,039,833.12	9,660	118,249,995.45	105	1,974,348.80	9,734	120,001,251.49	31	223,092.76
3.10% - 3.59%	4,865	1.25%	104,202,107.89	1.79%	100	1,662,165.56	4,765	102,539,942.33	4,741	101,472,646.99	124	2,729,460.90	4,845	104,086,732.11	20	115,375.78
3.60% - 4.09%	10,487	2.70%	202,659,032.35	3.49%	150	1,275,367.49	10,337	201,383,664.86	10,216	197,891,223.99	271	4,767,808.36	10,404	201,955,460.06	83	703,572.29
4.10% - 4.59%	5,214	1.34%	95,748,650.84	1.65%	94	861,626.65	5,120	94,887,024.19	5,021	92,524,636.62	193	3,224,014.22	5,153	95,113,914.64	61	634,736.20
4.60% - 5.09%	52,368	13.50%	925,146,077.96	15.91%	984	11,953,181.12	51,384	913,192,896.84	50,798	898,228,122.30	1,570	26,917,955.66	52,016	921,515,807.29	352	3,630,270.67
5.10% - 5.59%	24,674	6.36%	439,943,325.00	7.57%	226	1,859,385.71	24,448	438,083,939.29	24,269	433,471,654.99	405	6,471,670.01	24,267	436,065,726.72	407	3,877,598.28
5.60% - 6.09%	83,758	21.59%	1,338,193,415.21	23.02%	981	13,797,665.61	82,777	1,324,395,749.60	82,383	1,312,109,042.27	1,375	26,084,372.94	77,232	1,244,208,364.99	6,526	93,985,050.22
6.10% - 6.59%	45,889	11.83%	698,135,125.15	12.01%	477	6,601,147.43	45,412	691,533,977.72	45,260	686,052,037.29	629	12,083,087.86	42,850	657,137,752.46	3,039	40,997,372.69
6.60% - 7.09%	31,367	8.08%	497,487,985.99	8.56%	2,067	29,090,301.43	29,300	468,397,684.56	30,044	476,874,903.27	1,323	20,613,082.72	4,028	60,943,779.10	27,339	436,544,206.89
7.10% - 7.59%	17,454	4.50%	223,174,436.50	3.84%	6,528	46,873,266.41	10,926	176,301,170.09	16,168	209,158,073.72	1,286	14,016,362.78	1,105	9,662,690.55	16,349	213,511,745.95
7.60% - 8.09%	5,006	1.29%	62,172,493.10	1.07%	2,628	23,849,349.63	2,378	38,323,143.47	4,549	58,424,251.20	457	3,748,241.90	273	2,941,243.74	4,733	59,231,249.36
8.10% - 8.59%	12,023	3.10%	130,161,253.01	2.24%	6,089	44,832,144.37	5,934	85,329,108.64	11,407	124,540,498.10	616	5,620,754.91	369	3,496,224.53	11,654	126,665,028.48
8.60% - 9.09%	5,465	1.41%	70,585,491.24	1.21%	2,230	11,923,233.29	3,235	58,662,257.95	5,204	67,677,697.80	261	2,907,793.44	185	5,175,830.68	5,280	65,409,660.56
9.10% - 9.59%	12,939	3.33%	154,483,459.53	2.66%	4,415	28,668,419.92	8,524	125,815,039.61	12,142	147,635,757.65	797	6,847,701.88	400	5,496,159.53	12,539	148,987,300.00
9.60% - 10.00%	4,356	1.12%	56,806,858.37	0.98%	890	5,867,152.39	3,466	50,939,705.98	4,223	55,241,117.07	133	1,565,741.30	67	1,545,704.80	4,289	55,261,153.57
> 10.00%	43,761	11.28%	504,944,560.00	8.69%	12,020	73,014,054.29	31,741	431,930,505.71	42,816	495,377,183.53	945	9,567,376.47	471	3,603,262.46	43,290	501,341,297.54
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

Statistics	
Minimum Effective Interest Rate Paid by Obligor	0.00%
Maximum Effective Interest Rate Paid by Obligor	14.99%
Weighted Average Effective Interest Rate Paid by Obligor	6.14%

11. Original Term

Length of Original Term (months)	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
01 - 12	589	0.15%	1,596,022.82	0.03%	564	1,365,963.62	25	230,059.20	528	1,287,842.70	61	308,180.12	70	333,682.65	519	1,262,340.17
13 - 24	6,683	1.72%	62,765,791.23	1.08%	4,117	17,196,164.06	2,566	45,569,627.17	6,180	58,171,647.38	503	4,594,143.85	1,605	28,582,212.60	5,078	34,183,578.63
25 - 36	35,410	9.13%	437,056,733.18	7.52%	9,140	57,354,803.62	26,270	379,701,929.56	32,733	404,603,011.15	2,677	32,453,722.03	18,460	275,685,915.67	16,950	161,370,817.51
37 - 48	97,104	25.03%	1,311,970,990.11	22.57%	10,059	78,295,954.76	87,045	1,233,675,035.35	93,270	1,259,652,074.79	3,834	52,318,915.32	65,996	947,313,763.26	31,108	364,657,226.85
49 - 60	246,536	63.54%	3,985,939,251.13	68.57%	15,217	138,732,872.37	231,319	3,847,206,378.76	242,830	3,922,290,892.08	3,706	63,648,359.05	165,530	2,807,981,659.14	81,006	1,177,957,591.99
61 - 72	1,699	0.44%	13,869,846.61	0.24%	1,695	13,837,714.57	4	32,132.04	1,659	13,403,897.61	40	465,949.00	82	1,012,473.87	1,617	12,857,372.74
>72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

Statistics	
Minimum Original Term	4
Maximum Original Term	62
Weighted Average Original Term	47.01

12. Remaining Term

Length of Remaining Term (Months)	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
01 - 12	69,053	17.80%	672,968,046.38	11.58%	9,788	21,396,809.68	59,265	651,571,236.70	66,209	653,133,376.03	2,844	19,834,670.35	47,418	531,979,032.30	21,635	140,989,014.08
13 - 24	103,231	26.60%	1,345,928,006.11	23.15%	10,318	57,082,895.40	92,913	1,288,845,110.71	100,363	1,309,368,687.83	2,868	36,559,318.28	71,898	1,021,857,712.54	31,333	324,070,293.57
25 - 36	105,818	27.27%	1,742,387,446.71	29.97%	9,261	84,640,662.55	96,557	1,657,746,784.16	102,987	1,692,245,620.52	2,831	50,141,826.19	66,705	1,198,435,791.32	39,113	543,951,655.39
37 - 48	105,182	27.11%	1,984,669,171.13	34.14%	6,793	78,522,692.75	98,389	1,906,146,478.38	103,343	1,945,153,125.14	1,839	39,516,045.99	65,543	1,304,602,300.04	39,639	680,066,871.09
49 - 60	4,737	1.22%	67,245,964.75	1.16%	4,632	65,140,412.62	105	2,105,552.13	4,298	59,508,556.19	439	7,737,408.56	179	4,034,870.99	4,558	63,211,093.76
61 - 72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
> 72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

Statistics	
Minimum Remaining Term	1
Maximum Remaining Term	60
Weighted Average Remaining Term	29.94

13. Seasoning

	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Seasoning (months)	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
<12	131,944	34.00%	2,388,595,154.65	41.09%	15,483	163,559,010.45	116,461	2,225,036,144.20	128,551	2,320,785,298.70	3,393	67,809,855.95	76,487	1,510,935,121.47	55,457	877,660,033.18
13 - 24	113,769	29.32%	1,777,588,205.50	30.58%	11,331	85,346,476.14	102,438	1,692,241,729.36	110,650	1,730,534,687.44	3,119	47,053,518.06	72,033	1,239,138,239.45	41,736	538,449,966.05
25 - 36	99,943	25.76%	1,237,754,592.15	21.29%	7,726	40,221,426.61	92,217	1,197,533,165.54	97,243	1,208,798,795.38	2,700	28,955,796.77	73,384	979,231,938.03	26,559	258,522,654.12
37 - 48	39,768	10.25%	400,700,139.49	6.89%	4,411	14,422,165.02	35,357	386,277,974.47	38,428	391,473,018.02	1,340	9,227,121.47	29,019	326,680,207.85	10,749	74,019,931.64
49 - 60	2,495	0.64%	8,278,850.97	0.14%	1,819	3,224,281.49	676	5,054,569.48	2,231	7,539,452.53	264	739,398.44	759	4,737,852.00	1,736	3,540,998.97
61 - 72	95	0.02%	260,919.00	0.00%	19	8,985.24	76	251,933.76	91	257,711.43	4	3,207.57	56	166,495.55	39	94,423.45
>72	7	0.00%	20,773.32	0.00%	3	1,128.05	4	19,645.27	6	20,402.21	1	371.11	5	19,852.84	2	920.48
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

Statistics	
Minimum seasoning (months)	0
Maximum seasoning (months)	91
Weighted Average Seasoning (months)	17.04

14. Type of Credit

	Total Portfolio				Type of Obligor				Type of Vehicle			
					Retail		Corporate		New Vehicle		Used Vehicle	
Type of Credit	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
Hire Purchase	40,792	10.51%	306,783,473.00	5.28%	33,827	237,042,465.13	6,965	69,741,007.87	4,599	50,346,532.63	36,193	256,436,940.37
PCP	347,229	89.49%	5,506,415,162.08	94.72%	343,373	5,422,366,900.58	3,856	84,048,261.50	247,144	4,010,563,174.56	100,085	1,495,851,987.52
Total	388,021	100.00%	5,813,198,635.08	100.00%	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

15. Balloon as a percentage of Outstanding Discounted Balance

	Total Portfolio					Type of Contract				Type of Obligor				Type of Vehicle			
						Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Length of Remaining Term (months)	Number of Balloon Contracts	Percentage of Balloon Contracts	Discounted Principal Balloon Balance	Outstanding Discounted Balance	Remaining Balloon as % of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
1	3,240	0.93%	24,085,206.39	29,013,196.62	83.01%	796	292,743.99	3,240	28,720,452.63	3,767	27,858,584.71	269	1,154,611.91	2,519	22,382,987.36	1,517	6,630,209.26
2	2,724	0.78%	25,623,805.64	25,838,630.93	99.17%	687	442,385.66	2,724	25,396,245.27	3,225	25,063,340.54	186	775,290.39	2,172	19,832,404.25	1,239	6,006,226.68
3	3,347	0.96%	31,708,534.23	33,119,655.38	95.74%	745	698,344.61	3,347	32,421,310.77	3,888	32,101,933.36	204	1,017,722.02	2,631	25,507,603.90	1,461	7,612,051.48
4	3,763	1.08%	35,135,702.04	38,035,524.44	92.38%	706	857,096.15	3,763	37,178,428.29	4,279	36,820,475.80	190	1,215,048.64	2,786	28,356,554.31	1,683	9,678,970.13
5	5,701	1.64%	54,431,345.75	60,401,191.03	90.12%	943	1,554,584.73	5,701	58,846,606.30	6,399	58,942,251.46	245	1,458,939.57	4,745	48,588,738.47	1,899	11,812,452.56
6	7,980	2.30%	78,863,673.07	88,316,063.31	89.30%	774	1,483,092.57	7,980	86,832,970.74	8,501	86,435,153.81	253	1,880,909.50	6,827	75,757,603.74	1,927	12,558,459.57
7	4,546	1.31%	44,894,272.42	52,118,896.17	86.14%	714	1,623,848.73	4,546	50,495,047.44	5,036	50,649,686.89	224	1,469,209.28	3,504	40,275,191.28	1,756	11,843,704.89
8	4,304	1.24%	42,785,951.67	50,357,549.27	84.96%	540	1,432,198.35	4,304	48,925,350.92	4,657	48,951,504.29	187	1,406,044.98	3,322	39,241,461.91	1,522	11,116,087.36
9	3,965	1.14%	37,836,043.78	46,582,469.62	81.22%	770	2,120,773.57	3,965	44,461,696.05	4,534	44,976,823.48	201	1,605,646.14	2,958	34,839,063.03	1,777	11,743,406.59
10	4,151	1.20%	39,803,182.31	50,950,283.54	78.12%	1,057	3,259,214.22	4,151	47,691,069.32	4,976	49,197,798.01	232	1,752,485.53	2,883	34,534,748.40	2,325	16,415,535.14
11	7,335	2.11%	70,816,097.00	90,715,577.60	78.06%	1,198	4,431,268.07	7,335	86,284,309.53	8,162	87,314,892.99	371	3,400,684.61	6,099	71,982,800.28	2,434	18,732,777.32
12	8,209	2.36%	84,633,601.46	107,519,008.47	78.72%	858	3,201,259.03	8,209	104,317,749.44	8,785	104,820,930.69	282	2,698,077.78	6,972	90,679,875.37	2,095	16,839,133.10
13	6,350	1.83%	62,461,140.27	82,620,190.45	75.60%	784	3,203,068.01	6,350	79,417,122.44	6,921	80,446,719.58	213	2,173,470.87	5,055	65,601,096.13	2,079	17,019,094.32
14	5,268	1.52%	52,604,957.06	72,101,207.56	72.96%	893	4,223,259.56	5,268	67,877,948.00	5,889	69,387,438.50	272	2,713,769.06	4,124	54,342,589.88	2,037	17,758,617.68
15	5,496	1.58%	53,718,465.39	74,784,135.34	71.83%	909	3,955,612.58	5,496	70,828,522.76	6,199	72,634,754.14	206	2,149,381.20	4,275	56,035,903.69	2,130	18,748,231.65
16	5,326	1.53%	49,290,016.74	70,907,045.77	69.51%	892	4,161,446.09	5,326	66,745,599.68	6,031	68,411,699.92	187	2,495,345.85	4,096	51,680,645.96	2,122	19,226,399.81
17	7,326	2.11%	66,630,203.64	96,866,922.89	68.79%	1,084	5,734,452.66	7,326	91,132,470.23	8,141	94,003,717.97	269	2,863,204.92	6,120	75,545,736.50	2,290	21,321,186.39
18	10,866	3.13%	109,645,712.46	155,651,417.04	70.44%	839	4,411,368.47	10,866	151,240,048.57	11,453	152,441,964.18	252	3,209,452.86	8,899	126,792,310.71	2,806	28,859,106.33
19	7,069	2.04%	68,877,869.12	100,285,024.07	68.68%	641	3,620,988.42	7,069	96,664,035.65	7,509	97,913,835.99	201	2,371,188.08	5,169	72,971,493.60	2,541	27,313,530.47
20	6,460	1.86%	63,412,767.61	94,223,892.85	67.30%	503	3,036,438.17	6,460	91,187,454.68	6,788	91,660,536.21	175	2,563,356.64	4,935	71,623,097.84	2,028	22,600,795.01
21	5,898	1.70%	56,387,677.89	87,784,751.17	64.23%	855	5,114,276.96	5,898	82,670,474.21	6,574	85,489,554.41	179	2,295,196.76	4,292	62,133,934.08	2,461	25,650,817.09
22	6,822	1.96%	67,236,912.02	105,984,640.92	63.44%	1,048	6,515,805.90	6,822	99,468,835.02	7,612	102,615,715.21	258	3,368,925.71	4,546	69,995,579.66	3,324	35,989,061.26
23	10,982	3.16%	106,550,677.25	169,241,320.93	62.96%	1,174	8,449,746.88	10,982	160,791,574.05	11,769	163,705,469.56	387	5,535,851.37	8,135	122,438,777.05	4,021	46,802,543.88
24	15,050	4.33%	151,098,208.20	235,477,457.12	64.17%	696	4,656,431.70	15,050	230,821,025.42	15,477	230,657,282.16	269	4,820,174.96	12,252	192,696,547.44	3,494	42,780,909.68
25	7,184	2.07%	70,863,876.47	115,997,004.03	61.09%	739	5,600,485.94	7,184.00	110,396,518.09	7,688	112,437,123.58	235	3,559,880.45	4,979	80,684,273.07	2,944	35,312,730.96
26	6,990	2.01%	71,455,411.23	118,632,463.80	60.23%	761	6,237,046.22	6,990.00	112,395,417.58	7,517	114,759,694.46	234	3,872,769.34	4,844	81,805,482.41	2,907	36,826,981.39
27	7,158	2.06%	73,062,667.15	122,635,881.71	59.58%	742	6,000,747.00	7,158.00	116,635,134.71	7,678	118,632,790.59	222	4,003,091.12	5,030	85,998,732.20	2,870	36,637,149.51
28	7,467	2.15%	76,421,385.88	129,206,891.67	59.15%	733	5,755,081.29	7,467.00	123,451,810.38	7,996	125,567,310.22	204	3,639,581.45	4,894	85,858,127.67	3,306	43,348,764.00
29	7,666	2.21%	78,105,010.76	135,361,549.71	57.70%	870	7,843,048.44	7,666.00	127,518,501.27	8,251	130,424,454.12	285	4,937,095.59	5,123	88,750,851.64	3,413	46,610,698.07
30	10,922	3.15%	115,712,988.51	196,784,966.55	58.80%	704	6,283,420.94	10,922.00	190,501,545.61	11,355	191,708,974.97	271	5,075,991.58	8,420	150,240,774.14	3,206	46,544,192.41
31	6,904	1.99%	71,983,343.00	126,693,745.63	56.82%	648	6,249,607.24	6,904.00	120,444,138.39	7,316	122,655,718.43	236	4,038,027.20	4,575	84,969,106.93	2,977	41,724,638.70
32	5,570	1.60%	58,166,799.24	103,457,867.29	56.22%	477	5,032,037.18	5,570.00	98,425,830.11	5,882	100,264,191.14	165	3,193,676.15	3,622	67,996,168.31	2,425	35,461,698.98
33	4,663	1.34%	46,852,924.11	88,947,301.14	52.67%	861	8,406,827.96	4,663.00	80,540,473.18	5,330	85,910,853.94	194	3,036,447.20	2,993	54,318,973.50	2,531	34,628,327.64
34	7,687	2.21%	75,125,333.95	142,668,133.73	52.66%	1,063	10,333,567.86	7,687.00	132,334,565.87	8,468	137,650,851.48	282	5,017,282.25	4,518	82,798,873.40	4,232	59,869,260.33
35	11,548	3.33%	115,220,948.20	217,341,913.98	53.01%	1,153	11,809,636.84	11,548.00	205,532,277.14	12,356	210,853,413.75	345	6,488,500.23	7,779	144,360,390.09	4,922	72,981,523.89
36	12,798	3.69%	132,622,289.25	244,659,727.47	54.21%	510	5,089,155.64	12,798.00	239,570,571.83	13,150	241,380,243.84	158	3,279,483.63	9,928	190,654,037.96	3,380	54,005,689.51
37	6,693	1.93%	64,982,163.23	126,325,613.45	51.44%	546	5,580,900.19	6,693.00	120,744,713.26	7,082	123,482,840.36	157	2,842,773.09	4,475	84,253,388.65	2,764	42,072,224.80
38	9,120	2.63%	89,733,146.15	174,071,089.23	51.55%	529	5,675,381.59	9,120.00	168,395,707.64	9,446	170,056,578.91	203	4,014,510.32	6,172	117,355,814.60	3,477	56,715,274.63
39	8,732	2.51%	85,019,296.33	168,844,059.37	50.35%	659	7,236,946.86	8,732.00	161,607,112.51	9,234	165,557,964.54	157	3,286,094.83	6,157	117,210,994.05	3,234	51,633,065.32
40	7,853	2.26%	77,987,242.93	156,548,208.16	49.82%	647	6,813,539.66	7,853.00	149,734,668.50	8,332	152,978,275.05	168	3,569,933.11	5,001	99,406,199.87	3,499	57,142,008.29
41	8,689	2.50%	79,640,417.04	163,333,389.18	48.76%	656	7,425,696.58	8,689.00	155,907,692.60	9,161	159,633,405.69	184	3,699,983.49	5,025	88,445,246.11	4,320	74,888,143.07
42	11,147	3.21%	108,633,506.37	219,075,917.58	49.59%	496	5,643,536.87	11,147.00	213,432,380.71	11,492	215,526,089.58	151	3,549,828.00	7,304	140,421,309.84	4,339	78,654,607.74
43	7,245	2.09%	70,080,298.13	144,850,970.28	48.38%	448	5,454,190.47	7,245.00	139,396,779.81	7,546	141,631,159.69	147	3,219,810.59	4,412	87,620,971.31	3,281	57,229,998.97
44	5,425	1.56%	54,416,008.45	111,756,416.54	48.69%	261	3,095,854.28	5,425.00	108,660,562.26	5,600	109,797,514.86	86	1,958,901.68	3,339	69,315,453.03	2,347	42,440,963.51
45	5,011	1.44%	48,902,808.08	106,472,973.51	45.93%	667	7,683,961.48	5,011.00	98,789,012.03	5,524	103,525,027.51	154	2,947,946.00	3,531	71,037,037.67	2,147	35,435,935.84
46	8,204	2.36%	80,185,330.39	174,267,979.48	46.01%	808	10,250,445.60	8,204.00	164,017,533.88	8,835	170,265,267.79	177	4,002,711.69	5,326	109,137,448.12	3,686	65,130,531.36
47	11,409	3.29%	111,725,532.62	240,812,514.13	46.40%	745	9,417,802.99	11,409.00	231,394,711.14	11,980	236,721,098.53	174	4,091,415.60	8,079	168,076,763.05	4,075	72,735,751.08
48	8,861	2.55%	93,452,717.54	198,310,040.22	47.12%	331	4,244,436.18	8,861.00	194,065,604.04	9,111	195,977,902.63	81	2,332,137.59	6,722	152,321,673.74	2,470	45,988,366.48
49	105	0.03%	956,216.05	8,067,900.25	11.85%	456	5,962,348.12	105.00	2,105,552.13	503	7,185,072.12	58	882,828.13	98	2,155,124.76	463	5,912,775.49
50	-	-	-	6,272,028.63	-	481	6,272,028.63	-	-	423	5,332,016.77	58	940,011.86	19	362,161.42	462	5,909,867.21
51	-	-	-	6,221,223.64	-	447	6,221,223.64	-	-	396	5,261,805.73	51	959,417.91	5	116,557.05	442	6,104,666.59
52	-	-	-	6,601,975.45	-	507	6,601,975.45	-	-	463	5,909,148.36	44	692,827.09	8	122,037.37	499	6,479,938.08
53	-	-	-	7,233,175.89	-	533	7,233,175.89	-	-	478	6,264,061.33	55	969,114.56	10	261,516.56	523	6,971,659.33
54	-	-	-	5,318,280.18	-	380	5,318,280.18	-	-	343	4,755,238.50	37	563,041.68	10	157,844.16	370	5,160,436.02
55	-	-	-	3,937,004.70	-	269	3,937,004.70	-	-	242	3,498,658.05	27	438,346.65	6	114,783.35	263	3,822,221.35
56	-	-	-	2,862,860.71	-	203	2,862,860.71	-	-	192	2,642,091.28	11	220,769.43	6	222,348.14	197	2,640,512.57
57	-	-	-	6,331,533.62	-	427	6,331,533.62	-	-	395	5,583,092.45	32	748,441.17	5	97,639.63	422	6,233,893.99
58	-	-	-	7,753,056.77	-	520	7,753,056.77	-	-	484	7,066,247.17	36	686,809.60	5	122,097.01	515	7,630,959.76
59	-	-	-	6,604,183.82	-	405	6,604,183.82	-	-	375	5,968,383.34	30	635,800.48	7	302,761.54	398	6,301,422.28
60	-	-	-	42,741.09	-	4	42,741.09	-	-	4	42,741.09	-	-	-	-	4	42,741.09
61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
>=72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	347,229	100.00%	3,429,839,684.47	5,813,198,635.08	59.00%	40,792	306,783,473.00	347,229.00	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

16. Type of Vehicle

	Total Portfolio				Type of Obligor			
					Retail		Corporate	
Type of Vehicle	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
New	251,743	64.88%	4,060,909,707.19	69.86%	246,355	3,967,999,381.45	5,388	92,910,325.74
Used	136,278	35.12%	1,752,288,927.89	30.14%	130,845	1,691,409,984.26	5,433	60,878,943.63
Total	388,021	100.00%	5,813,198,635.08	100.00%	377,200	5,659,409,365.71	10,821	153,789,269.37

Type of Vehicle: Only Hire Purchase

					Type of Obligor			
					Retail		Corporate	
Type of Vehicle	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
New	4,599	1.19%	50,346,532.63	0.87%	2,007	19,074,473.79	2,592	31,272,058.84
Used	36,193	9.33%	256,436,940.37	4.41%	31,820	217,967,991.34	4,373	38,468,949.03
Total	40,792	10.51%	306,783,473.00	5.28%	33,827	237,042,465.13	6,965	69,741,007.87

Type of Vehicle: Only PCP

					Type of Obligor			
					Retail		Corporate	
Type of Vehicle	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
New	247,144	63.69%	4,010,563,174.56	68.99%	244,348	3,948,924,907.66	2,796	61,638,266.90
Used	100,085	25.79%	1,495,851,987.52	25.73%	99,025	1,473,441,992.92	1,060	22,409,994.60
Total	347,229	89.49%	5,506,415,162.08	94.72%	343,373	5,422,366,900.58	3,856	84,048,261.50

17. Brand and Model

		Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
						Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Brand	Model	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
Audi	A1	28,705	7.40%	371,415,122.09	6.39%	1,413	8,550,574.86	27,292	362,864,547.23	28,502	369,043,909.28	203	2,371,212.81	20,156	273,459,461.22	8,549	97,955,660.87
	A3	29,820	7.69%	506,436,164.24	8.71%	1,866	13,676,388.99	27,954	492,759,775.25	29,445	500,829,723.57	375	5,606,440.67	18,406	336,319,444.77	11,414	170,116,719.47
	A4	13,248	3.41%	240,221,474.62	4.13%	920	6,728,093.74	12,328	233,493,380.88	12,962	235,595,982.23	286	4,625,492.39	7,362	150,220,705.87	5,886	90,000,768.75
	A5	11,163	2.88%	249,623,000.66	4.29%	716	6,236,991.52	10,447	243,386,009.14	10,957	245,168,021.64	206	4,454,979.02	5,955	151,637,763.99	5,208	97,985,236.67
	A6	9,036	2.33%	189,593,483.11	3.26%	717	6,705,749.93	8,319	182,887,733.18	8,805	184,956,210.46	231	4,637,272.65	5,735	132,818,573.85	3,301	56,774,909.26
	A7	2,190	0.56%	60,753,491.09	1.05%	146	1,739,484.38	2,044	59,014,006.71	2,109	58,482,374.34	81	2,271,116.75	1,366	41,752,589.95	824	19,000,901.14
	A8	659	0.17%	19,487,709.77	0.34%	81	1,061,369.90	578	18,426,339.87	617	18,150,978.14	42	1,336,731.63	357	12,795,946.05	302	6,691,763.72
	Allroad	1,190	0.31%	25,796,078.21	0.44%	141	1,360,252.88	1,049	24,435,825.33	1,148	24,889,929.68	42	906,148.53	638	16,110,117.54	552	9,685,960.67
	Q2	7,476	1.93%	149,114,306.73	2.57%	153	1,322,401.31	7,323	147,791,905.42	7,396	147,536,618.29	80	1,577,688.44	5,988	119,779,604.88	1,488	29,334,701.85
	Q3	14,141	3.64%	286,051,825.00	4.92%	728	6,163,127.88	13,413	279,888,697.12	13,959	282,520,935.78	182	3,530,889.22	9,641	208,298,149.87	4,500	77,753,675.13
	Q5	12,973	3.34%	359,751,597.77	6.19%	648	6,765,130.02	12,325	352,986,467.75	12,682	352,018,375.01	291	7,733,222.76	9,116	269,963,963.13	3,857	89,787,634.64
	Q7	5,211	1.34%	193,350,547.91	3.33%	350	4,894,900.96	4,861	188,455,646.95	5,003	185,533,223.59	208	7,817,324.32	3,676	150,099,669.36	1,535	43,250,878.55
	Q8	273	0.07%	15,687,426.92	0.27%	5	152,488.63	268	15,534,938.29	264	15,187,034.20	9	500,392.72	244	14,081,003.56	29	1,606,423.36
	R Models	2,185	0.56%	87,039,057.19	1.50%	156	2,821,353.55	2,029	84,217,703.64	2,098	83,321,909.17	87	3,717,148.02	1,331	55,861,346.95	854	31,177,710.24
	TT	7,513	1.94%	148,417,073.46	2.55%	404	3,160,501.32	7,109	145,256,572.14	7,426	146,634,768.93	87	1,782,304.53	5,197	108,688,340.84	2,316	39,728,732.62
Sub-Total Audi		145,783	37.57%	2,902,738,358.77	49.93%	8,444	71,338,809.87	137,339	2,831,399,548.90	143,373	2,849,869,994.31	2,410	52,868,364.46	95,168	2,041,886,681.83	50,615	860,851,676.94
Bentley	Bentayga	209	0.05%	22,359,878.56	0.38%	25	1,539,055.39	184	20,820,823.17	186	19,741,018.42	23	2,618,860.14	111	12,202,263.09	98	10,157,615.47
	Continental Convertible	275	0.07%	21,897,027.50	0.38%	39	1,375,024.69	236	20,522,002.81	261	20,562,605.39	14	1,334,422.11	97	9,781,388.00	178	12,115,639.50
	Flying Spur	72	0.02%	4,193,858.90	0.07%	26	940,355.42	46	3,253,503.48	65	3,820,785.35	7	373,073.55	17	1,347,175.01	55	2,846,683.89
	Continental Coupe	324	0.08%	27,763,841.66	0.48%	43	1,539,062.04	281	26,224,779.62	304	25,752,889.51	20	2,010,952.15	140	15,516,638.19	184	12,247,203.47
	Mulsanne	42	0.01%	4,362,228.04	0.08%	6	268,475.74	36	4,093,752.30	35	3,375,086.82	7	987,141.22	10	1,509,740.35	32	2,852,487.69
Sub-Total Bentley		922	0.24%	80,576,834.66	1.39%	139	5,661,973.28	783	74,914,861.38	851	73,252,385.49	71	7,324,449.17	375	40,357,204.64	547	40,219,630.02
Lamborghini	Aventador	28	0.01%	5,556,159.86	0.09%	5	418,418.61	23	5,137,741.25	27	5,309,505.90	1	246,653.96	17	3,408,958.61	11	2,147,201.25
	Gallardo	2	0.00%	164,229.18	0.00%	-	-	2	164,229.18	2	164,229.18	-	-	-	-	2	164,229.18
	Huracan	72	0.02%	10,406,603.09	0.18%	11	863,109.69	61	9,543,493.40	69	9,873,341.25	3	533,261.84	32	5,153,175.05	40	5,253,428.04
	Urus	18	0.00%	2,431,805.96		4	419,931.67	14	2,011,874.29	18	2,431,805.96	-	-	14	1,843,458.18	4	588,347.78
Sub-Total Lamborghini		120	0.03%	18,558,798.09	0.32%	20	1,701,459.97	100	16,857,338.12	116	17,778,882.29	4	779,915.80	63	10,405,591.84	57	8,153,206.25
Porsche	911	284	0.07%	8,804,205.97	0.15%	284	8,804,205.97	-	-	272	8,170,574.89	12	633,631.08	69	2,704,463.49	215	6,099,742.48
	Boxster	117	0.03%	1,848,860.40	0.03%	117	1,848,860.40	-	-	114	1,775,915.00	3	72,945.40	24	369,668.50	93	1,479,191.90
	Cayenne	199	0.05%	3,840,221.19	0.07%	199	3,840,221.19	-	-	181	3,459,635.93	18	380,585.26	59	1,130,843.78	140	2,709,377.41
	Cayman	103	0.03%	1,706,957.22	0.03%	103	1,706,957.22	-	-	100	1,668,167.09	3	38,790.13	28	592,224.63	75	1,114,732.59
	Macan	249	0.06%	4,344,980.32	0.07%	249	4,344,980.32	-	-	216	3,538,928.16	33	806,052.16	122	1,942,397.28	127	2,402,583.04
	Panamera	66	0.02%	1,611,237.66	0.03%	66	1,611,237.66	-	-	59	1,406,555.90	7	204,681.76	14	287,295.30	52	1,323,942.36
Sub-Total Porsche		1,018	0.26%	22,156,462.76	0.38%	1,018	22,156,462.76	-	-	942	20,019,776.97	76	2,136,685.79	316	7,026,892.98	702	15,129,569.78
Seat	Alhambra	833	0.21%	10,990,372.96	0.19%	320	2,134,769.86	513	8,855,603.10	815	10,736,097.68	18	254,275.28	351	4,017,000.63	482	6,973,372.33
	Altea	86	0.02%	372,591.58	0.01%	61	211,417.74	25	161,173.84	85	364,702.17	1	7,889.41	5	27,339.88	81	345,251.70
	Arona	3,233	0.83%	46,567,882.08	0.80%	48	411,332.88	3,185	46,156,549.20	3,226	46,471,960.86	7	95,921.22	3,080	44,420,559.61	153	2,147,322.47
	Ateca	4,314	1.11%	75,550,663.42	1.30%	87	789,038.31	4,227	74,761,625.11	4,299	75,302,865.85	15	247,797.57	3,699	64,568,280.29	615	10,982,383.13
	Exeo	13	0.00%	41,566.65	0.00%	13	41,566.65	-	-	12	36,451.66	1	5,114.99	-	-	13	41,566.65
	Ibiza	15,495	3.99%	129,254,271.38	2.22%	1,665	6,268,725.32	13,830	122,985,546.06	15,469	129,142,801.15	26	111,470.23	11,364	103,007,271.85	4,131	26,246,999.53
	Leon	9,163	2.36%	102,594,173.59	1.76%	1,232	6,464,277.97	7,931	96,129,895.62	9,136	102,368,041.05	27	226,132.54	5,421	66,103,439.18	3,742	36,490,734.41
	Mii	1,517	0.39%	8,478,276.81	0.15%	205	588,556.62	1,312	7,889,720.19	1,513	8,461,045.50	4	17,231.31	1,111	6,778,841.99	406	1,699,434.82
	Tarraco	45	0.01%	1,114,644.06	0.02%	0	0.00	45	1,114,644.06	45	1,114,644.06	-	-	45	1,114,644.06	-	-
	Toledo	320	0.08%	2,681,570.90	0.05%	95	503,519.89	225	2,178,051.01	315	2,664,989.01	5	16,581.89	144	1,345,163.82	176	1,336,407.08
Sub-Total Seat		35,019	9.03%	377,646,013.43	6.50%	3,726	17,413,205.24	31,293	360,232,808.19	34,915	376,663,598.99	104	982,414.44	25,220	291,382,541.31	9,799	86,263,472.12
Skoda	Fabia	15,347	3.96%	125,799,520.19	2.16%	1,259	4,710,057.65	14,088	121,089,462.54	15,274	125,332,713.61	73	466,806.58	11,767	102,429,564.53	3,580	23,369,955.66
	Citigo	7,637	1.97%	42,974,383.54	0.74%	502	1,468,888.18	7,135	41,505,495.36	7,598	42,760,685.06	39	213,698.48	6,364	37,492,550.44	1,273	5,481,833.10
	Karoq	3,162	0.81%	60,582,111.85	1.04%	44	346,848.95	3,118	60,235,262.90	3,153	60,415,014.80	9	167,097.05	2,742	52,873,048.19	420	7,709,063.66
	Kodiaq	3,805	0.98%	83,975,834.32	1.44%	63	781,654.89	3,742	83,194,179.43	3,763	83,050,506.74	42	925,327.58	3,150	69,500,888.24	655	14,474,946.08
	Octavia	9,020	2.32%	103,018,649.59	1.77%	1,378	8,855,168.97	7,642	94,163,480.62	8,905	101,973,396.04	115	1,045,253.55	5,252	66,064,495.10	3,768	36,954,154.49
	Roomster	139	0.04%	408,238.24	0.01%	98	229,458.62	41	178,779.62	138	406,033.74	1	2,204.50	-	-	139	408,238.24
	Rapid	2,366	0.61%	18,200,228.45	0.31%	452	1,983,822.79	1,914	16,216,405.66	2,355	18,149,783.68	11	50,444.77	1,219	10,717,990.01	1,147	7,482,238.44
	Superb	3,096	0.80%	44,695,195.09	0.77%	538	4,135,901.85	2,558	40,559,293.24	3,038	44,016,253.08	58	678,942.01	1,608	25,616,806.78	1,488	19,078,388.31
	Yeti	5,267	1.36%	53,663,171.36	0.92%	658	3,372,483.39	4,609	50,290,687.97	5,245	53,463,892.72	22	199,278.64	3,531	38,925,344.97	1,736	14,737,826.39
Sub-Total Skoda		49,839	12.84%	533,317,332.63	9.17%	4,992	25,884,285.29	44,847	507,433,047.34	49,469	529,568,279.47	370	3,749,053.16	35,633	403,620,688.26	14,206	129,696,644.37
Volkswagen	Golf	39,029	10.06%	522,010,317.04	8.98%	4,127	24,916,165.22	34,902	497,094,151.82	38,689	517,670,812.66	340	4,339,504.38	21,493	325,288,093.55	17,536	196,722,223.49
	VW Commercial	15,733	4.05%	226,919,470.20	3.90%	8,207	78,731,878.74	7,526	148,187,591.46	9,205	156,818,891.78	6,528	70,100,578.42	9,356	162,849,951.13	6,377	64,069,519.07
	Arteon	381	0.10%	9,098,899.38	0.16%	19	229,886.64	362	8,869,012.74	376	8,987,913.57	5	110,985.81	197	4,818,719.02	184	4,280,180.36
	Beetle	1,808	0.47%	18,362,150.49	0.32%	285	1,633,918.05	1,523	16,728,232.44	1,795	18,216,157.82	13	145,992.67	688	7,893,058.93	1,120	10,469,091.56
	Passat	5,487	1.41%	67,911,691.65	1.17%	925	5,494,229.93	4,562	62,417,461.72	5,373	66,748,164.17	114	1,163,527.48	1,516	23,338,741.67	3,971	44,572,949.98
	California	321	0.08%	9,693,860.65	0.17%	65	1,029,200.79	256	8,664,659.86	288	8,690,589.27	33	1,003,271.38	251	8,182,974.30	70	1,510,886.35

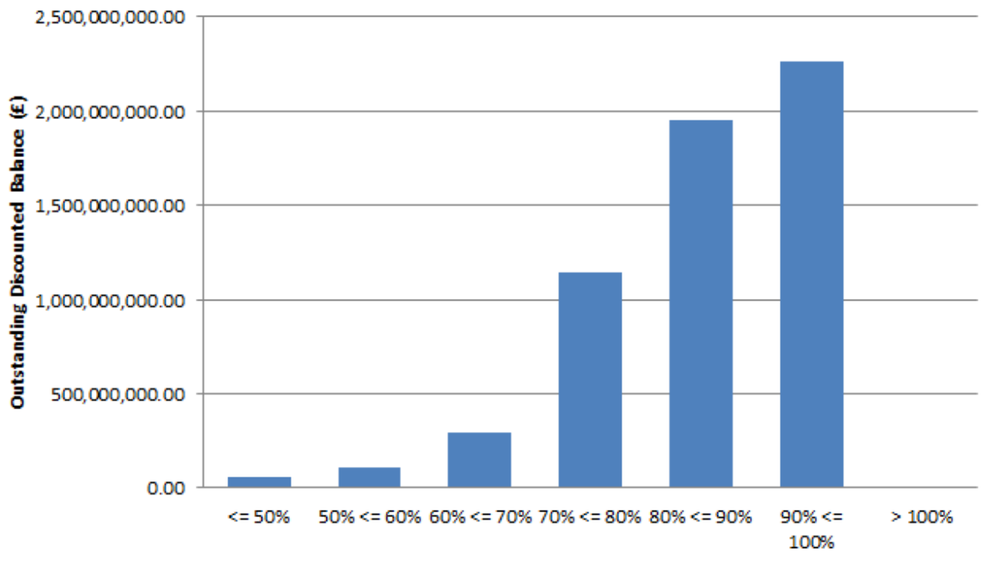
		Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
						Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Brand	Model	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
	Eos	24	0.01%	144,653.60	0.00%	11	42,243.55	13	102,410.05	24	144,653.60	-	-	1	2,641.07	23	142,012.53
	Fox	7	0.00%	5,111.75	0.00%	7	5,111.75	-	-	7	5,111.75	-	-	-	-	7	5,111.75
	Jetta	276	0.07%	2,078,011.92	0.04%	81	357,213.57	195	1,720,798.35	273	2,044,551.76	3	33,460.16	42	392,696.92	234	1,685,315.00
	Phaeton	6	0.00%	39,186.02	0.00%	4	10,677.81	2	28,508.21	6	39,186.02	-	-	-	-	6	39,186.02
	Polo	52,498	13.53%	496,477,651.93	8.54%	3,500	15,381,668.68	48,998	481,095,983.25	52,343	495,133,070.45	155	1,344,581.48	37,881	385,552,870.30	14,617	110,924,781.63
	Scirocco	3,764	0.97%	48,028,312.49	0.83%	417	2,569,713.43	3,347	45,458,599.06	3,743	47,759,984.35	21	268,328.14	1,429	20,002,593.29	2,335	28,025,719.20
	Sharan	1,284	0.33%	18,302,556.79	0.31%	400	3,721,828.93	884	14,580,727.86	1,260	18,032,337.97	24	270,218.82	401	6,812,006.19	883	11,490,550.60
	Tiguan	17,346	4.47%	304,711,227.02	5.24%	1,192	8,723,960.75	16,154	295,987,266.27	17,183	301,913,225.71	163	2,798,001.31	12,180	233,374,176.69	5,166	71,337,050.33
	Touareg	1,704	0.44%	39,409,199.30	0.68%	224	2,249,721.53	1,480	37,159,477.77	1,653	38,203,652.26	51	1,205,547.04	527	16,141,804.18	1,177	23,267,395.12
	Touran	1,984	0.51%	25,221,224.74	0.43%	383	2,240,544.68	1,601	22,980,680.06	1,953	24,906,863.56	31	314,361.18	877	13,740,121.91	1,107	11,481,102.83
	VWUP	12,077	3.11%	77,847,287.61	1.34%	1,016	3,394,608.92	11,061	74,452,678.69	11,980	77,264,160.19	97	583,127.42	8,067	56,663,363.82	4,010	21,183,923.79
	XL	1	0.00%	49,318.54	0.00%	-	-	1	49,318.54	-	-	1	49,318.54	1	49,318.54	-	-
Sub-Total Volkswagen		153,730	39.62%	1,866,310,131.12	32.10%	20,863	150,732,572.97	132,867	1,715,577,558.15	146,151	1,782,579,326.89	7,579	83,730,804.23	94,907	1,265,103,131.51	58,823	601,206,999.61
Other Brands		1,590	0.41%	11,894,703.62	0.20%	1,590	11,894,703.62	-	-	1,383	9,677,121.30	207	2,217,582.32	61	1,126,974.82	1,529	10,767,728.80
Total		388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

18. Geographical Region

	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Region	Number of Contracts	Percentage of Contracts	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
Channel Islands	3	0.00%	43,398.68	0.00%	1	17,330.63	2	26,068.05	3	43,398.68	-	-	2	26,068.05	1	17,330.63
East of England	34,910	9.00%	544,501,175.75	9.37%	3,290	25,028,509.69	31,620	519,472,666.06	33,916	529,773,894.93	994	14,727,280.82	22,342	374,378,864.77	12,568	170,122,310.98
East Midlands	21,851	5.63%	336,765,725.99	5.79%	2,493	18,854,439.37	19,358	317,911,286.62	21,175	326,449,987.24	676	10,315,738.75	13,791	229,500,630.17	8,060	107,265,095.82
Isle of Man	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
London	14,365	3.70%	248,042,369.32	4.27%	1,734	16,048,411.16	12,631	231,993,958.16	13,827	237,344,737.47	538	10,697,631.85	9,050	169,919,533.73	5,315	78,122,835.59
North East England	20,159	5.20%	284,924,716.16	4.90%	2,405	17,355,092.58	17,754	267,569,623.58	19,781	279,718,064.11	378	5,206,652.05	12,975	198,536,260.05	7,184	86,388,456.11
North West England	47,474	12.23%	701,106,875.76	12.06%	4,353	31,400,311.44	43,121	669,706,564.32	46,422	685,697,588.36	1,052	15,409,287.40	31,281	493,586,754.87	16,193	207,520,120.89
Northern Ireland	56	0.01%	562,061.99	0.01%	10	55,248.58	46	506,813.41	49	522,629.63	7	39,432.36	34	390,005.97	22	172,056.02
Scotland	43,570	11.23%	654,545,117.65	11.26%	4,049	30,265,965.35	39,521	624,279,152.30	42,670	642,760,622.61	900	11,784,495.04	27,407	443,308,137.76	16,163	211,236,979.89
South East England	81,445	20.99%	1,242,239,498.02	21.37%	8,582	65,695,822.46	72,863	1,176,543,675.56	78,934	1,209,502,417.03	2,511	32,737,080.99	52,493	868,114,641.95	28,952	374,124,856.07
South West England	34,010	8.76%	493,841,759.14	8.50%	3,343	24,127,259.11	30,667	469,714,500.03	32,946	479,532,739.04	1,064	14,309,020.10	22,227	349,791,846.03	11,783	144,049,913.11
Wales	16,761	4.32%	230,291,732.58	3.96%	2,147	14,641,470.92	14,614	215,650,261.66	16,324	224,420,994.04	437	5,870,738.54	10,757	161,436,523.80	6,004	68,855,208.78
West Midlands	37,750	9.73%	565,304,742.93	9.72%	3,729	28,387,000.34	34,021	536,917,742.59	36,636	549,104,769.21	1,114	16,199,973.72	26,037	418,939,244.43	11,713	146,365,498.50
Yorkshire & Humberside	35,665	9.19%	511,001,540.18	8.79%	4,656	34,906,611.37	31,009	476,094,928.81	34,515	494,509,602.43	1,150	16,491,937.75	23,345	352,953,274.68	12,320	158,048,265.50
Not Available	2	0.00%	27,920.93	0.00%	-	-	2	27,920.93	2	27,920.93	-	-	2	27,920.93	-	-
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89

19. Loan to Value

	Total Portfolio				Type of Contract				Type of Obligor				Type of Vehicle			
					Hire Purchase		PCP		Retail		Corporate		New Vehicle		Used Vehicle	
Loan to Value	Number of Loans	Percentage of Loans	Outstanding Discounted Balance	Percentage of Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance	Number of Contracts	Outstanding Discounted Balance
<= 50%	9,790	2.52%	58,568,999.75	1.01%	8,871	45,485,601.22	919	13,083,398.53	8,618	50,637,607.91	1,172	7,931,391.84	1,912	19,301,976.25	7,878	39,267,023.50
50% <= 60%	8,542	2.20%	105,977,734.88	1.82%	3,869	26,098,306.74	4,673	79,879,428.14	7,701	97,870,759.19	841	8,106,975.69	3,645	63,197,451.36	4,897	42,780,283.52
60% <= 70%	20,788	5.36%	292,228,835.29	5.03%	4,570	35,708,997.00	16,218	256,519,838.29	19,528	276,822,675.16	1,260	15,406,160.13	12,703	202,293,473.36	8,085	89,935,361.93
70% <= 80%	81,188	20.92%	1,146,436,973.79	19.72%	5,472	47,720,487.28	75,716	1,098,716,486.51	78,766	1,111,004,882.29	2,422	35,432,091.50	59,321	880,410,334.13	21,867	266,026,639.66
80% <= 90%	125,005	32.22%	1,950,749,047.77	33.56%	6,488	58,343,846.61	118,517	1,892,405,201.16	121,833	1,901,573,845.74	3,172	49,175,202.03	92,922	1,502,879,317.57	32,083	447,869,730.20
90% <= 100%	142,708	36.78%	2,259,237,043.60	38.86%	11,522	93,426,234.15	131,186	2,165,810,809.45	140,754	2,221,499,595.42	1,954	37,737,448.18	81,240	1,392,827,154.52	61,468	866,409,889.08
> 100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	388,021	100.00%	5,813,198,635.08	100.00%	40,792	306,783,473.00	347,229	5,506,415,162.08	377,200	5,659,409,365.71	10,821	153,789,269.37	251,743	4,060,909,707.19	136,278	1,752,288,927.89



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

20. Retention Pursuant to Article 6 of the Securitisation Regulation

Type of Asset	Number of Contracts	Percentage of Contracts	Outstanding Nominal Balance	Percentage of Outstanding Nominal Balance
Portfolio sold to SPV	**388,021**	**94.96%**	**5,799,308,748.03**	**95.00%**
Retention of VWFS UK	**20,575**	**5.04%**	**305,188,219.31**	**5.00%**
Total	**408,596**	**100.00%**	**6,104,496,967.34**	**100.00%**

Retention Amounts	Outstanding Nominal Balance	Percentage of Outstanding Nominal Balance
Minimum retention	**289,965,437.40**	**5.00%**
Actual retention	**305,188,219.31**	**5.26%**

DELINQUENCIES

The following data indicates, for the PCP and HP portfolio of VWFS and for a given month the outstanding balance of the receivables which are current, one up to thirty (1-30) days, thirty-one up to sixty (31-60) days, sixty-one up to ninety (61-90) days or more than ninety (90) days in arrears, expressed as a percentage of the total outstanding balance of the PCP and HP portfolio at the beginning of such period.

The report records the oldest unpaid instalment as the starting point for the calculation of days in arrears. A payment of subsequent instalments does not affect the reference date for this calculation, which was the case in the old delinquency report.

Arrear status credit portfolio VWFS in per cent. of receivables volume (rounded off to two decimal places).

Calendar Year/Month	1-30 dpd (%)	31-60 dpd (%)	61-90 dpd (%)	91+ dpd (%)
06.2007	0.92%	0.58%	0.26%	0.34%
07.2007	1.36%	0.58%	0.26%	0.34%
08.2007	1.15%	0.61%	0.33%	0.39%
09.2007	1.69%	0.54%	0.29%	0.36%
10.2007	1.21%	0.53%	0.26%	0.36%
11.2007	1.10%	0.58%	0.29%	0.34%
12.2007	1.27%	0.56%	0.29%	0.41%
01.2008	1.13%	0.61%	0.33%	0.43%
02.2008	1.00%	0.61%	0.30%	0.42%
03.2008	1.37%	0.60%	0.25%	0.40%
04.2008	1.04%	0.63%	0.26%	0.37%
05.2008	1.12%	0.48%	0.26%	0.42%
06.2008	1.11%	0.52%	0.25%	0.40%
07.2008	1.18%	0.51%	0.24%	0.36%
08.2008	1.18%	0.65%	0.31%	0.37%
09.2008	1.21%	0.71%	0.30%	0.39%
10.2008	1.42%	0.69%	0.33%	0.39%
11.2008	1.12%	0.77%	0.35%	0.45%
12.2008	1.22%	0.62%	0.37%	0.53%
01.2009	1.24%	0.84%	0.39%	0.61%
02.2009	1.19%	0.83%	0.43%	0.63%
03.2009	1.25%	0.63%	0.30%	0.58%
04.2009	1.26%	0.64%	0.29%	0.56%
05.2009	1.32%	0.55%	0.27%	0.54%
06.2009	1.30%	0.52%	0.24%	0.51%
07.2009	1.59%	0.47%	0.23%	0.48%
08.2009	1.13%	0.76%	0.25%	0.46%
09.2009	1.31%	0.61%	0.34%	0.45%
10.2009	1.31%	0.49%	0.29%	0.49%
11.2009	1.14%	0.53%	0.27%	0.48%
12.2009	1.33%	0.49%	0.19%	0.38%
01.2010	1.31%	0.57%	0.26%	0.35%
02.2010	1.24%	0.61%	0.21%	0.31%
03.2010	1.36%	0.57%	0.18%	0.29%
04.2010	1.27%	0.53%	0.24%	0.31%
05.2010	1.11%	0.42%	0.23%	0.34%
06.2010	1.11%	0.40%	0.20%	0.34%
07.2010	1.15%	0.38%	0.18%	0.34%

Calendar Year/Month	1-30 dpd (%)	31-60 dpd (%)	61-90 dpd (%)	91+ dpd (%)
08.2010	1.00%	0.44%	0.19%	0.32%
09.2010	1.04%	0.43%	0.16%	0.32%
10.2010	1.08%	0.35%	0.19%	0.34%
11.2010	1.07%	0.35%	0.16%	0.32%
12.2010	1.11%	0.40%	0.16%	0.33%
01.2011	0.98%	0.44%	0.22%	0.36%
02.2011	0.97%	0.41%	0.19%	0.35%
03.2011	1.21%	0.44%	0.15%	0.29%
04.2011	1.05%	0.43%	0.20%	0.30%
05.2011	1.01%	0.34%	0.18%	0.33%
06.2011	1.06%	0.35%	0.17%	0.30%
07.2011	1.09%	0.32%	0.15%	0.34%
08.2011	1.06%	0.34%	0.16%	0.31%
09.2011	0.99%	0.34%	0.15%	0.28%
10.2011	1.01%	0.29%	0.16%	0.28%
11.2011	0.91%	0.33%	0.15%	0.26%
12.2011	1.05%	0.32%	0.15%	0.26%
01.2012	1.04%	0.36%	0.15%	0.26%
02.2012	0.92%	0.34%	0.12%	0.24%
03.2012	1.04%	0.34%	0.11%	0.21%
04.2012	0.90%	0.35%	0.14%	0.20%
05.2012	1.37%	0.36%	0.14%	0.21%
06.2012	1.28%	0.37%	0.14%	0.21%
07.2012	1.13%	0.34%	0.12%	0.21%
08.2012	1.07%	0.35%	0.14%	0.20%
09.2012	1.01%	0.36%	0.14%	0.19%
10.2012	0.99%	0.29%	0.11%	0.17%
11.2012	1.03%	0.30%	0.12%	0.15%
12.2012	0.97%	0.34%	0.14%	0.19%
01.2013	0.99%	0.37%	0.19%	0.20%
02.2013	0.85%	0.38%	0.15%	0.22%
03.2013	4.28%	0.36%	0.15%	0.23%
04.2013	0.96%	0.37%	0.17%	0.21%
05.2013	0.95%	0.31%	0.17%	0.24%
06.2013	0.91%	0.35%	0.16%	0.22%
07.2013	1.35%	0.41%	0.16%	0.22%
08.2013	0.88%	0.46%	0.19%	0.24%
09.2013	0.83%	0.40%	0.17%	0.25%
10.2013	0.89%	0.31%	0.15%	0.23%
11.2013	0.76%	0.32%	0.15%	0.24%
12.2013	0.84%	0.29%	0.14%	0.25%
01.2014	0.75%	0.31%	0.15%	0.26%
02.2014	0.65%	0.28%	0.15%	0.23%
03.2014	0.70%	0.25%	0.12%	0.21%
04.2014	0.78%	0.28%	0.11%	0.22%
05.2014	0.70%	0.23%	0.12%	0.20%
06.2014	0.64%	0.24%	0.12%	0.21%
07.2014	0.70%	0.21%	0.11%	0.20%
08.2014	0.60%	0.26%	0.12%	0.22%
09.2014	0.64%	0.24%	0.12%	0.22%
10.2014	0.69%	0.21%	0.11%	0.22%

Calendar Year/Month	1-30 dpd (%)	31-60 dpd (%)	61-90 dpd (%)	91+ dpd (%)
11.2014	0.54%	0.24%	0.12%	0.22%
12.2014	0.65%	0.22%	0.12%	0.21%
01.2015	0.59%	0.30%	0.13%	0.21%
02.2015	0.53%	0.28%	0.12%	0.20%
03.2015	0.69%	0.26%	0.12%	0.20%
04.2015	0.43%	0.23%	0.11%	0.20%
05.2015	0.58%	0.21%	0.12%	0.23%
06.2015	0.84%	0.23%	0.11%	0.21%
07.2015	0.76%	0.20%	0.12%	0.21%
08.2015	0.51%	0.27%	0.11%	0.24%
09.2015	0.54%	0.24%	0.11%	0.24%
10.2015	0.55%	0.20%	0.10%	0.26%
11.2015	0.50%	0.22%	0.11%	0.26%
12.2015	0.58%	0.19%	0.10%	0.26%
01.2016	0.52%	0.24%	0.11%	0.25%
02.2016	0.50%	0.24%	0.11%	0.24%
03.2016	0.63%	0.21%	0.09%	0.21%
04.2016	0.50%	0.24%	0.10%	0.19%
05.2016	0.54%	0.18%	0.11%	0.19%
06.2016	0.57%	0.22%	0.09%	0.13%
07.2016	0.57%	0.19%	0.09%	0.14%
08.2016	0.61%	0.25%	0.10%	0.15%
09.2016	0.58%	0.27%	0.09%	0.12%
10.2016	0.60%	0.23%	0.09%	0.13%
11.2016	0.55%	0.26%	0.10%	0.13%
12.2016	0.54%	0.22%	0.11%	0.16%
01.2017	0.65%	0.26%	0.11%	0.17%
02.2017	0.57%	0.28%	0.11%	0.15%
03.2017	0.65%	0.25%	0.09%	0.14%
04.2017	0.51%	0.30%	0.11%	0.15%
05.2017	0.67%	0.25%	0.11%	0.18%
06.2017	0.58%	0.27%	0.11%	0.17%
07.2017	0.62%	0.25%	0.11%	0.16%
08.2017	0.56%	0.27%	0.12%	0.14%
09.2017	0.56%	0.30%	0.11%	0.14%
10.2017	0.81%	0.28%	0.11%	0.14%
11.2017	0.69%	0.33%	0.13%	0.15%
12.2017	0.66%	0.31%	0.13%	0.18%
01.2018	0.74%	0.38%	0.15%	0.17%
02.2018	0.60%	0.43%	0.15%	0.18%
03.2018	0.64%	0.37%	0.14%	0.19%
04.2018	0.66%	0.40%	0.13%	0.17%
05.2018	0.76%	0.35%	0.12%	0.19%
06.2018	0.63%	0.39%	0.13%	0.18%
07.2018	0.86%	0.35%	0.14%	0.19%
08.2018	0.77%	0.39%	0.14%	0.17%
09.2018	0.62%	0.41%	0.12%	0.14%
10.2018	0.79%	0.37%	0.12%	0.14%
11.2018	0.66%	0.48%	0.15%	0.15%
12.2018	0.70%	0.37%	0.14%	0.16%

HISTORICAL PERFORMANCE DATA

Historical Performance Data

VWFS has extracted data on the historical performance of the entire managed portfolio for the HP & PCP auto loan portfolio. The tables below show historical data on net losses, for the period from 2002 to 2018 from contracts originated since 2002 Q3 and defaulted before 2018 Q4. Such data was extracted from VWFS' internal data warehouse which is sourced from its contract management and accounting systems.

Total Portfolio

The net losses data displayed below are in static format and show the cumulative net losses realised after the specified number of months since origination, for each portfolio of loans originated in a particular month, expressed as a percentage of the original principal balance of that portfolio. Net losses are calculated by deducting the vehicle sales proceeds as well as any other recoveries from the outstanding balances of the respective loans up to the final write-off of the loan (net losses are shown in the month where the write-off of the contract has been carried out by the Seller). The data includes standard and balloon loans to corporate and private debtors to finance new and used vehicles. The exposures to which such data relates are substantially similar to those being securitised as they have been originated in accordance with consistent origination procedures, on the basis of similar contractual terms and exposures securitised are selected based on strict eligibility criteria and thus generally perform better than VWFS' managed portfolio as a whole.

The terms used in the following tables have the following meanings:

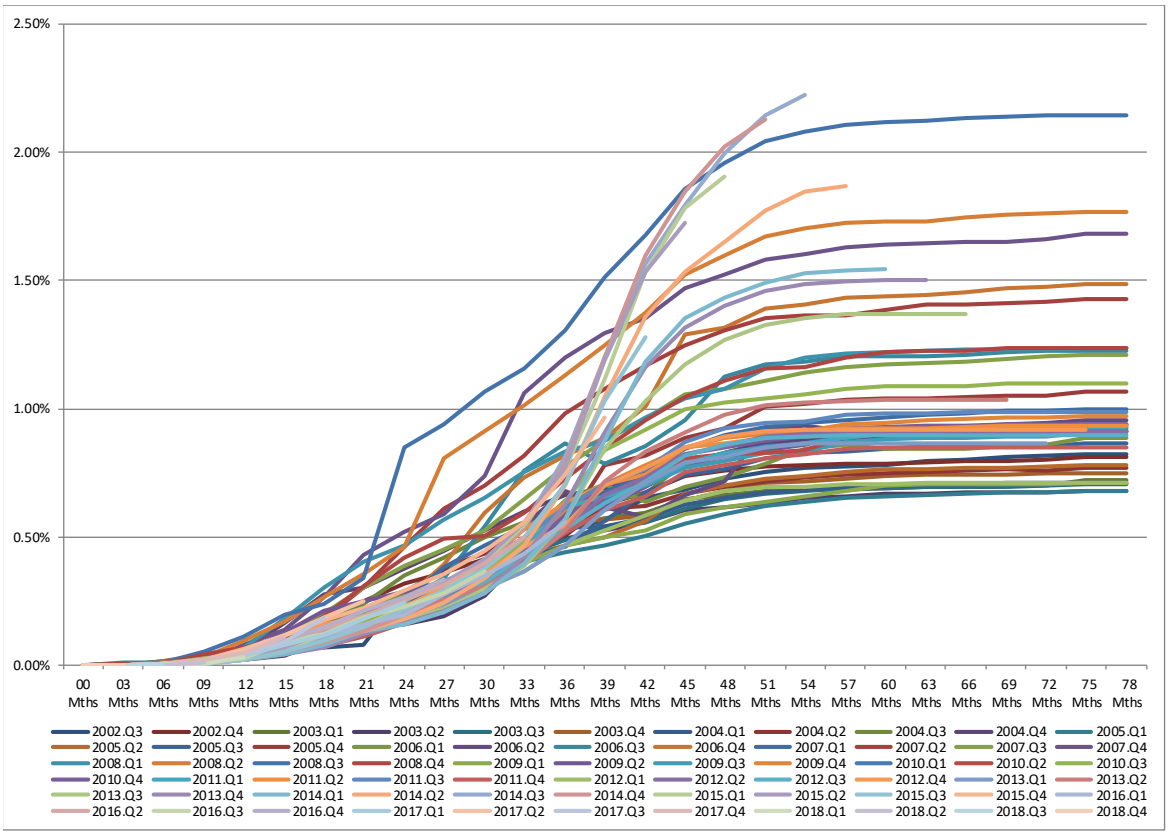
New Cars: means cars which are first time sold to Obligors.

Used Cars: means cars which are previously owned by other Obligors.

Vintage Loss Curve: means the Cumulative Net Loss Ratio in relation to the contact age expressed as a curve for the whole portfolio and each sub portfolio.

1. Static Net Loss Data – Total Portfolio

Cohort Year/Qrt	00 Mths	03 Mths	06 Mths	09 Mths	12 Mths	15 Mths	18 Mths	21 Mths	24 Mths	27 Mths	30 Mths	33 Mths	36 Mths	39 Mths	42 Mths	45 Mths	48 Mths	51 Mths	54 Mths	57 Mths	60 Mths	63 Mths	66 Mths	69 Mths	72 Mths	75 Mths	78 Mths
2002.Q3	0.00%	0.00%	0.01%	0.02%	0.04%	0.06%	0.07%	0.08%	0.28%	0.37%	0.41%	0.48%	0.54%	0.56%	0.65%	0.68%	0.73%	0.75%	0.77%	0.77%	0.78%	0.80%	0.80%	0.81%	0.82%	0.82%	0.82%
2002.Q4	0.00%	0.00%	0.00%	0.01%	0.03%	0.06%	0.08%	0.25%	0.32%	0.36%	0.41%	0.47%	0.51%	0.63%	0.68%	0.74%	0.76%	0.78%	0.78%	0.79%	0.79%	0.79%	0.80%	0.80%	0.80%	0.81%	0.81%
2003.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.14%	0.19%	0.24%	0.30%	0.35%	0.42%	0.54%	0.57%	0.60%	0.65%	0.66%	0.68%	0.68%	0.69%	0.69%	0.69%	0.70%	0.70%	0.70%	0.72%	0.72%
2003.Q2	0.00%	0.00%	0.00%	0.02%	0.02%	0.04%	0.09%	0.14%	0.16%	0.19%	0.27%	0.43%	0.49%	0.52%	0.56%	0.60%	0.62%	0.63%	0.65%	0.66%	0.67%	0.67%	0.67%	0.67%	0.67%	0.68%	0.68%
2003.Q3	0.00%	0.00%	0.01%	0.02%	0.03%	0.06%	0.10%	0.16%	0.19%	0.23%	0.36%	0.43%	0.49%	0.54%	0.56%	0.61%	0.65%	0.67%	0.68%	0.69%	0.69%	0.69%	0.70%	0.70%	0.70%	0.71%	0.71%
2003.Q4	0.00%	0.00%	0.01%	0.01%	0.05%	0.08%	0.12%	0.16%	0.20%	0.31%	0.39%	0.49%	0.56%	0.57%	0.58%	0.64%	0.68%	0.71%	0.72%	0.73%	0.74%	0.74%	0.74%	0.74%	0.75%	0.75%	0.75%
2004.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.09%	0.13%	0.24%	0.30%	0.38%	0.47%	0.53%	0.54%	0.58%	0.62%	0.65%	0.68%	0.68%	0.69%	0.70%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%
2004.Q2	0.00%	0.00%	0.01%	0.03%	0.04%	0.09%	0.15%	0.21%	0.28%	0.38%	0.43%	0.53%	0.60%	0.61%	0.62%	0.67%	0.69%	0.72%	0.73%	0.75%	0.75%	0.75%	0.76%	0.76%	0.76%	0.77%	0.77%
2004.Q3	0.00%	0.00%	0.01%	0.01%	0.03%	0.07%	0.17%	0.24%	0.35%	0.42%	0.50%	0.56%	0.61%	0.64%	0.67%	0.79%	0.83%	0.87%	0.88%	0.89%	0.90%	0.90%	0.90%	0.91%	0.91%	0.91%	0.91%
2004.Q4	0.00%	0.00%	0.01%	0.02%	0.06%	0.17%	0.28%	0.30%	0.38%	0.45%	0.53%	0.60%	0.66%	0.69%	0.74%	0.79%	0.83%	0.87%	0.88%	0.88%	0.89%	0.90%	0.90%	0.91%	0.91%	0.91%	0.91%
2005.Q1	0.00%	0.00%	0.01%	0.02%	0.06%	0.10%	0.14%	0.18%	0.26%	0.29%	0.34%	0.40%	0.44%	0.46%	0.50%	0.55%	0.59%	0.62%	0.63%	0.65%	0.66%	0.66%	0.67%	0.67%	0.67%	0.68%	0.68%
2005.Q2	0.00%	0.00%	0.01%	0.04%	0.07%	0.11%	0.16%	0.21%	0.26%	0.31%	0.38%	0.42%	0.47%	0.50%	0.56%	0.67%	0.70%	0.73%	0.74%	0.76%	0.76%	0.76%	0.77%	0.77%	0.77%	0.78%	0.78%
2005.Q3	0.00%	0.00%	0.00%	0.01%	0.05%	0.09%	0.15%	0.20%	0.28%	0.32%	0.37%	0.42%	0.46%	0.56%	0.67%	0.75%	0.76%	0.81%	0.83%	0.84%	0.84%	0.85%	0.85%	0.85%	0.86%	0.86%	0.86%
2005.Q4	0.00%	0.00%	0.01%	0.02%	0.04%	0.10%	0.13%	0.22%	0.27%	0.33%	0.38%	0.44%	0.54%	0.78%	0.82%	0.89%	0.93%	1.01%	1.02%	1.03%	1.04%	1.04%	1.05%	1.05%	1.05%	1.06%	1.06%
2006.Q1	0.00%	0.00%	0.00%	0.01%	0.04%	0.06%	0.13%	0.20%	0.28%	0.33%	0.37%	0.49%	0.64%	0.71%	0.64%	0.70%	0.73%	0.78%	0.84%	0.86%	0.85%	0.85%	0.85%	0.86%	0.86%	0.88%	0.88%
2006.Q2	0.00%	0.00%	0.00%	0.01%	0.03%	0.06%	0.10%	0.15%	0.19%	0.25%	0.36%	0.55%	0.68%	0.62%	0.58%	0.67%	0.72%	0.92%	0.93%	0.91%	0.91%	0.92%	0.93%	0.94%	0.94%	0.95%	0.95%
2006.Q3	0.00%	0.01%	0.01%	0.02%	0.04%	0.10%	0.15%	0.20%	0.25%	0.34%	0.54%	0.76%	0.86%	0.79%	0.85%	0.95%	1.13%	1.18%	1.19%	1.20%	1.21%	1.21%	1.21%	1.22%	1.22%	1.22%	1.22%
2006.Q4	0.00%	0.00%	0.00%	0.03%	0.06%	0.08%	0.11%	0.19%	0.25%	0.39%	0.59%	0.73%	0.81%	0.89%	1.01%	1.29%	1.32%	1.39%	1.41%	1.43%	1.44%	1.44%	1.46%	1.47%	1.48%	1.49%	1.49%
2007.Q1	0.00%	0.00%	0.01%	0.02%	0.04%	0.07%	0.09%	0.17%	0.25%	0.38%	0.47%	0.54%	0.61%	0.67%	0.75%	0.84%	0.90%	0.93%	0.95%	0.96%	0.97%	0.98%	0.98%	0.99%	0.99%	1.00%	1.00%
2007.Q2	0.00%	0.00%	0.00%	0.02%	0.07%	0.10%	0.18%	0.30%	0.46%	0.61%	0.70%	0.82%	0.98%	1.08%	1.17%	1.25%	1.31%	1.35%	1.37%	1.37%	1.38%	1.40%	1.41%	1.41%	1.41%	1.43%	1.43%
2007.Q3	0.00%	0.00%	0.00%	0.01%	0.05%	0.12%	0.20%	0.30%	0.39%	0.45%	0.52%	0.65%	0.77%	0.88%	0.96%	1.06%	1.08%	1.11%	1.14%	1.16%	1.17%	1.18%	1.18%	1.20%	1.21%	1.21%	1.21%
2007.Q4	0.00%	0.00%	0.00%	0.01%	0.08%	0.14%	0.26%	0.43%	0.52%	0.59%	0.74%	1.06%	1.20%	1.30%	1.36%	1.47%	1.52%	1.58%	1.60%	1.63%	1.64%	1.64%	1.65%	1.65%	1.66%	1.68%	1.68%
2008.Q1	0.00%	0.00%	0.01%	0.03%	0.07%	0.18%	0.30%	0.40%	0.47%	0.57%	0.66%	0.76%	0.83%	0.87%	0.96%	1.04%	1.08%	1.16%	1.20%	1.22%	1.22%	1.23%	1.23%	1.23%	1.23%	1.24%	1.24%
2008.Q2	0.00%	0.00%	0.01%	0.03%	0.10%	0.17%	0.27%	0.35%	0.46%	0.81%	0.91%	1.02%	1.13%	1.25%	1.37%	1.52%	1.60%	1.67%	1.70%	1.73%	1.73%	1.73%	1.75%	1.76%	1.76%	1.77%	1.77%
2008.Q3	0.00%	0.00%	0.01%	0.05%	0.11%	0.19%	0.24%	0.34%	0.85%	0.94%	1.07%	1.15%	1.30%	1.51%	1.68%	1.86%	1.96%	2.04%	2.08%	2.11%	2.12%	2.12%	2.14%	2.14%	2.15%	2.15%	2.15%
2008.Q4	0.00%	0.01%	0.01%	0.04%	0.07%	0.10%	0.19%	0.31%	0.42%	0.49%	0.50%	0.59%	0.73%	0.84%	0.96%	1.05%	1.11%	1.16%	1.16%	1.20%	1.22%	1.23%	1.23%	1.24%	1.24%	1.24%	1.24%
2009.Q1	0.00%	0.00%	0.00%	0.02%	0.03%	0.07%	0.13%	0.20%	0.24%	0.25%	0.33%	0.40%	0.47%	0.50%	0.53%	0.59%	0.62%	0.64%	0.66%	0.68%	0.70%	0.70%	0.71%	0.71%	0.71%	0.71%	0.71%
2009.Q2	0.00%	0.00%	0.00%	0.02%	0.05%	0.13%	0.21%	0.25%	0.28%	0.31%	0.36%	0.46%	0.56%	0.62%	0.69%	0.78%	0.81%	0.84%	0.86%	0.90%	0.91%	0.92%	0.92%	0.93%	0.93%	0.94%	0.94%
2009.Q3	0.00%	0.00%	0.01%	0.02%	0.03%	0.08%	0.12%	0.16%	0.17%	0.25%	0.33%	0.43%	0.56%	0.65%	0.70%	0.77%	0.79%	0.83%	0.83%	0.87%	0.88%	0.88%	0.89%	0.89%	0.89%	0.91%	0.91%
2009.Q4	0.00%	0.00%	0.00%	0.01%	0.04%	0.07%	0.10%	0.13%	0.16%	0.25%	0.32%	0.46%	0.60%	0.71%	0.78%	0.85%	0.89%	0.90%	0.91%	0.94%	0.94%	0.95%	0.96%	0.96%	0.97%	0.97%	0.97%
2010.Q1	0.00%	0.00%	0.00%	0.01%	0.03%	0.05%	0.08%	0.12%	0.17%	0.22%	0.32%	0.43%	0.58%	0.64%	0.71%	0.79%	0.82%	0.85%	0.86%	0.89%	0.91%	0.91%	0.92%	0.93%	0.93%	0.93%	0.93%
2010.Q2	0.00%	0.00%	0.01%	0.02%	0.03%	0.05%	0.09%	0.13%	0.19%	0.26%	0.34%	0.46%	0.55%	0.66%	0.72%	0.81%	0.82%	0.83%	0.84%	0.89%	0.90%	0.91%	0.91%	0.92%	0.92%	0.93%	0.93%
2010.Q3	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.11%	0.17%	0.21%	0.27%	0.37%	0.48%	0.63%	0.84%	0.92%	1.00%	1.03%	1.04%	1.06%	1.08%	1.09%	1.09%	1.09%	1.10%	1.10%	1.10%	1.10%
2010.Q4	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.09%	0.14%	0.18%	0.25%	0.32%	0.45%	0.59%	0.70%	0.75%	0.82%	0.85%	0.88%	0.89%	0.92%	0.93%	0.93%	0.94%	0.94%	0.94%	0.94%	0.94%
2011.Q1	0.00%	0.00%	0.00%	0.02%	0.04%	0.07%	0.10%	0.14%	0.18%	0.23%	0.32%	0.46%	0.61%	0.66%	0.71%	0.78%	0.83%	0.85%	0.87%	0.89%	0.90%	0.91%	0.93%	0.93%	0.93%	0.93%	0.93%
2011.Q2	0.00%	0.00%	0.01%	0.02%	0.05%	0.08%	0.12%	0.15%	0.19%	0.26%	0.39%	0.53%	0.63%	0.70%	0.75%	0.85%	0.86%	0.89%	0.90%	0.92%	0.92%	0.92%	0.93%	0.93%	0.93%	0.93%	0.93%
2011.Q3	0.00%	0.00%	0.01%	0.02%	0.05%	0.08%	0.11%	0.14%	0.18%	0.30%	0.40%	0.50%	0.61%	0.71%	0.77%	0.87%	0.92%	0.94%	0.95%	0.97%	0.98%	0.98%	0.99%	0.99%	0.99%	0.99%	0.99%
2011.Q4	0.00%	0.00%	0.01%	0.02%	0.04%	0.06%	0.08%	0.11%	0.16%	0.25%	0.30%	0.41%	0.51%	0.61%	0.66%	0.75%	0.78%	0.81%	0.82%	0.84%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
2012.Q1	0.00%	0.00%	0.00%	0.02%	0.04%	0.06%	0.09%	0.15%	0.19%	0.23%	0.30%	0.36%	0.46%	0.53%	0.58%	0.64%	0.68%	0.69%	0.70%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%
2012.Q2	0.00%	0.00%	0.01%	0.02%	0.03%	0.06%	0.13%	0.19%	0.23%	0.27%	0.32%	0.44%	0.54%	0.66%	0.73%	0.82%	0.85%	0.89%	0.90%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%	0.91%
2012.Q3	0.00%	0.00%	0.00%	0.01%	0.03%	0.07%	0.12%	0.15%	0.19%	0.25%	0.32%	0.43%	0.53%	0.63%	0.72%	0.82%	0.86%	0.88%	0.89%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
2012.Q4	0.00%	0.00%	0.00%	0.02%	0.05%	0.11%	0.16%	0.19%	0.23%	0.30%	0.36%	0.46%	0.55%	0.70%	0.77%	0.85%	0.89%	0.91%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	
2013.Q1	0.00%	0.00%	0.00%	0.01%	0.03%	0.07%	0.11%	0.14%	0.20%	0.24%	0.30%	0.37%	0.47%	0.61%	0.71%	0.79%	0.81%	0.85%	0.86%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%		
2013.Q2	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.12%	0.15%	0.20%	0.25%	0.31%	0.39%	0.52%	0.72%	0.84%	0.91%	0.98%	1.01%	1.02%	1.03%	1.03%	1.03%	1.04%	1.04%			
2013.Q3	0.00%	0.00%	0.00%	0.01%	0.03%	0.07%	0.11%	0.14%	0.17%	0.22%	0.30%	0.39%	0.57%	0.84%	1.03%	1.17%	1.27%	1.33%	1.35%	1.37%	1.37%	1.37%	1.37%				
2013.Q4	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.07%	0.12%	0.16%	0.21%	0.28%	0.42%	0.63%	0.91%	1.16%	1.31%	1.40%	1.46%	1.49%	1.50%	1.50%	1.50%					
2014.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.08%	0.13%	0.16%	0.21%	0.28%	0.40%	0.57%	0.88%	1.18%	1.35%	1.43%	1.49%	1.53%	1.54%	1.54%						
2014.Q2	0.00%	0.00%	0.00%	0.01%	0.02%	0.07%	0.10%	0.13%	0.18%	0.25%	0.34%	0.47%	0.70%	1.05%	1.36%	1.53%	1.65%	1.77%	1.85%	1.87%							
2014.Q3	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.11%	0.15%	0.21%	0.29%	0.39%	0.55%	0.81%	1.20%	1.56%	1.80%	2.00%	2.14%	2.22%								
2014.Q4	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.09%	0.13%	0.20%	0.28%	0.40%	0.54%	0.79%	1.20%	1.60%	1.85%	2.02%	2.13%									
2015.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.12%	0.16%	0.22%	0.29%	0.41%	0.54%	0.76%	1.11%	1.53%	1.78%	1.91%										
2015.Q2	0.00%	0.00%	0.00%	0.00%	0.03%	0.07%	0.13%	0.18%	0.25%	0.32%	0.41%	0.56%	0.77%	1.19%	1.53%	1.72%											
2015.Q3	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.09%	0.15%	0.22%	0.29%	0.38%	0.50%	0.71%	1.03%	1.28%												
2015.Q4	0.00%	0.00%	0.00%	0.02%	0.06%	0.12%	0.17%	0.22%	0.29%	0.36%	0.45%	0.56%	0.74%	0.97%													
2016.Q1	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.11%	0.16%	0.20%	0.27%	0.35%	0.44%	0.56%														
2016.Q2	0.00%	0.00%	0.00%	0.01%	0.04%	0.09%	0.14%	0.19%	0.26%	0.31%	0.40%	0.50%															
2016.Q3	0.00%	0.00%	0.00%	0.01%	0.03%	0.09%	0.12%	0.18%	0.23%	0.28%	0.37%																
2016.Q4	0.00%	0.00%	0.00%	0.02%	0.05%	0.09%	0.15%	0.21%	0.27%	0.33%																	
2017.Q1	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.12%	0.18%	0.24%																		
2017.Q2	0.00%	0.00%	0.00%	0.02%	0.06%	0.12%	0.18%	0.25%																			
2017.Q3	0.00%	0.00%	0.01%	0.02%	0.04%	0.09%	0.19%																				
2017.Q4	0.00%	0.00%	0.00%	0.02%	0.05%	0.11%																					
2018.Q1	0.00%	0.00%	0.00%	0.01%	0.03%																						
2018.Q2	0.00%	0.00%	0.00%	0.01%																							
2018.Q3	0.00%	0.00%	0.00%																								
2018.Q4	0.00%	0.00%																									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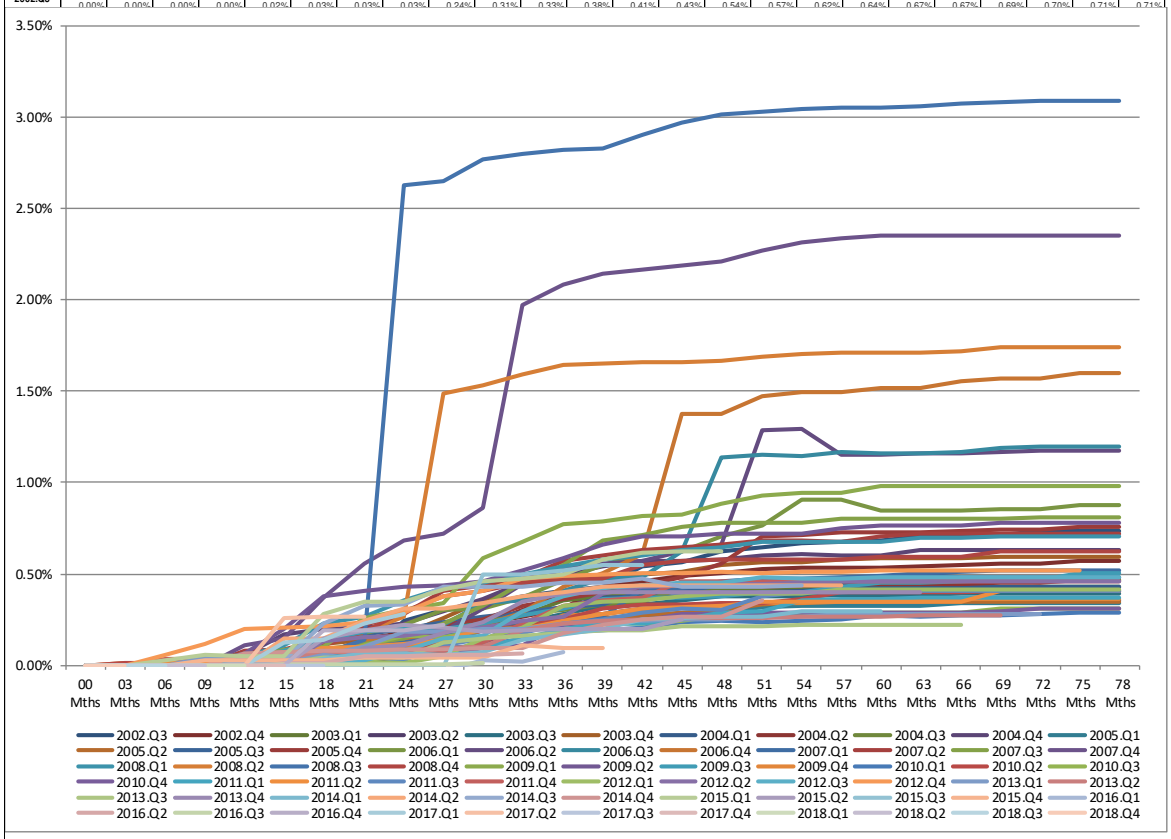
2017.Q4
2018.Q1
2018.Q2
2018.Q3
2018.Q4

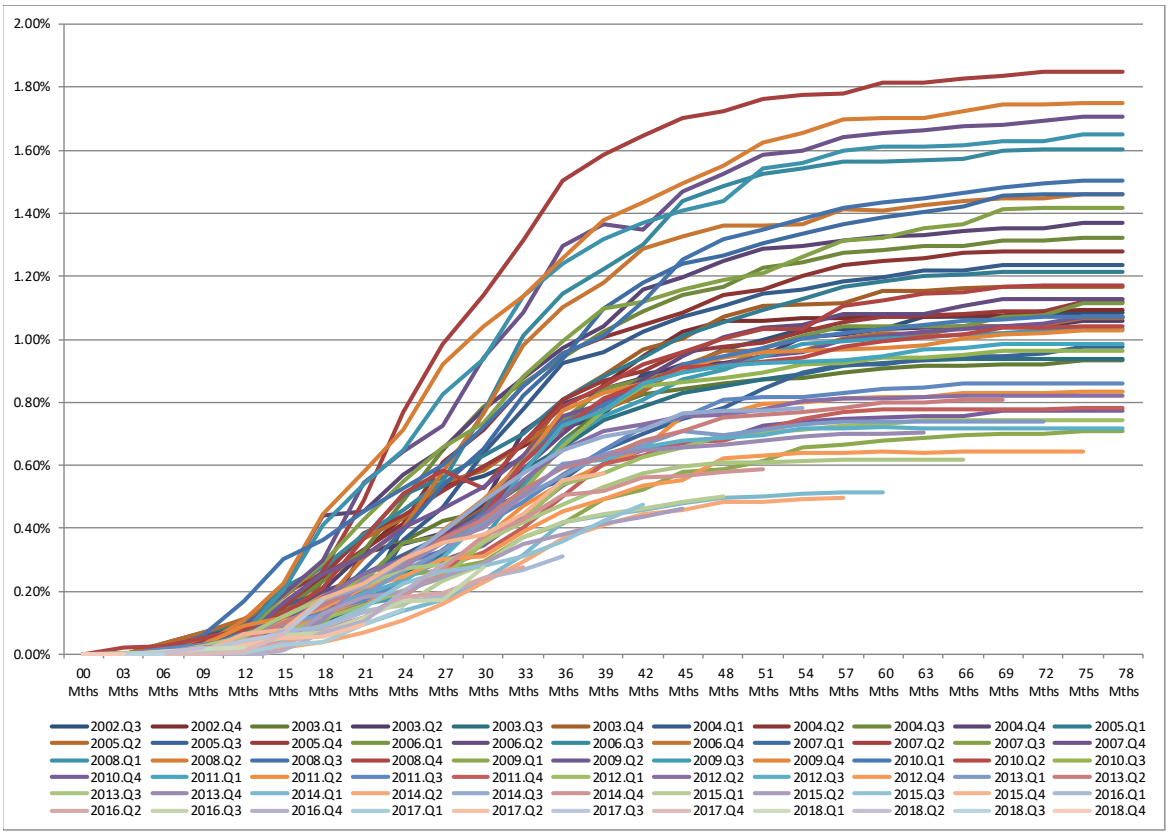
2. Static Net Loss Data – Hp (New Cars)



Cohort Year/Qrt	00 Mths	03 Mths	06 Mths	09 Mths	12 Mths	15 Mths	18 Mths	21 Mths	24 Mths	27 Mths	30 Mths	33 Mths	36 Mths	39 Mths	42 Mths	45 Mths	48 Mths	51 Mths	54 Mths	57 Mths	60 Mths	63 Mths	66 Mths	69 Mths	72 Mths	75 Mths	78 Mths
2002.Q3	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.03%	0.03%	0.24%	0.31%	0.33%	0.38%	0.41%	0.43%	0.54%	0.57%	0.62%	0.64%	0.67%	0.67%	0.69%	0.70%	0.71%	0.71%	0.73%	0.73%	0.73%
2002.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%	0.57%
2003.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.43%	0.43%
2003.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%	0.36%
2003.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.39%	0.39%
2003.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.60%	0.60%
2004.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.43%	0.43%
2004.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.46%	0.46%
2004.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	0.47%
2004.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.63%	0.63%
2005.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.34%
2005.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.35%	0.35%
2005.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.48%	0.48%
2005.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	0.76%
2006.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.88%	0.88%
2006.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.17%	1.17%
2006.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.19%	1.19%
2006.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.60%	1.60%
2007.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.52%	0.52%
2007.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%	0.72%
2007.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%	0.81%
2007.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.35%	2.35%
2008.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	0.70%
2008.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.74%	1.74%
2008.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.09%	3.09%
2008.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.62%	0.62%
2009.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.98%	0.98%
2009.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.78%	0.78%
2009.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.51%
2009.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%	0.36%
2010.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%	0.28%
2010.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.40%	0.40%
2010.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	0.31%
2010.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	0.31%
2011.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.37%	0.37%
2011.Q2	0.00%	0.00%	0.01%	0.01%	0.05%	0.07%	0.09%	0.10%	0.12%	0.14%	0.20%	0.20%	0.25%	0.28%	0.31%	0.32%	0.33%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.41%	0.41%	0.41%	0.41%
2011.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.01%	0.02%	0.11%	0.15%	0.18%	0.23%	0.25%	0.29%	0.31%	0.30%	0.38%	0.40%	0.40%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%
2011.Q4	0.00%	0.00%	0.04%	0.04%	0.04%	0.03%	0.04%	0.05%	0.07%	0.07%	0.12%	0.23%	0.33%	0.35%	0.37%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
2012.Q1	0.00%	0.00%	0.00%	0.00%	-0.02%	-0.02%	0.02%	0.02%	0.02%	0.05%	0.14%	0.21%	0.33%	0.35%	0.36%	0.37%	0.39%	0.39%	0.39%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%
2012.Q2	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.13%	0.15%	0.16%	0.19%	0.20%	0.24%	0.26%	0.39%	0.43%	0.44%	0.44%	0.44%	0.45%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
2012.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.08%	0.15%	0.16%	0.29%	0.38%	0.42%	0.44%	0.45%	0.45%	0.48%	0.47%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
2012.Q4	0.00%	0.00%	0.06%	0.11%	0.20%	0.21%	0.21%	0.24%	0.29%	0.37%	0.41%	0.47%	0.49%	0.50%	0.50%	0.51%	0.51%	0.50%	0.51%	0.51%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	
2013.Q1	0.00%	0.00%	0.00%	0.04%	0.03%	0.04%	0.05%	0.10%	0.18%	0.18%	0.20%	0.20%	0.23%	0.25%	0.24%	0.25%	0.25%	0.27%	0.27%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%		
2013.Q2	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.06%	0.05%	0.09%	0.10%	0.19%	0.23%	0.25%	0.25%	0.25%	0.26%	0.26%	0.26%	0.26%	0.26%	0.27%	0.27%	0.27%			
2013.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%	0.04%	0.04%	0.12%	0.14%	0.16%	0.18%	0.19%	0.19%	0.21%	0.21%	0.21%	0.22%	0.22%	0.22%	0.22%	0.22%				
2013.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%	0.11%	0.18%	0.24%	0.34%	0.39%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%					
2014.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.06%	0.07%	0.06%	0.07%	0.14%	0.17%	0.20%	0.25%	0.26%	0.26%	0.26%	0.29%	0.29%	0.29%						
2014.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.15%	0.24%	0.31%	0.31%	0.34%	0.38%	0.40%	0.43%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%							
2014.Q3	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.22%	0.32%	0.33%	0.43%	0.43%	0.43%	0.45%	0.45%	0.47%	0.43%	0.43%	0.43%	0.44%								
2014.Q4	0.00%	0.00%	0.00%	0.00%	0.07%	0.07%	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%	0.18%	0.22%	0.25%	0.27%	0.27%	0.36%									
2015.Q1	0.00%	0.00%	0.02%	0.06%	0.05%	0.05%	0.28%	0.35%	0.35%	0.41%	0.46%	0.48%	0.50%	0.58%	0.62%	0.62%	0.62%										
2015.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.19%	0.22%	0.20%	0.18%	0.19%	0.20%	0.20%	0.20%	0.25%											
2015.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.01%	-0.01%	-0.01%	-0.01%	0.50%	0.50%	0.52%	0.55%	0.55%												
2015.Q4	0.00%	0.00%	0.00%	0.03%	0.03%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%	0.11%	0.09%	0.09%													
2016.Q1	0.00%	0.00%	0.00%	0.00%	-0.03%	-0.01%	-0.04%	-0.03%	-0.03%	-0.04%	0.02%	0.02%	0.07%														
2016.Q2	0.00%	0.00%	0.00%	-0.04%	-0.02%	0.01%	0.01%	0.05%	0.05%	0.05%	0.05%	0.06%															
2016.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%																
2016.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.19%	0.19%	0.22%																	
2017.Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.14%	0.23%	0.28%																		
2017.Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.26%	0.26%	0.26%																			
2017.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%																				
2017.Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%																					
2018.Q1	0.00%	0.00%	0.00%	0.00%	0.00%																						
2018.Q2	0.00%	0.00%	0.00%	0.00%																							
2018.Q3	0.00%	0.00%	0.00%																								
2018.Q4	0.00%	0.00%																									

3. Static Net Loss Data – Hp (Used Cars)

Cohort Year/Qrt	00 Mths	03 Mths	06 Mths	09 Mths	12 Mths	15 Mths	18 Mths	21 Mths	24 Mths	27 Mths	30 Mths	33 Mths	36 Mths	39 Mths	42 Mths	45 Mths	48 Mths	51 Mths	54 Mths	57 Mths	60 Mths	63 Mths	66 Mths	69 Mths	72 Mths	75 Mths	78 Mths
2002.Q3	0.00%	0.00%	0.03%	0.07%	0.08%	0.10%	0.13%	0.15%	0.41%	0.53%	0.57%	0.62%	0.72%	0.76%	0.89%	0.91%	0.97%	1.00%	1.03%	1.03%	1.03%	1.07%	1.07%	1.07%	1.07%	1.08%	1.08%
2002.Q4	0.00%	0.00%	0.00%	0.02%	0.05%	0.08%	0.11%	0.33%	0.43%	0.52%	0.60%	0.66%	0.73%	0.85%	0.94%	1.02%	1.06%	1.06%	1.07%	1.07%	1.07%	1.07%	1.08%	1.08%	1.09%	1.09%	1.09%
2003.Q1	0.00%	0.00%	0.00%	0.01%	0.03%	0.05%	0.24%	0.32%	0.36%	0.42%	0.46%	0.54%	0.68%	0.78%	0.83%	0.84%	0.86%	0.87%	0.88%	0.89%	0.91%	0.91%	0.92%	0.92%	0.92%	0.93%	0.93%
2003.Q2	0.00%	0.00%	0.00%	0.02%	0.03%	0.08%	0.20%	0.32%	0.35%	0.38%	0.47%	0.71%	0.79%	0.84%	0.88%	0.92%	0.93%	0.95%	1.01%	1.02%	1.03%	1.04%	1.04%	1.04%	1.04%	1.06%	1.06%
2003.Q3	0.00%	0.00%	0.02%	0.03%	0.04%	0.09%	0.19%	0.21%	0.25%	0.32%	0.46%	0.58%	0.66%	0.74%	0.79%	0.83%	0.85%	0.87%	0.89%	0.92%	0.92%	0.93%	0.94%	0.94%	0.94%	0.94%	0.94%
2003.Q4	0.00%	0.00%	0.01%	0.00%	0.07%	0.14%	0.19%	0.25%	0.30%	0.38%	0.46%	0.63%	0.81%	0.89%	0.97%	1.00%	1.07%	1.11%	1.11%	1.12%	1.15%	1.15%	1.16%	1.17%	1.17%	1.17%	1.17%
2004.Q1	0.00%	0.00%	0.01%	0.02%	0.04%	0.07%	0.10%	0.15%	0.36%	0.47%	0.64%	0.78%	0.93%	0.96%	1.02%	1.07%	1.11%	1.14%	1.16%	1.19%	1.20%	1.22%	1.22%	1.24%	1.24%	1.24%	1.24%
2004.Q2	0.00%	0.00%	0.01%	0.04%	0.06%	0.14%	0.25%	0.33%	0.42%	0.61%	0.71%	0.85%	0.96%	1.01%	1.04%	1.08%	1.14%	1.16%	1.20%	1.24%	1.25%	1.26%	1.27%	1.28%	1.28%	1.28%	1.28%
2004.Q3	0.00%	0.00%	0.00%	0.03%	0.06%	0.14%	0.23%	0.33%	0.49%	0.65%	0.79%	0.86%	0.94%	1.02%	1.09%	1.14%	1.17%	1.23%	1.24%	1.28%	1.28%	1.30%	1.30%	1.31%	1.31%	1.32%	1.32%
2004.Q4	0.00%	0.00%	0.02%	0.06%	0.08%	0.22%	0.44%	0.45%	0.57%	0.65%	0.78%	0.88%	0.97%	1.04%	1.16%	1.20%	1.25%	1.29%	1.30%	1.31%	1.33%	1.33%	1.35%	1.35%	1.35%	1.37%	1.37%
2005.Q1	0.00%	0.00%	0.02%	0.07%	0.10%	0.19%	0.26%	0.37%	0.51%	0.56%	0.63%	0.70%	0.81%	0.88%	0.94%	1.01%	1.05%	1.09%	1.13%	1.17%	1.19%	1.20%	1.21%	1.21%	1.21%	1.21%	1.21%
2005.Q2	0.00%	0.00%	0.03%	0.07%	0.11%	0.18%	0.28%	0.37%	0.43%	0.55%	0.58%	0.67%	0.75%	0.77%	0.83%	0.92%	0.96%	0.96%	0.96%	1.00%	1.02%	1.01%	1.04%	1.04%	1.05%	1.07%	1.07%
2005.Q3	0.00%	0.00%	0.00%	0.03%	0.07%	0.16%	0.19%	0.25%	0.31%	0.38%	0.46%	0.51%	0.55%	0.65%	0.70%	0.75%	0.78%	0.84%	0.89%	0.92%	0.92%	0.94%	0.94%	0.95%	0.96%	0.98%	0.98%
2005.Q4	0.00%	0.00%	0.01%	0.02%	0.05%	0.20%	0.25%	0.39%	0.44%	0.52%	0.59%	0.67%	0.81%	0.87%	0.90%	0.96%	0.98%	0.99%	1.02%	1.05%	1.07%	1.08%	1.08%	1.09%	1.09%	1.12%	1.12%
2006.Q1	0.00%	0.00%	0.00%	0.03%	0.08%	0.10%	0.15%	0.23%	0.36%	0.38%	0.41%	0.63%	0.74%	0.84%	0.87%	0.90%	0.91%	0.97%	1.01%	1.04%	1.04%	1.04%	1.04%	1.07%	1.08%	1.12%	1.12%
2006.Q2	0.00%	0.00%	0.00%	0.01%	0.06%	0.11%	0.20%	0.23%	0.27%	0.39%	0.43%	0.59%	0.70%	0.81%	0.87%	0.95%	1.01%	1.04%	1.05%	1.08%	1.08%	1.08%	1.11%	1.13%	1.13%	1.13%	1.13%
2006.Q3	0.00%	0.00%	0.00%	0.02%	0.08%	0.21%	0.28%	0.38%	0.46%	0.55%	0.77%	1.01%	1.14%	1.22%	1.30%	1.44%	1.48%	1.53%	1.54%	1.56%	1.57%	1.57%	1.57%	1.60%	1.60%	1.60%	1.60%
2006.Q4	0.00%	0.00%	0.00%	0.05%	0.08%	0.11%	0.16%	0.31%	0.40%	0.58%	0.76%	0.98%	1.10%	1.18%	1.29%	1.33%	1.36%	1.36%	1.36%	1.41%	1.41%	1.42%	1.44%	1.45%	1.45%	1.46%	1.46%
2007.Q1	0.00%	0.00%	0.00%	0.03%	0.07%	0.11%	0.15%	0.27%	0.39%	0.53%	0.65%	0.82%	0.94%	1.10%	1.18%	1.24%	1.26%	1.30%	1.34%	1.36%	1.39%	1.40%	1.42%	1.46%	1.46%	1.46%	1.46%
2007.Q2	0.00%	0.00%	0.00%	0.04%	0.08%	0.15%	0.26%	0.49%	0.77%	0.98%	1.14%	1.31%	1.50%	1.59%	1.65%	1.70%	1.72%	1.76%	1.77%	1.78%	1.81%	1.82%	1.83%	1.84%	1.85%	1.85%	1.85%
2007.Q3	0.00%	0.00%	0.00%	0.02%	0.05%	0.19%	0.29%	0.43%	0.55%	0.66%	0.73%	0.88%	0.99%	1.10%	1.12%	1.16%	1.19%	1.21%	1.26%	1.32%	1.32%	1.35%	1.36%	1.41%	1.42%	1.42%	1.42%
2007.Q4	0.00%	0.00%	0.00%	0.02%	0.09%	0.19%	0.30%	0.54%	0.64%	0.72%	0.94%	1.08%	1.30%	1.36%	1.35%	1.47%	1.53%	1.58%	1.60%	1.64%	1.66%	1.66%	1.68%	1.68%	1.69%	1.71%	1.71%
2008.Q1	0.00%	0.00%	0.00%	0.02%	0.07%	0.20%	0.41%	0.54%	0.65%	0.83%	0.94%	1.13%	1.24%	1.32%	1.37%	1.41%	1.44%	1.54%	1.56%	1.60%	1.61%	1.61%	1.62%	1.63%	1.63%	1.65%	1.65%
2008.Q2	0.00%	0.00%	0.01%	0.03%	0.11%	0.23%	0.45%	0.58%	0.71%	0.92%	1.04%	1.14%	1.26%	1.38%	1.44%	1.50%	1.55%	1.63%	1.66%	1.70%	1.70%	1.70%	1.72%	1.75%	1.75%	1.75%	1.75%
2008.Q3	0.00%	0.00%	0.01%	0.06%	0.17%	0.30%	0.36%	0.45%	0.52%	0.60%	0.72%	0.85%	0.95%	1.01%	1.12%	1.25%	1.32%	1.35%	1.38%	1.42%	1.43%	1.45%	1.47%	1.48%	1.50%	1.50%	1.50%
2008.Q4	0.00%	0.02%	0.02%	0.05%	0.08%	0.13%	0.21%	0.37%	0.51%	0.58%	0.53%	0.67%	0.79%	0.85%	0.92%	0.96%	1.00%	1.03%	1.03%	1.11%	1.12%	1.14%	1.15%	1.17%	1.17%	1.17%	1.17%
2009.Q1	0.00%	0.00%	0.01%	0.01%	0.01%	0.04%	0.10%	0.21%	0.25%	0.27%	0.30%	0.37%	0.41%	0.49%	0.52%	0.58%	0.59%	0.61%	0.66%	0.66%	0.68%	0.69%	0.69%	0.70%	0.70%	0.71%	0.71%
2009.Q2	0.00%	0.00%	0.00%	0.03%	0.05%	0.16%	0.25%	0.31%	0.40%	0.46%	0.53%	0.63%	0.76%	0.80%	0.86%	0.90%	0.92%	0.94%	0.96%	1.00%	1.01%	1.02%	1.03%	1.04%	1.05%	1.07%	1.07%
2009.Q3	0.00%	0.00%	0.01%	0.02%	0.05%	0.08%	0.13%	0.16%	0.18%	0.28%	0.37%	0.53%	0.67%	0.76%	0.81%	0.87%	0.90%	0.94%	0.99%	0.99%	1.00%	1.01%	1.01%	1.02%	1.03%	1.03%	1.03%
2009.Q4	0.00%	0.00%	0.00%	0.03%	0.09%	0.12%	0.19%	0.23%	0.28%	0.39%	0.49%	0.61%	0.77%	0.83%	0.86%	0.91%	0.94%	0.96%	0.96%	0.97%	0.97%	0.98%	1.00%	1.01%	1.02%	1.03%	1.03%
2010.Q1	0.00%	0.00%	0.00%	0.01%	0.05%	0.09%	0.17%	0.23%	0.29%	0.33%	0.46%	0.61%	0.73%	0.79%	0.85%	0.92%	0.94%	0.97%	1.00%	1.02%	1.03%	1.05%	1.06%	1.06%	1.07%	1.07%	1.07%
2010.Q2	0.00%	0.00%	0.00%	0.01%	0.06%	0.08%	0.14%	0.21%	0.31%	0.37%	0.44%	0.61%	0.72%	0.81%	0.86%	0.91%	0.91%	0.93%	0.94%	0.98%	0.99%	1.01%	1.02%	1.04%	1.04%	1.04%	1.04%
2010.Q3	0.00%	0.00%	0.00%	0.02%	0.03%	0.09%	0.16%	0.25%	0.30%	0.37%	0.42%	0.52%	0.66%	0.77%	0.85%	0.86%	0.88%	0.89%	0.92%	0.93%	0.94%	0.94%	0.95%	0.96%	0.96%	0.96%	0.96%
2010.Q4	0.00%	0.00%	0.00%	0.01%	0.03%	0.10%	0.12%	0.16%	0.24%	0.30%	0.34%	0.44%	0.54%	0.61%	0.65%	0.67%	0.68%	0.73%	0.74%	0.75%	0.75%	0.76%	0.76%	0.77%	0.77%	0.77%	0.77%
2011.Q1	0.00%	0.00%	0.00%	0.02%	0.04%	0.07%	0.11%	0.20%	0.29%	0.35%	0.41%	0.58%	0.72%	0.77%	0.86%	0.90%	0.92%	0.92%	0.93%	0.93%	0.95%	0.97%	0.97%	0.98%	0.98%	0.98%	0.98%
2011.Q2	0.00%	0.00%	0.00%	0.02%	0.05%	0.08%	0.13%	0.17%	0.20%	0.25%	0.37%	0.47%	0.54%	0.60%	0.65%	0.76%	0.76%	0.79%	0.80%	0.81%	0.82%	0.82%	0.83%	0.83%	0.83%	0.83%	0.83%
2011.Q3	0.00%	0.00%	0.02%	0.03%	0.05%	0.10%	0.14%	0.17%	0.23%	0.33%	0.41%	0.48%	0.57%	0.65%	0.72%	0.75%	0.81%	0.82%	0.82%	0.83%	0.84%	0.85%	0.86%	0.86%	0.86%	0.86%	0.86%
2011.Q4	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.08%	0.12%	0.19%	0.28%	0.32%	0.40%	0.50%	0.61%	0.63%	0.67%	0.68%	0.71%	0.75%	0.77%	0.78%	0.78%	0.78%	0.78%	0.78%	0.78%	0.78%
2012.Q1	0.00%	0.00%	0.00%	0.02%	0.02%	0.07%	0.11%	0.16%	0.20%	0.24%	0.35%	0.43%	0.54%	0.57%	0.63%	0.66%	0.69%	0.70%	0.71%	0.73%	0.73%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%
2012.Q2	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.18%	0.25%	0.30%	0.37%	0.44%	0.55%	0.65%	0.71%	0.73%	0.75%	0.76%	0.78%	0.80%	0.81%	0.81%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%
2012.Q3	0.00%	0.00%	0.00%	0.02%	0.04%	0.10%	0.15%	0.19%	0.23%	0.31%	0.43%	0.50%	0.61%	0.62%	0.65%	0.68%	0.68%	0.70%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%
2012.Q4	0.00%	0.00%	0.00%	0.02%	0.04%	0.10%	0.15%	0.21%	0.25%	0.30%	0.31%	0.39%	0.45%	0.49%	0.54%	0.55%	0.62%	0.63%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	
2013.Q1	0.00%	0.00%	0.00%	0.00%	0.05%	0.09%	0.12%	0.19%	0.26%	0.33%	0.42%	0.50%	0.57%	0.64%	0.67%	0.71%	0.70%	0.71%	0.73%	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%		
2013.Q2	0.00%	0.00%	0.00%	0.01%	0.04%	0.10%	0.15%	0.22%	0.28%	0.37%	0.43%	0.52%	0.59%	0.62%	0.68%	0.71%	0.75%	0.76%	0.77%	0.78%	0.80%	0.80%	0.81%	0.81%			
2013.Q3	0.00%	0.00%	0.01%	0.02%	0.06%	0.12%	0.18%	0.21%	0.27%	0.29%	0.36%	0.42%	0.47%	0.53%	0.57%	0.60%	0.61%	0.61%	0.61%	0.62%	0.62%	0.62%	0.62%				
2013.Q4	0.00%	0.00%	0.01%	0.02%	0.03%	0.06%	0.11%	0.24%	0.28%	0.35%	0.40%	0.51%	0.60%	0.63%	0.65%	0.66%	0.67%	0.68%	0.69%	0.70%	0.70%	0.70%					
2014.Q1	0.00%	0.00%	0.00%	0.00%	0.03%	0.04%	0.07%	0.10%	0.14%	0.17%	0.24%	0.32%	0.42%	0.44%	0.46%	0.48%	0.49%	0.50%	0.51%	0.51%	0.51%						
2014.Q2	0.00%	0.00%	0.00%	-0.01%	0.00%	0.02%	0.04%	0.07%	0.11%	0.16%	0.23%	0.29%	0.37%	0.41%	0.45%	0.46%	0.48%	0.48%	0.49%	0.49%							
2014.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.17%	0.21%	0.30%	0.39%	0.49%	0.57%	0.65%	0.69%	0.71%	0.77%	0.77%	0.77%	0.78%								
2014.Q4	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.08%	0.11%	0.18%	0.27%	0.38%	0.43%	0.50%	0.52%	0.56%	0.56%	0.58%	0.59%									
2015.Q1	0.00%	0.00%	0.00%	0.00%	0.02%	0.06%	0.09%	0.14%	0.16%	0.23%	0.29%	0.37%	0.42%	0.44%	0.46%	0.49%	0.50%										
2015.Q2	0.00%	0.00%	0.00%	0.02%	0.02%	0.04%	0.13%	0.18%	0.20%	0.24%	0.29%	0.35%	0.38%	0.42%	0.44%	0.46%											
2015.Q3	0.00%	0.00%	0.00%	0.00%	-0.01%	0.04%	0.09%	0.15%	0.23%	0.26%	0.28%	0.31%	0.36%	0.42%	0.48%												
2015.Q4	0.00%	0.00%	0.00%	0.01%	0.06%	0.08%	0.18%	0.22%	0.30%	0.35%	0.38%	0.44%	0.55%	0.57%													
2016.Q1	0.00%	0.00%	0.00%	0.00%	0.03%	0.07%	0.09%	0.14%	0.16%	0.19%	0.24%	0.27%	0.31%														
2016.Q2	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.07%	0.12%	0.18%	0.20%	0.24%	0.28%															
2016.Q3	0.00%	0.00%	0.00%	0.00%	0.02%	0.06%	0.07%	0.12%	0.17%	0.17%	0.27%																
2016.Q4	0.00%	0.00%	0.00%	0.00%	-0.01%	0.01%	0.07%	0.10%	0.20%	0.28%																	
2017.Q1	0.00%	0.00%	0.00%	0.01%	0.01%	0.03%	0.04%	0.09%	0.14%																		
2017.Q2	0.00%	0.00%	0.00%	0.02%	0.03%	0.05%	0.05%	0.10%																			
2017.Q3	0.00%	0.00%	0.01%	0.01%	0.04%	0.07%	0.17%																				
2017.Q4	0.00%	0.00%	0.00%	0.00%	0.01%	0.07%																					
2018.Q1	0.00%	0.00%	0.01%	0.02%	0.02%																						
2018.Q2	0.00%	0.00%	0.01%	0.02%																							
2018.Q3	0.00%	0.00%	0.00%																								
2018.Q4	0.00%	0.00%																									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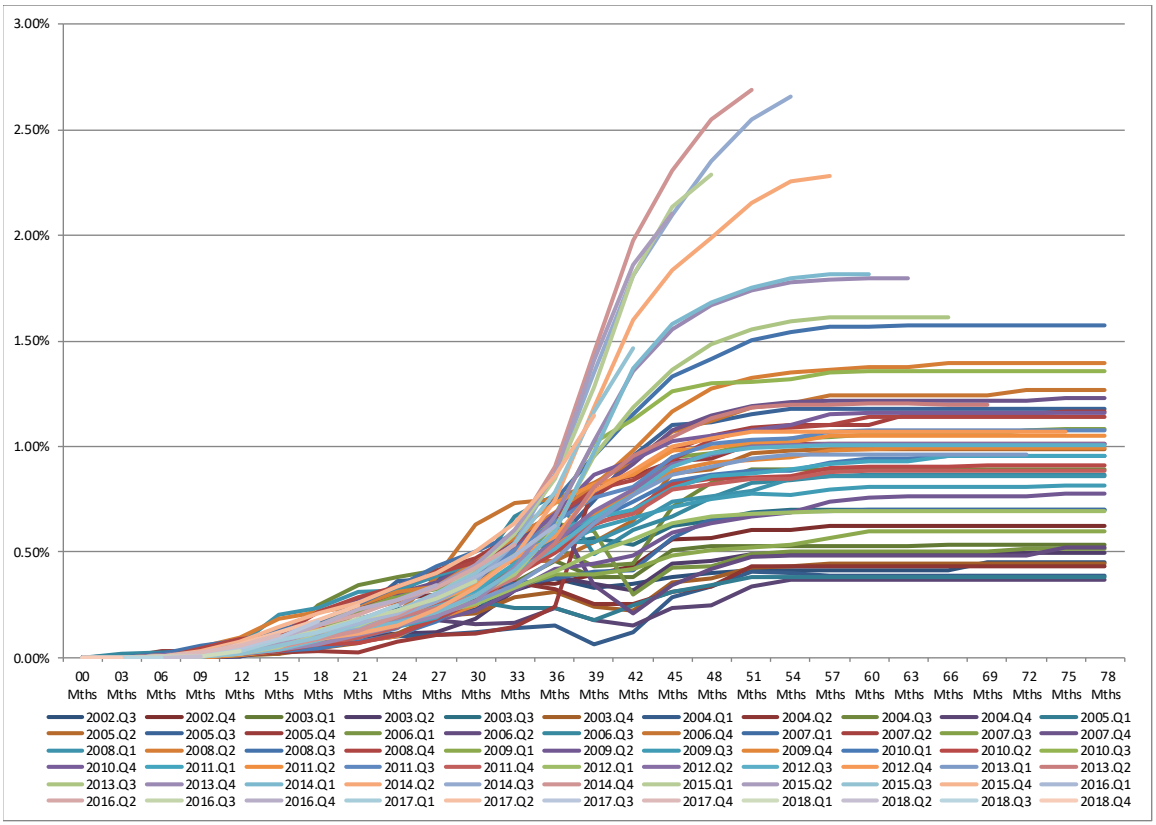
2018.Q4

4. Static New Loss Data – Pcp (New Cars)

Cohort Year/Qrt	00 Mths	03 Mths	06 Mths	09 Mths	12 Mths	15 Mths	18 Mths	21 Mths	24 Mths	27 Mths	30 Mths	33 Mths	36 Mths	39 Mths	42 Mths	45 Mths	48 Mths	51 Mths	54 Mths	57 Mths	60 Mths	63 Mths	66 Mths	69 Mths	72 Mths	75 Mths	78 Mths
2002.Q3	0.00%	0.00%	0.00%	0.00%	0.03%	0.06%	0.06%	0.07%	0.16%	0.19%	0.23%	0.32%	0.37%	0.33%	0.35%	0.38%	0.40%	0.42%	0.41%	0.41%	0.41%	0.41%	0.41%	0.45%	0.45%	0.45%	0.45%
2002.Q4	0.00%	0.00%	0.00%	0.00%	0.02%	0.05%	0.08%	0.25%	0.28%	0.30%	0.31%	0.36%	0.35%	0.40%	0.43%	0.56%	0.57%	0.61%	0.61%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%
2003.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.08%	0.17%	0.21%	0.24%	0.31%	0.36%	0.46%	0.38%	0.38%	0.51%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
2003.Q2	0.00%	0.01%	0.01%	0.03%	0.03%	0.04%	0.08%	0.10%	0.11%	0.12%	0.18%	0.32%	0.38%	0.35%	0.32%	0.45%	0.46%	0.49%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
2003.Q3	0.00%	0.00%	0.00%	0.01%	0.03%	0.06%	0.07%	0.18%	0.23%	0.27%	0.43%	0.46%	0.53%	0.57%	0.54%	0.62%	0.65%	0.69%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
2003.Q4	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.07%	0.11%	0.20%	0.21%	0.28%	0.31%	0.24%	0.22%	0.36%	0.37%	0.43%	0.43%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
2004.Q1	0.00%	0.00%	0.01%	0.01%	0.01%	0.04%	0.06%	0.07%	0.10%	0.11%	0.12%	0.14%	0.16%	0.06%	0.12%	0.29%	0.34%	0.41%	0.40%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%
2004.Q2	0.00%	0.00%	0.03%	0.03%	0.04%	0.05%	0.05%	0.14%	0.22%	0.26%	0.27%	0.36%	0.32%	0.25%	0.25%	0.31%	0.34%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
2004.Q3	0.00%	0.00%	0.01%	0.01%	0.04%	0.07%	0.25%	0.34%	0.38%	0.41%	0.46%	0.54%	0.52%	0.43%	0.45%	0.71%	0.83%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%	0.89%
2004.Q4	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%	0.12%	0.18%	0.19%	0.18%	0.16%	0.16%	0.23%	0.18%	0.15%	0.23%	0.24%	0.34%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%
2005.Q1	0.00%	0.00%	0.00%	0.00%	0.04%	0.08%	0.11%	0.13%	0.23%	0.23%	0.27%	0.24%	0.23%	0.18%	0.25%	0.31%	0.35%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%
2005.Q2	0.00%	0.00%	0.01%	0.03%	0.03%	0.05%	0.10%	0.22%	0.26%	0.36%	0.41%	0.46%	0.46%	0.55%	0.65%	0.87%	0.89%	0.97%	0.98%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
2005.Q3	0.00%	0.00%	0.00%	0.02%	0.04%	0.06%	0.16%	0.21%	0.36%	0.37%	0.43%	0.51%	0.55%	0.74%	0.95%	1.10%	1.12%	1.16%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%
2005.Q4	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.03%	0.03%	0.08%	0.11%	0.11%	0.15%	0.24%	0.82%	0.86%	0.93%	0.94%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%
2006.Q1	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%	0.11%	0.17%	0.22%	0.26%	0.33%	0.42%	0.63%	0.60%	0.30%	0.43%	0.43%	0.49%	0.51%	0.51%	0.51%	0.51%	0.51%	0.51%	0.52%	0.52%	0.52%
2006.Q2	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.09%	0.14%	0.16%	0.21%	0.35%	0.55%	0.68%	0.34%	0.21%	0.35%	0.42%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%
2006.Q3	0.00%	0.02%	0.02%	0.03%	0.04%	0.06%	0.12%	0.13%	0.16%	0.25%	0.41%	0.67%	0.77%	0.49%	0.60%	0.67%	0.76%	0.83%	0.84%	0.86%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%
2006.Q4	0.00%	0.00%	0.00%	0.01%	0.03%	0.06%	0.08%	0.13%	0.21%	0.38%	0.63%	0.73%	0.75%	0.83%	0.93%	1.07%	1.12%	1.19%	1.20%	1.24%	1.24%	1.24%	1.24%	1.24%	1.27%	1.27%	1.27%
2007.Q1	0.00%	0.00%	0.02%	0.02%	0.04%	0.05%	0.07%	0.10%	0.17%	0.28%	0.33%	0.35%	0.37%	0.41%	0.42%	0.57%	0.65%	0.68%	0.69%	0.69%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
2007.Q2	0.00%	0.00%	0.00%	0.02%	0.04%	0.09%	0.13%	0.22%	0.30%	0.42%	0.47%	0.58%	0.68%	0.77%	0.88%	0.98%	1.05%	1.09%	1.10%	1.10%	1.10%	1.16%	1.16%	1.16%	1.16%	1.16%	1.16%
2007.Q3	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.17%	0.22%	0.29%	0.32%	0.40%	0.51%	0.59%	0.66%	0.78%	0.95%	0.97%	1.02%	1.04%	1.04%	1.05%	1.05%	1.05%	1.05%	1.08%	1.08%	1.08%
2007.Q4	0.00%	0.00%	0.00%	0.00%	0.06%	0.11%	0.21%	0.28%	0.30%	0.36%	0.45%	0.55%	0.64%	0.78%	0.92%	1.08%	1.15%	1.19%	1.21%	1.21%	1.21%	1.21%	1.21%	1.21%	1.21%	1.23%	1.23%
2008.Q1	0.00%	0.00%	0.00%	0.04%	0.06%	0.20%	0.24%	0.31%	0.32%	0.39%	0.45%	0.50%	0.55%	0.55%	0.63%	0.74%	0.76%	0.79%	0.85%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%
2008.Q2	0.00%	0.00%	0.00%	0.05%	0.09%	0.18%	0.22%	0.25%	0.31%	0.34%	0.45%	0.57%	0.69%	0.82%	0.98%	1.17%	1.27%	1.33%	1.35%	1.36%	1.38%	1.38%	1.39%	1.39%	1.39%	1.39%	1.39%
2008.Q3	0.00%	0.00%	0.02%	0.05%	0.08%	0.13%	0.17%	0.26%	0.34%	0.43%	0.50%	0.59%	0.74%	0.95%	1.15%	1.33%	1.41%	1.50%	1.54%	1.56%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%
2008.Q4	0.00%	0.00%	0.00%	0.04%	0.09%	0.10%	0.21%	0.28%	0.34%	0.40%	0.45%	0.53%	0.67%	0.79%	0.84%	0.94%	1.04%	1.08%	1.09%	1.10%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
2009.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.16%	0.17%	0.19%	0.19%	0.26%	0.33%	0.39%	0.39%	0.42%	0.48%	0.51%	0.52%	0.54%	0.57%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
2009.Q2	0.00%	0.00%	0.00%	0.02%	0.06%	0.09%	0.11%	0.14%	0.15%	0.18%	0.22%	0.32%	0.42%	0.45%	0.48%	0.59%	0.64%	0.67%	0.69%	0.74%	0.76%	0.77%	0.77%	0.77%	0.77%	0.78%	0.78%
2009.Q3	0.00%	0.00%	0.01%	0.03%	0.03%	0.06%	0.10%	0.15%	0.15%	0.24%	0.33%	0.39%	0.52%	0.61%	0.66%	0.71%	0.75%	0.78%	0.77%	0.79%	0.81%	0.81%	0.81%	0.81%	0.81%	0.82%	0.82%
2009.Q4	0.00%	0.00%	0.00%	0.00%	0.01%	0.03%	0.06%	0.07%	0.10%	0.18%	0.25%	0.40%	0.53%	0.68%	0.78%	0.89%	0.92%	0.94%	0.95%	0.98%	0.99%	0.99%	0.99%	0.99%	0.99%	1.00%	1.00%
2010.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.03%	0.04%	0.07%	0.11%	0.17%	0.29%	0.40%	0.56%	0.65%	0.74%	0.83%	0.87%	0.89%	0.88%	0.92%	0.94%	0.94%	0.95%	0.95%	0.95%	0.96%	0.96%
2010.Q2	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	0.06%	0.07%	0.11%	0.18%	0.27%	0.39%	0.49%	0.63%	0.70%	0.82%	0.84%	0.85%	0.86%	0.90%	0.90%	0.90%	0.90%	0.91%	0.91%	0.91%	0.91%
2010.Q3	0.00%	0.00%	0.00%	0.00%	0.02%	0.06%	0.10%	0.13%	0.16%	0.21%	0.35%	0.50%	0.67%	1.02%	1.13%	1.26%	1.30%	1.31%	1.32%	1.35%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%
2010.Q4	0.00%	0.00%	0.00%	0.01%	0.03%	0.08%	0.08%	0.14%	0.18%	0.27%	0.36%	0.52%	0.68%	0.87%	0.94%	1.03%	1.05%	1.08%	1.10%	1.15%	1.16%	1.16%	1.16%	1.16%	1.16%	1.16%	1.16%
2011.Q1	0.00%	0.00%	0.00%	0.03%	0.05%	0.07%	0.11%	0.13%	0.14%	0.19%	0.32%	0.44%	0.60%	0.66%	0.70%	0.80%	0.86%	0.87%	0.89%	0.92%	0.93%	0.93%	0.96%	0.96%	0.96%	0.96%	0.96%
2011.Q2	0.00%	0.00%	0.01%	0.01%	0.03%	0.07%	0.11%	0.13%	0.17%	0.27%	0.42%	0.60%	0.73%	0.82%	0.86%	0.98%	1.00%	1.02%	1.02%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%	1.05%
2011.Q3	0.00%	0.00%	0.00%	0.02%	0.05%	0.07%	0.08%	0.10%	0.14%	0.27%	0.38%	0.51%	0.64%	0.76%	0.81%	0.95%	1.01%	1.03%	1.04%	1.07%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%
2011.Q4	0.00%	0.00%	0.01%	0.01%	0.05%	0.06%	0.07%	0.10%	0.15%	0.26%	0.29%	0.41%	0.52%	0.63%	0.68%	0.80%	0.82%	0.85%	0.85%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%
2012.Q1	0.00%	0.00%	0.01%	0.03%	0.04%	0.06%	0.08%	0.13%	0.18%	0.21%	0.26%	0.33%	0.41%	0.49%	0.56%	0.64%	0.67%	0.68%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%
2012.Q2	0.00%	0.00%	0.01%	0.02%	0.03%	0.07%	0.11%	0.16%	0.20%	0.24%	0.29%	0.42%	0.54%	0.70%	0.79%	0.92%	0.96%	1.00%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%
2012.Q3	0.00%	0.00%	0.01%	0.01%	0.03%	0.06%	0.11%	0.14%	0.18%	0.24%	0.30%	0.41%	0.52%	0.66%	0.77%	0.91%	0.96%	1.00%	1.00%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%	1.01%
2012.Q4	0.00%	0.00%	0.00%	0.01%	0.04%	0.09%	0.13%	0.16%	0.19%	0.27%	0.34%	0.47%	0.57%	0.79%	0.88%	1.00%	1.04%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	
2013.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.07%	0.10%	0.12%	0.17%	0.21%	0.27%	0.34%	0.46%	0.64%	0.77%	0.87%	0.90%	0.94%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%		
2013.Q2	0.00%	0.00%	0.01%	0.02%	0.04%	0.09%	0.11%	0.14%	0.19%	0.23%	0.29%	0.37%	0.54%	0.81%	0.96%	1.04%	1.13%	1.18%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%			
2013.Q3	0.00%	0.00%	0.00%	0.02%	0.03%	0.07%	0.09%	0.12%	0.16%	0.21%	0.29%	0.39%	0.61%	0.95%	1.18%	1.36%	1.48%	1.56%	1.59%	1.61%	1.61%	1.61%	1.61%				
2013.Q4	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.06%	0.11%	0.16%	0.20%	0.26%	0.43%	0.67%	1.03%	1.36%	1.56%	1.67%	1.74%	1.78%	1.79%	1.80%	1.80%					
2014.Q1	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.08%	0.14%	0.17%	0.22%	0.29%	0.41%	0.60%	0.98%	1.37%	1.58%	1.68%	1.75%	1.79%	1.81%	1.81%						
2014.Q2	0.00%	0.00%	0.00%	0.01%	0.03%	0.05%	0.09%	0.12%	0.15%	0.23%	0.33%	0.48%	0.75%	1.19%	1.60%	1.83%	1.99%	2.15%	2.25%	2.28%							
2014.Q3	0.00%	0.00%	0.00%	0.01%	0.03%	0.05%	0.10%	0.14%	0.19%	0.27%	0.36%	0.54%	0.87%	1.35%	1.81%	2.10%	2.35%	2.55%	2.66%								
2014.Q4	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.09%	0.13%	0.20%	0.30%	0.42%	0.60%	0.90%	1.45%	1.97%	2.30%	2.55%	2.69%									
2015.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.12%	0.15%	0.22%	0.30%	0.42%	0.59%	0.84%	1.28%	1.81%	2.13%	2.29%										
2015.Q2	0.00%	0.00%	0.00%	0.00%	0.03%	0.07%	0.13%	0.18%	0.25%	0.34%	0.44%	0.61%	0.87%	1.41%	1.86%	2.10%											
2015.Q3	0.00%	0.00%	0.00%	0.00%	0.02%	0.06%	0.10%	0.16%	0.23%	0.31%	0.40%	0.54%	0.78%	1.17%	1.47%												
2015.Q4	0.00%	0.00%	0.01%	0.03%	0.08%	0.15%	0.21%	0.26%	0.33%	0.40%	0.50%	0.64%	0.86%	1.14%													
2016.Q1	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.12%	0.17%	0.21%	0.30%	0.38%	0.49%	0.63%														
2016.Q2	0.00%	0.00%	0.00%	0.01%	0.05%	0.09%	0.15%	0.20%	0.28%	0.33%	0.43%	0.54%															
2016.Q3	0.00%	0.00%	0.00%	0.02%	0.03%	0.09%	0.12%	0.18%	0.22%	0.28%	0.36%																
2016.Q4	0.00%	0.00%	0.00%	0.02%	0.06%	0.10%	0.15%	0.23%	0.27%	0.34%																	
2017.Q1	0.00%	0.00%	0.00%	0.01%	0.03%	0.08%	0.12%	0.18%	0.25%																		
2017.Q2	0.00%	0.00%	0.00%	0.01%	0.06%	0.12%	0.18%	0.25%																			
2017.Q3	0.00%	0.00%	0.00%	0.01%	0.04%	0.09%	0.17%																				
2017.Q4	0.00%	0.00%	0.00%	0.02%	0.06%	0.11%																					
2018.Q1	0.00%	0.00%	0.00%	0.01%	0.03%																						
2018.Q2	0.00%	0.00%	0.00%	0.01%																							
2018.Q3	0.00%	0.00%	0.00%																								
2018.Q4	0.00%	0.00%																									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5. Static Net Loss Data – Pcp (Used Cars)

Cohort Year/Qrt	00 Mths	03 Mths	06 Mths	09 Mths	12 Mths	15 Mths	18 Mths	21 Mths	24 Mths	27 Mths	30 Mths	33 Mths	36 Mths	39 Mths	42 Mths	45 Mths	48 Mths	51 Mths	54 Mths	57 Mths	60 Mths	63 Mths	66 Mths	69 Mths	72 Mths	75 Mths	78 Mths
2002.Q3	0.00%	0.00%	0.00%	0.02%	0.05%	0.05%	0.08%	0.07%	0.36%	0.59%	0.69%	0.85%	0.95%	1.07%	1.16%	1.21%	1.21%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
2002.Q4	0.00%	0.00%	0.00%	0.03%	0.07%	0.10%	0.17%	0.47%	0.69%	0.76%	0.98%	1.10%	1.10%	1.35%	1.39%	1.44%	1.47%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.50%	1.50%	1.50%
2003.Q1	0.00%	0.00%	0.00%	0.06%	0.08%	0.17%	0.24%	0.29%	0.49%	0.56%	0.68%	0.86%	1.13%	1.25%	1.31%	1.47%	1.48%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.89%	1.89%
2003.Q2	0.00%	0.00%	-0.01%	0.01%	0.02%	0.05%	0.18%	0.18%	0.19%	0.27%	0.56%	0.91%	1.02%	1.16%	1.37%	1.47%	1.54%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.61%	1.61%
2003.Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.26%	0.32%	0.38%	0.93%	0.98%	1.03%	1.08%	1.14%	1.35%	1.61%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.81%	1.81%
2003.Q4	0.00%	0.00%	0.04%	0.08%	0.12%	0.14%	0.17%	0.23%	0.42%	0.80%	0.93%	0.96%	0.96%	0.95%	0.90%	1.07%	1.07%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%
2004.Q1	0.00%	0.00%	0.00%	0.03%	0.08%	0.15%	0.39%	0.44%	0.61%	0.72%	0.87%	1.13%	1.20%	1.04%	1.09%	1.17%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%	1.19%
2004.Q2	0.00%	0.00%	0.08%	0.12%	0.18%	0.35%	0.40%	0.51%	0.52%	0.65%	0.69%	0.73%	0.78%	0.75%	0.69%	0.93%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%
2004.Q3	0.00%	0.00%	0.05%	0.06%	0.05%	0.06%	0.11%	0.18%	0.53%	0.41%	0.52%	0.60%	0.77%	0.80%	0.79%	1.08%	1.11%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%
2004.Q4	0.00%	0.00%	0.00%	0.00%	0.06%	0.18%	0.24%	0.33%	0.60%	0.78%	0.92%	0.94%	0.94%	0.92%	0.96%	1.12%	1.28%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%
2005.Q1	0.00%	0.00%	0.02%	0.04%	0.07%	0.18%	0.20%	0.22%	0.39%	0.40%	0.55%	0.69%	0.69%	0.74%	0.84%	0.97%	1.13%	1.16%	1.16%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.30%	1.30%
2005.Q2	0.00%	0.00%	0.00%	0.06%	0.09%	0.20%	0.32%	0.38%	0.48%	0.47%	0.52%	0.58%	0.64%	0.71%	0.94%	1.43%	1.52%	1.54%	1.54%	1.62%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%
2005.Q3	0.00%	0.00%	0.01%	0.01%	0.04%	0.05%	0.08%	0.12%	0.23%	0.31%	0.33%	0.40%	0.45%	0.58%	0.78%	0.94%	0.91%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%
2005.Q4	0.00%	0.00%	0.02%	0.05%	0.07%	0.17%	0.32%	0.69%	0.69%	0.71%	0.87%	0.95%	1.11%	1.57%	1.62%	1.79%	1.86%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
2006.Q1	0.00%	0.00%	0.00%	0.00%	0.07%	0.09%	0.14%	0.26%	0.40%	0.46%	0.53%	0.61%	0.85%	1.06%	1.00%	1.09%	1.14%	1.15%	1.15%	1.21%	1.24%	1.24%	1.24%	1.24%	1.24%	1.31%	1.31%
2006.Q2	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.06%	0.07%	0.12%	0.19%	0.36%	0.66%	0.95%	0.93%	0.74%	0.82%	0.83%	0.91%	0.96%	0.98%	0.98%	1.04%	1.04%	1.08%	1.08%	1.08%	1.08%
2006.Q3	0.00%	0.00%	0.00%	0.02%	0.05%	0.11%	0.15%	0.22%	0.28%	0.39%	0.87%	1.36%	1.49%	1.40%	1.43%	1.44%	1.43%	1.52%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%
2006.Q4	0.00%	0.00%	0.00%	0.05%	0.14%	0.18%	0.20%	0.21%	0.26%	0.50%	0.96%	1.18%	1.21%	1.24%	1.51%	1.60%	1.62%	1.86%	1.90%	1.90%	1.89%	1.90%	1.90%	1.94%	1.94%	1.94%	1.94%
2007.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.12%	0.14%	0.34%	0.49%	0.91%	1.15%	1.33%	1.52%	1.52%	1.63%	1.83%	1.93%	1.99%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.06%	2.06%
2007.Q2	0.00%	0.00%	0.00%	0.03%	0.06%	0.07%	0.18%	0.27%	0.55%	0.71%	0.84%	1.02%	1.49%	1.75%	1.99%	2.20%	2.41%	2.58%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.70%	2.70%
2007.Q3	0.00%	0.00%	0.00%	0.02%	0.07%	0.20%	0.30%	0.63%	0.79%	0.82%	0.84%	0.99%	1.36%	1.52%	1.71%	1.76%	1.77%	1.86%	1.90%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%
2007.Q4	0.00%	0.00%	0.03%	0.05%	0.06%	0.06%	0.17%	0.39%	0.60%	0.76%	0.90%	1.14%	1.24%	1.36%	1.43%	1.56%	1.59%	1.66%	1.69%	1.76%	1.80%	1.80%	1.80%	1.80%	1.87%	1.95%	1.95%
2008.Q1	0.00%	0.00%	0.05%	0.08%	0.11%	0.24%	0.42%	0.69%	0.83%	0.94%	1.19%	1.34%	1.55%	1.64%	2.00%	2.17%	2.34%	2.64%	2.79%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%
2008.Q2	0.00%	0.00%	0.02%	0.04%	0.14%	0.18%	0.29%	0.46%	0.70%	0.80%	0.94%	1.09%	1.26%	1.53%	1.85%	2.30%	2.44%	2.65%	2.72%	2.76%	2.76%	2.76%	2.76%	2.76%	2.79%	2.82%	2.82%
2008.Q3	0.00%	0.00%	0.00%	0.10%	0.19%	0.32%	0.39%	0.57%	0.81%	1.00%	1.27%	1.37%	1.69%	2.30%	2.54%	2.90%	3.15%	3.35%	3.41%	3.47%	3.48%	3.48%	3.51%	3.51%	3.51%	3.51%	3.51%
2008.Q4	0.00%	0.00%	0.00%	0.04%	0.04%	0.08%	0.16%	0.36%	0.55%	0.64%	0.64%	0.71%	0.94%	1.20%	1.53%	1.73%	1.79%	1.90%	1.91%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%
2009.Q1	0.00%	0.00%	0.01%	0.06%	0.06%	0.14%	0.14%	0.22%	0.31%	0.30%	0.40%	0.43%	0.54%	0.59%	0.61%	0.72%	0.75%	0.77%	0.78%	0.81%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%
2009.Q2	0.00%	0.00%	0.01%	0.02%	0.04%	0.10%	0.27%	0.29%	0.31%	0.32%	0.37%	0.51%	0.59%	0.73%	0.91%	1.05%	1.09%	1.12%	1.17%	1.19%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
2009.Q3	0.00%	0.00%	0.00%	0.01%	0.01%	0.12%	0.14%	0.16%	0.19%	0.27%	0.36%	0.52%	0.71%	0.84%	0.96%	1.11%	1.13%	1.17%	1.17%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.32%	1.32%
2009.Q4	0.00%	0.00%	-0.01%	0.00%	0.03%	0.08%	0.08%	0.15%	0.19%	0.30%	0.38%	0.63%	0.85%	1.03%	1.21%	1.27%	1.34%	1.35%	1.40%	1.46%	1.46%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%
2010.Q1	0.00%	0.00%	0.01%	0.02%	0.04%	0.07%	0.08%	0.16%	0.23%	0.30%	0.42%	0.54%	0.82%	0.87%	0.94%	1.04%	1.12%	1.22%	1.24%	1.28%	1.30%	1.30%	1.30%	1.33%	1.33%	1.33%	1.33%
2010.Q2	0.00%	0.00%	0.00%	0.02%	0.05%	0.06%	0.08%	0.19%	0.34%	0.42%	0.50%	0.59%	0.65%	0.76%	0.85%	0.97%	1.00%	1.01%	1.01%	1.16%	1.17%	1.17%	1.19%	1.19%	1.19%	1.22%	1.22%
2010.Q3	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	0.13%	0.19%	0.24%	0.33%	0.43%	0.57%	0.75%	0.85%	0.90%	0.98%	1.01%	1.06%	1.07%	1.12%	1.12%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%
2010.Q4	0.00%	0.00%	0.00%	0.00%	0.05%	0.06%	0.09%	0.15%	0.18%	0.23%	0.30%	0.48%	0.61%	0.68%	0.70%	0.82%	0.89%	0.91%	0.92%	0.95%	0.96%	0.97%	0.98%	0.98%	0.98%	0.98%	0.98%
2011.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.07%	0.09%	0.12%	0.17%	0.20%	0.30%	0.52%	0.74%	0.72%	0.74%	0.85%	0.89%	0.97%	0.98%	1.03%	1.06%	1.06%	1.06%	1.06%	1.07%	1.07%	1.07%
2011.Q2	0.00%	0.00%	0.02%	0.02%	0.10%	0.17%	0.20%	0.25%	0.29%	0.34%	0.46%	0.57%	0.63%	0.69%	0.72%	0.84%	0.86%	0.89%	0.95%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%
2011.Q3	0.00%	0.00%	0.00%	0.03%	0.06%	0.17%	0.23%	0.31%	0.34%	0.49%	0.62%	0.69%	0.81%	0.88%	0.97%	1.11%	1.13%	1.17%	1.17%	1.19%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
2011.Q4	0.00%	0.00%	0.03%	0.06%	0.07%	0.09%	0.11%	0.18%	0.23%	0.28%	0.34%	0.51%	0.57%	0.62%	0.75%	0.85%	0.96%	1.00%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%
2012.Q1	0.00%	0.00%	0.00%	0.03%	0.05%	0.08%	0.16%	0.29%	0.30%	0.45%	0.48%	0.53%	0.69%	0.70%	0.76%	0.79%	0.87%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.91%	0.91%
2012.Q2	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.16%	0.26%	0.28%	0.31%	0.36%	0.42%	0.47%	0.55%	0.56%	0.63%	0.67%	0.73%	0.76%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
2012.Q3	0.00%	0.00%	0.00%	0.02%	0.04%	0.16%	0.21%	0.23%	0.26%	0.31%	0.35%	0.49%	0.57%	0.60%	0.62%	0.67%	0.72%	0.72%	0.73%	0.74%	0.74%	0.75%	0.75%	0.75%	0.75%	0.74%	0.74%
2012.Q4	0.00%	0.00%	0.00%	0.01%	0.03%	0.20%	0.27%	0.28%	0.34%	0.40%	0.45%	0.51%	0.58%	0.66%	0.70%	0.73%	0.78%	0.79%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	
2013.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.14%	0.18%	0.26%	0.30%	0.35%	0.39%	0.46%	0.53%	0.63%	0.68%	0.69%	0.73%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%		
2013.Q2	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.10%	0.15%	0.19%	0.26%	0.28%	0.38%	0.45%	0.54%	0.61%	0.67%	0.70%	0.72%	0.73%	0.74%	0.74%	0.74%	0.74%	0.74%			
2013.Q3	0.00%	0.00%	0.00%	0.00%	0.02%	0.04%	0.12%	0.17%	0.20%	0.22%	0.30%	0.39%	0.56%	0.72%	0.89%	1.00%	1.06%	1.11%	1.13%	1.14%	1.14%	1.14%	1.14%				
2013.Q4	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.05%	0.09%	0.12%	0.19%	0.26%	0.34%	0.53%	0.73%	0.93%	1.03%	1.09%	1.14%	1.15%	1.15%	1.16%	1.16%					
2014.Q1	0.00%	0.00%	0.00%	0.02%	0.02%	0.07%	0.07%	0.13%	0.16%	0.22%	0.29%	0.43%	0.59%	0.82%	0.96%	1.07%	1.11%	1.15%	1.17%	1.18%	1.18%						
2014.Q2	0.00%	0.00%	0.00%	0.03%	0.04%	0.14%	0.18%	0.23%	0.30%	0.36%	0.43%	0.56%	0.78%	1.01%	1.17%	1.22%	1.28%	1.32%	1.34%	1.36%							
2014.Q3	0.00%	0.00%	0.00%	0.01%	0.01%	0.07%	0.12%	0.17%	0.22%	0.32%	0.43%	0.56%	0.72%	0.95%	1.15%	1.28%	1.37%	1.42%	1.44%								
2014.Q4	0.00%	0.00%	0.00%	0.00%	0.02%	0.06%	0.11%	0.17%	0.21%	0.27%	0.37%	0.46%	0.64%	0.88%	1.11%	1.25%	1.32%	1.37%									
2015.Q1	0.00%	0.00%	0.00%	0.01%	0.02%	0.07%	0.12%	0.15%	0.22%	0.30%	0.38%	0.47%	0.63%	0.85%	1.04%	1.15%	1.20%										
2015.Q2	0.00%	0.00%	0.00%	0.00%	0.03%	0.08%	0.12%	0.22%	0.28%	0.32%	0.41%	0.53%	0.68%	0.90%	1.04%	1.16%											
2015.Q3	0.00%	0.00%	0.00%	0.02%	0.03%	0.04%	0.09%	0.12%	0.20%	0.25%	0.32%	0.41%	0.56%	0.75%	0.90%												
2015.Q4	0.00%	0.00%	0.00%	0.00%	0.03%	0.06%	0.09%	0.13%	0.19%	0.25%	0.34%	0.41%	0.52%	0.65%													
2016.Q1	0.00%	0.00%	0.01%	0.01%	0.06%	0.09%	0.12%	0.15%	0.18%	0.23%	0.27%	0.33%	0.40%														
2016.Q2	0.00%	0.00%	0.01%	0.02%	0.03%	0.09%	0.14%	0.19%	0.23%	0.31%	0.39%	0.48%															
2016.Q3	0.00%	0.00%	0.00%	0.00%	0.02%	0.10%	0.12%	0.22%	0.27%	0.34%	0.43%																
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2017.Q3	0.00%	0.00%	0.01%	0.03%	0.05%	0.10%	0.25%																				
2017.Q4	0.00%	0.00%	0.00%	0.03%	0.05%	0.13%																					
2018.Q1	0.00%	0.00%	0.01%	0.01%	0.04%																						
2018.Q2	0.00%	0.00%	0.00%	0.01%																							
2018.Q3	0.00%	0.00%	0.01%																								
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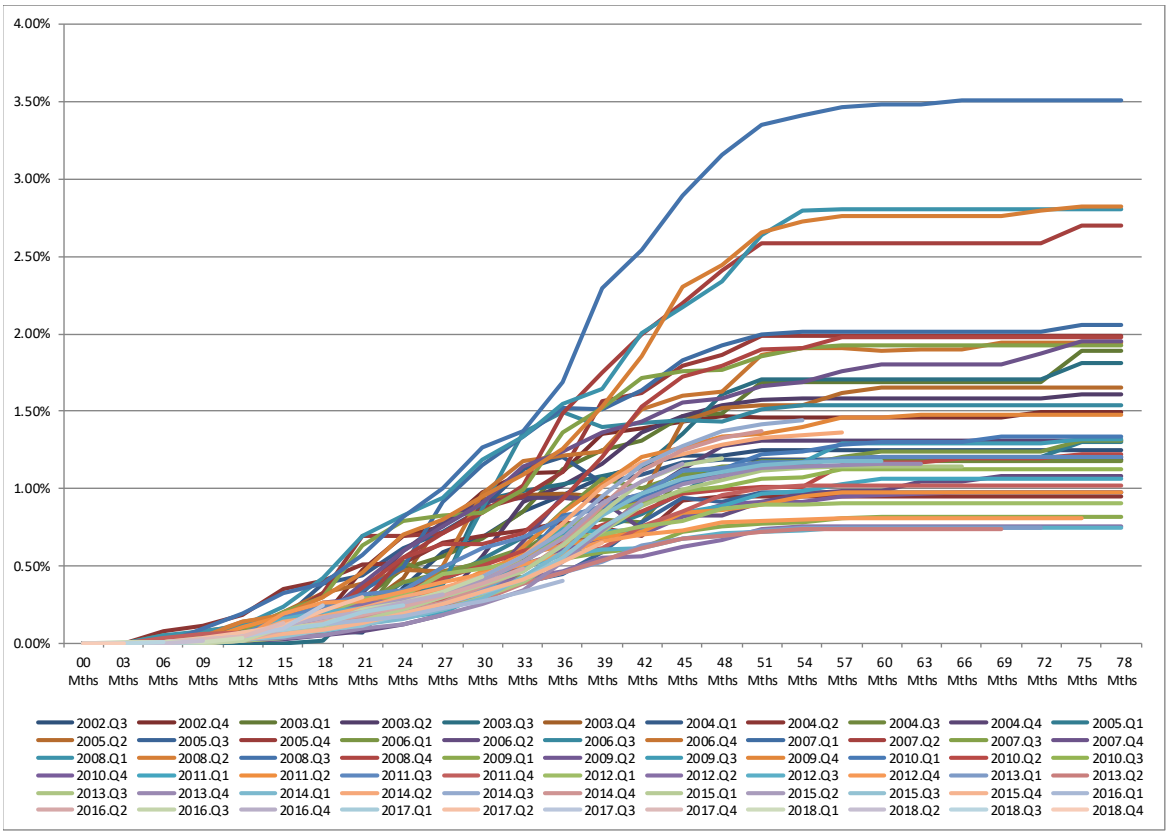
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WEIGHTED AVERAGE LIFE OF THE NOTES

Weighted Average Life of the Notes

Weighted average lives of the Notes refer to the average amount of time that will elapse (assuming a year consisting of 12 months of 30 days each) from the date of issuance of a Note to the date of distribution of amounts to the investor distributed in reduction of principal of such Note (assuming no losses) to zero without taking into account the Revolving Period. The weighted average life of the Notes will be influenced by, amongst other things, the rate at which the Purchased Receivables are paid, which may be in the form of scheduled amortisation, prepayments or liquidations.

Purchased Receivables

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

The table assumes, among other things, that the Issuer holds a pool of purchased receivables with the following characteristics:

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

(b) no purchased receivables are repurchased by the Seller;

(c) each series of Notes is expected to have the characteristics on Closing Date as set out in the following table:

Class A Notes			
Series	*Outstanding Balance*	*Fixed Rate under the Swap*	*Amortisation Status*
Series 2013-1 Class A Notes	GBP 285,900,000.00	1,4820%	Revolving
Series 2013-2 Class A Notes	GBP 405,000,000.00	1,4820%	Revolving
Series 2013-3 Class A Notes	GBP 26,615,438.25	0.95%	Amortising
Series 2013-4 Class A Notes	GBP 200,000,000.00	1,4820%	Revolving
Series 2013-5 Class A Notes	GBP 425,000,000.00	1,4820%	Revolving
Series 2013-8 Class A Notes	GBP 225,000,000.00	1,4820%	Revolving
Series 2014-1 Class A Notes	GBP 100,000,000.00	1,4820%	Revolving
Series 2014-2 Class A Notes	GBP 200,000,000.00	1,4820%	Revolving
Series 2014-3 Class A Notes	GBP 389,700,000.00	1,4820%	Revolving
Series 2015-1 Class A Notes	GBP 444,500,000.00	1,4820%	Revolving
Series 2016-1 Class A Notes	GBP 45,224,824.18	0.95%	Amortising
Series 2016-2 Class A Notes	GBP 348,900,000.00	1,4820%	Revolving
Series 2018-1 Class A Notes	GBP 222,300,000.00	1,4820%	Revolving
Series 2018-2 Class A Notes	GBP 311,600,000.00	1,4820%	Revolving
Series 2018-3 Class A Notes	GBP 63,500,000.00	1,4820%	Revolving
Series 2019-1 Class A Notes	GBP 156,200,000.00	1,4820%	Revolving

Series 2019-2 Class A Notes	GBP 124,900,000.00	1,4820%	Revolving
Class B Notes			
Series	*Outstanding Balance*	*Fixed Rate under the Swap*	*Amortisation Status*
Series 2013-1 Class B Notes	GBP 64,100,000.00	*2,0343%*	Revolving
Series 2013-2 Class B Notes	GBP 64,100,000.00	1.91%	Amortising
Series 2013-3 Class B Notes	GBP 140,600,000.00	*2,0343%*	Revolving
Series 2015-1 Class B Notes	GBP 180,500,000.00	*2,0343%*	Revolving
Series 2016-2 Class B Notes	GBP 48,500,000.00	*2,0343%*	Revolving
Series 2018-1 Class B Notes	GBP 27,700,000.00	*2,0343%*	Revolving
Series 2018-2 Class B Notes	GBP 65,700,000.00	*2,0343%*	Revolving
Series 2018-3 Class B Notes	GBP 20,000,000.00	*2,0343%*	Revolving

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

(e) the Clean-Up Call will be exercised at the earliest Payment Date possible;

(f) the Purchased Receivables are fully performing (no losses or delinquencies occur);

(g) the Discount Rate of 5.872 per cent. per annum; and the Monthly Payments are discounted back to the assumed Initial Cut-Off Date or the assumed Additional Cut-off Date, as applicable.

(h) the weighted average fixed rate of the fixed rates under the Swap Agreement and of the estimate of the hypothetical swap rate theoretically needed to swap the floating rate payments of the Subordinated Loan is assumed to be 1.9163 per cent.;

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

(j) no Early Amortisation Event has occurred;

(k) no tap issuance has been made;

(l) no extension of the Revolving Period;

(m) each Series of Notes amortises at the end of the Revolving Period (except the amortising series as at the Closing Date – see table above);

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

(o) the Subordinated Loan balance is GBP 955,629,682.45.

***

The approximate weighted average lives of the Notes, at various assumed rates of prepayment of the purchased receivables, would be as follows, whereby "CPR" means the annual constant prepayment rate

Revolving Series

	Class A Notes			Class B Notes		
CPR	Weighted Average Life	First Principal Payment	Last Principal Payment	Weighted Average Life	First Principal Payment	Last Principal Payment
0%	2.33 years	Jun-19	Dec-22	2.18 years	Jul-20	Dec-22
10%	2.21 years	Jun-19	Nov-22	2.06 years	Jun-20	Nov-22
20%	2.10 years	Jun-19	Oct-22	1.96 years	Jun-20	Oct-22
30%	1.98 years	Jun-19	Aug-22	1.85 years	Jun-20	Aug-22

Amortising Series
Class A Series 2013-3, Class A Series 2016-1 and Class B Series 2013-2

	Class A Notes			Class B Notes		
CPR	Weighted Average Life	First Principal Payment	Last Principal Payment	Weighted Average Life	First Principal Payment	Last Principal Payment
0%	0.38 years	Jun-19	Feb-20	0.30 years	Jun-19	Jan-20
10%	0.38 years	Jun-19	Feb-20	0.28 years	Jun-19	Dec-19
20%	0.38 years	Jun-19	Feb-20	0.27 years	Jun-19	Dec-19
30%	0.38 years	Jun-19	Feb-20	0.26 years	Jun-19	Nov-19

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

The weighted average lives of the Notes are subject to factors largely outside the control of the Issuer, acting for and on behalf of its Compartment 2, and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

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

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

THE SELLER AND SERVICER

BUSINESS AND ORGANISATION OF VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED

Auto Finance Business in the United Kingdom

The Company continued to perform strongly in terms of new business written with 382,911 (2017: 390,650) vehicles being financed with the total value funded during the year of £8,134m (2017: £8,150m). New business decreased from £6,200.3m to £5,807.3m, a decrease of 6.3% marginally below the overall decline in the new car market of 6.8%. According to industry commentators the main drivers of the downturn for the market were falling consumer confidence and a supply shortage as a result of regulatory change with the introduction of the new worldwide light vehicle test procedure (WLTP) in September 2018. As in 2017, diesel registrations were down in the year while petrol and alternatively fuelled vehicles recorded increased sales and market share. The Company performed well in the used car sector where advances were £2,326.2m up from £1,949.6m in 2017, this helped support the continued growth of the balance sheet during the year.

Volkswagen Group UK Limited maintained market share in the year at 21.1% (2017:21.1%) with new car registrations year on year decreasing to 498,438 units (2017: 532,874 units). Penetration rate, a measure of the number of new cars funded by the Company as a percentage of total VW Group registrations, decreased marginally in the year to 55.0% (2017: 55.1%) continuing to show strong commitment to our products.

The financial result for the year was positive with Operating profit increasing by 76.6% from £191.8m to £338.7m. This was in part due to higher interest income with continued growth in the book, net lease receivables increased by just under £1bn during the year to £12.5bn and operating lease assets were up from £2.5bn to £2.6bn.

Interest rates remained low with only the second increase in the Bank of England base rate in over a decade in August 2018, the rate now stands at 0.75%. In May 2018 the Company renegotiated Driver UK Master S.A (a private asset backed conduit structure) for a further 12 months with additional funding. There were also new issuances of Asset-Backed Security 'ABS' during the year; Driver Compartment 4 and Private Driver 2018.

In addition, on 4 May 2018 the Company acquired 100% of the shares of Volkswagen Insurance Services (Great Britain) Limited (VIS) for a total consideration of £6,273,000. The principal activity of VIS is to arrange insurance for vehicle owners of Volkswagen Group vehicles on behalf of retailers. VIS receives commission for this service and the valuation of the business was based on these future income streams. VWFS purchased the book to compliment it's existing insurance commission income stream.

In June 2016 the UK voted to leave the European Union and negotiations of all future political and economic relationships are still continuing and there remains a significant amount of uncertainty surrounding the economic impact of any agreement. While the situation is being monitored it is still not possible at this stage to determine the impacts this will have for VWFS, the sector and the UK economy as a whole. The Company and wider Volkswagen Group would be adversely affected by a disorderly Brexit, the most significant risks being the end to free and frictionless trade which may lead to tariffs and the possibility of short term delays to the supply of vehicles into the UK. Delays in the new vehicle supply chain could however have a short term upside for the used car market. Brexit uncertainty could also have an impact on consumers decisions to purchase new vehicles in the short term although there is an expectation that the new relationship with the EU will be agreed in the very near future. The Company continues to monitor the risk situation closely so it can take a proactive approach to any developments that may occur including future regulatory relationships and reporting requirements.

Incorporation, Registered Office and Purpose

VWFS is a wholly owned subsidiary of Volkswagen Financial Services AG which has its headquarters in Braunschweig, Germany. VWFS was incorporated on 11 November 1993 and commenced trading on 1 April 1994. It is currently the second largest (in terms of retail financing) finance subsidiary within the VW Group after the German parent company operation.

Prior to 1994, financial services within the UK were operated under a joint venture agreement, between V.A.G (UK) Limited and Lloyds-Bowmaker (now LUDT) and marketed under the trading name of V.A.G Finance. In 1994 VWFS began to trade within the UK. Core finance case administrative functions were sub-contracted to Lloyds-Bowmaker.

In June 1999, following the development of core operating systems, staffing and processes, VWFS began the origination of finance contracts in order to create its own business portfolio. Existing contracts continued to be administered by Lloyds-Bowmaker.

VWFS provides financial services to support all of the automotive brands within the VW Group. These include Volkswagen (including Volkswagen commercial vehicles), Audi, Bentley, SEAT and Skoda.

Since July 2010, VWFS has also provided financial services to Porsche Cars Great Britain. At the end of November 2016 VWFS acquired the shares of MAN Financial Services P.L.C. (MFS) from its parent company Volkswagen Bank GmbH (VW Bank).

The hire purchase retail portfolio contained £12,486m (2017: £11,567m) of earning assets at December 2018.

VWFS' administrative headquarters are within a purpose built complex located at Milton Keynes, Buckinghamshire, England. At the end of 2018 the company employed 936 staff. Milton Keynes is also the base for the headquarters of Volkswagen Group (UK) Ltd which is the UK importer for Volkswagen (including Volkswagen commercial vehicles), Audi, Skoda and SEAT.

VWFS co-operates closely with approximately 800 dealerships of the VW Group. A dealer can thus offer the Obligor a complete, competent, personal one-stop service from a single source, including the financing. The co-operation between VWFS, the importer and the dealer-partner is established by dealer agreements. Under these agreements, the dealer-partner is given the responsibility for marketing the products and services of the VW Group and VWFS and to service the trade-marked products of the VW Group and VWFS. Dealers receive valuable support in the form of diverse training measures and extensive marketing support.

VWFS is incorporated under the laws of the England as a company with limited liability having its corporate seat at Milton Keynes, United Kingdom and its registered offices at Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes with registered number 02835230.

Origination and Securitisation Expertise

As already set out under the section "Incorporation, Registered Office and Purpose" one of the main purposes of VWFS for almost 3 decades has been the origination, underwriting and servicing of finance contracts of a similar nature to those securitised under this Transaction. The members of its management body and the senior staff of VWFS have adequate knowledge and skills in originating, underwriting and servicing automotive finance receivables, similar to the automotive finance receivables included in the Portfolio, gained through years of practice and continuing education. The members of the management body and VWFS senior staff have been appropriately involved within the governance structure of the functions of originating and underwriting of the Portfolio. Additionally, VWFS has been securitising finance contracts actively since 2002 through private as well as public securitisation transactions, similar to this Transaction. The members of its management body and the senior staff responsible for the securitisation transactions of VWFS have also professional experience in the securitisation of automotive finance receivables of many years, gained through years of practice and continuing education. Other subsidiaries of Volkswagen AG have also been securitising lease receivables and loan receivables all across Europe, Australia, Brazil, Canada, Japan, China, Turkey and USA.

BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES (UK) LIMITED

Under the Servicing Agreement, the Receivables are to be administered together with all other receivables of VWFS according to VWFS' normal business procedures as they exist from time to time. The Obligors will not be notified of the fact that the receivables from their Financing Contracts have been assigned to the Issuer, except upon the occurrence of a Notification Event.

The normal business procedures of VWFS currently include the following:

Negotiation of the Financing Contract and Appraisal of the Creditworthiness of the Prospective Obligor

Before an application is accepted, VWFS checks the credit standing of the Obligor. Retail applications (consumer and commercial) are assessed against a scorecard and internal policy rules; if the results of the scoring are above a prescribed level and all rules are satisfied the application will approve automatically. For this purpose information from credit reference agencies and data of Obligor profile are brought together into the connect online system.

The scoring system takes into account different criteria and factors. Depending on the respective information which applies to each criterion, the financing application receives a certain amount of points per criterion based on statistical methods and historical experience. The sum of scores gives VWFS an assessment of the risk of granting finance to the respective applicant and every application is awarded a Risk Band (A-D, Z). The scoring process (in particular the weight or the value of the individual scoring criteria and the scoring result) is treated as strictly confidential by VWFS. The performance of the scoring system is monitored regularly by VWFS. Changes to the scoring system are based on the results of regular VWFS statistical analysis.

Applications not automatically accepted by the scoring system are referred to an employee of the new business department for further review and a final decision. The employees of the new business department have a high level of experience in underwriting (generally with at least two years or more experience underwriting and a wider experience within VWFS). Each employee is personally assigned a credit limit up to which she/he may underwrite a loan referred to them.

The Obligor pays a contractually specified monthly instalment at a stipulated payment date, with the number of payments corresponding with the number of months covered by the financing period. In the case of personal contract purchase agreements a larger final instalment is due at the end of the Financing Contract term. Under personal contract purchase agreements the Obligor has the right to return the vehicle at the contract maturity without payment of the balloon payment, provided that if the vehicle has completed greater than the specified number of miles, excess mileage charges are due from the Obligor.

VWFS requests each Obligor to accept a procedure by which the monthly instalments shall be debited directly from the Obligor's bank account. So far over 99 per cent. of all Obligors voluntarily chose to make use of this procedure.

The information provided below further describes the VWFS lending process.

The Lending Approval Process

VWFS operates a linear multi-stage lending approval process. Systemically, only once each particular stage in question has been successfully processed will consideration of the next stage begin. This policy sets out the key questions, tests and standards at each stage of the approval process. Following the system processing for each credit application, it is possible for a customer to achieve an automatic approval which would be automatically communicated to the retailer. Whilst VWFS has ‘knock-out criteria’, no automated decline process exists and all cases not automatically approved are reviewed by an appropriately skilled individual. This means that none of the rules set in the 7 stage process described below have been breached on origination of any Receivable.

VWFS will conduct a manual review of the application if any of the business or risk rules are flagged. The rules are generated using information obtained from credit reference agencies, application data and

information from internal VWFS systems. VWFS will assess the creditworthiness of every customer before entering into a regulated/unregulated credit or regulated/unregulated hire agreement.

In addition to performing a creditworthiness assessment on a proposed customer, VWFS will also carry out a creditworthiness assessment on any guarantor to a regulated credit agreement or regulated hire agreement, where such a guarantor is proposed.

Creditworthiness and Affordability Assessments

VWFS fulfil the creditworthiness and affordability criteria via the Connect Online point of sale system. Credit rules are housed in a workflow system called Catalyst and the maintenance and management of those core requirements is managed by the VWFS UK Risk Team. The process flow below shows the key components of the process flow and possible outcomes and rationale to assess customer's creditworthiness and affordability in order to fulfil the FCA's lending expectation. If a credit rule is not passed, i.e. credit referral reasons, it results in a plain English referral reason that is communicated to the underwriter by the private notes section in Connect Online. This referral reason is reviewed by the underwriter and should the creditworthiness and affordability criteria not be met, further work will be undertaken before a decline is communicated to the customer.

Process Flow for Risk and Business Rules

The below details the process flows for the risk and business rules at application / acceptance:

1. **Absolute Rules** - The absolute rules ensure that VWFS product policy is adhered to, including but not limited to the agreement term and deposit percentage. These are usually linked to product policy. These rules control that VWFS does not transact business outside of its product policy.

2. **Responsible Lending** - Responsible lending rules are based on data returned from the credit reference agencies and ensure that VWFS adheres to responsible lending rules (for example CIFAS, and customer tracing type rules). These rules also flag potential application fraud and ensure enhanced due diligence processes are adhered to by flagging high-risk individuals, including beneficial owners of companies, who are on the PEPS and Sanctions lists.

3. **Z-Band** - The Z-Band rule is based on the score returned from the credit scoring process. It is expected that manual underwriting decline the application for individuals, partnerships and sole traders if the score returned is below the predetermined cut-off. These rules ensure that VWFS do not transact with a non-creditworthy borrower.

4. **Proposal Rules** - The proposal rules are based on specific proposal related indicators such as current commitment and loan to value. These are similar to absolute rules but where VWFS operate with tolerance based on underwriter assessment. This rule ensures that the product is fit for the customer.

5. **Borrower Unit** - commitment and loan to value. These are similar to absolute rules but where VWFS operate with tolerance based on underwriter assessment. This rule ensures that the product is fit for the customer.

6. **Risk Rules Consumer & Affordability Rules Consumer** - All applications are assessed to establish whether the applicant belongs to a Borrower Unit. If any of the Borrower Unit rules are flagged a manual review will be conducted to assess whether the customer belongs to an existing Borrower Unit or to enable the creation of a new entity-level Borrower Unit. This rule is looking for connected parties to the customer and trying to establish the customer's true exposure.

7. **Risk Rules Commercial** - The consumer risk rules are based on a combination of the score returned from the credit scoring process and whether the applicant has adverse Closed User Group data returned from the credit reference agencies. This allows VWFS to call out high-risk customer profiles.

Know Your Customer

VWFS verifies the identity of applicants for credit electronically using credit reference agency data or with driving licences and/or other proofs. VWFS will also follow fraud prevention processes as per its established operating practices.

Collections and Recoveries

VWFS Arrears Management policy is designed to ensure that those customers in arrears or those who have indicated to VWFS that they are struggling to make payments are treated fairly, reasonably and responsibly. It also aims to ensure that customers are clearly informed and that matters are dealt with in a timely manner.

VWFS' collections policy pays specific regard to the Financial Services Authority (FCA) guidance and rules, including Principle 6 and Section 7 of the Consumer Credit Sourcebook (CONC). The below reflects VWFS UK's Arrears Management Policy:

Approach - VWFS ensures that:

1. There are clear standards governing the management of arrears;

2. VWFS acts as a responsible lender and the customer is always treated fairly throughout the lifetime of the relationship;

3. Regulatory and industry principles are adhered to;

4. VWFS communicates with customers in a fair, timely, clear and courteous manner and does not put undue pressure on the customer being consistent with the principles of TCF;

5. Customer information is not disclosed to third parties without expressed consent of the customer and that their information is protected in line with the General Data Protection Regulation;

6. Losses are minimised by effectively handling past due accounts, using the most cost effective methods available without compromising customer interest;

7. Customers are not subject to harassment, threatening behaviour or act in any way that may embarrass the customer in public;

8. VWFS will also review policies and procedures in an effort to deliver the best results based on customer needs, business needs and within the regulatory guidelines; and

9. All communications with customers including letters will be reviewed on an annual basis or earlier if necessary.

Overview of the Collections Function

VWFS aims to treat customers with respect, in a calm and professional manner, and demonstrating an empathetic and flexible approach. All customers are individuals, with potentially unique circumstances, which will be taken into consideration when determining the appropriate action taken which ensures fair customer outcomes via justified forbearance and avoids over-forbearance which is particularly important with a depreciating asset. The function of the department is to work with customers who are experiencing, or indicate to VWFS that they are about to experience financial difficulty, which is, or will adversely affect their ability to make their contractual vehicle finance payments or shortfall balance. At the point of the payment not being made on the agreed date the agreement will fall into arrears and be subject to the collections processes.

In summary VWFS receives regular direct debit payments from Obligors on the due date specified in the Financing Contract. If a payment is not received by VWFS it is usual for VWFS to automatically re-present the direct debit application request. If payment fails for a second time, VWFS will contact the Obligors by telephone or letter. All Financing Contracts in arrears are managed by a bespoke Experian automated collections system, Tallyman which is risk based.

The aim is to identify, wherever possible, workable arrangements and to allow the customer reasonable time and opportunity to repay amounts where required. These solutions are designed around the customer's personal and financial circumstances, to enable them to retain their vehicle where feasible (feasible is defined as the customer can meet the requirements of the arrangement and this is within established guidelines). Where appropriate, VWFS will signpost the availability of impartial not for profit

debt advice services. An FCA fact sheet is also available to VWFS' customers. The customer is provided with a regular statement whilst in arrears and a range of options are considered when agreeing an arrangement to clear the arrears.

Collections and Recoveries advisors have the authority to enable them to work effectively with the customer and have access to a higher authority referral process for accounts that fall outside of their mandate. The team are focused on achieving a good outcome with the customer so where forbearance is being considered the mandate is not applicable. VWFS's advisors are flexible to allow for alternative, affordable payment amounts with the customer. VWFS will always look to understand the customer's financial circumstances, why the customer is experiencing financial difficulties and work with the customer to tailor a payment plan according to their financial circumstances, taking into account whether or not the customer is still in possession of VWFS' vehicle. VWFS will only proceed to debt collection, litigation or repossession action after attempting to agree an acceptable payment plan with the customer.

VWFS has a panel of specialist debt recovery firms who advise on the appropriate actions to take both before and leading to/during legal proceedings. Procedures differ dependent upon the geographic location of the agreement holder i.e. whether the customer is situated within the legal jurisdictions of England and Wales, Scotland or Northern Ireland.

VWFS ensures that its Collections employees are trained to an appropriate standard both in induction and during the course of their employment. Training will include: induction, role specific, I-Learns, ongoing competency, coaching and performance management.

Collections standards

VWFS Collections Department promotes a professional service at all times and must meet the following conduct standards. VWFS will also provide adequate and appropriate training to colleagues to meet the conduct requirements as detailed below:

1. VWFS will not act in any way that could adversely impact on the customer's confidence that VWFS is a business where the fair treatment of customers is central to its culture;

2. VWFS will take reasonable steps to demonstrate that all members of VWFS and its outsourced partners comply with the requirements of the FCA Handbook, specifically those requirements contained in CONC;

3. When providing information to customers, VWFS will aim to display the information clearly and in a manner the customer will understand;

4. VWFS will not subject customers to aggressive or oppressive behaviour. This includes acting in a threatening manner towards the customer;

5. VWFS will not unfairly coerce or try to pressure customers;

6. VWFS will not take advantage of a customer's lack of knowledge or understanding of debt and debt collection activities;

7. VWFS will negotiate with customers to reach a sustainable, realistic arrangement to clear arrears;

8. VWFS will never misrepresent VWFS legal position, or the legal position of the customer's liability;

9. VWFS will not contact the customer at unreasonable times;

10. VWFS will not instruct any third parties to visit the customer at an inappropriate location, such as a hospital or their place of work, unless this has previously been agreed with the customer or the contract is with a company and the visit is to the company premises;

11. As appropriate, VWFS will explain to the customer that free and independent debt advice is available;

12. If the customer indicates that they dispute the debt, VWFS will cease debt recovery activities until the complaint has been fully investigated;

13. VWFS will not apply to the court for an order for sale or submit a bankruptcy petition without having fully explored all other options. This is a rare action for VWFS to undertake and will only ever be taken with the approval of the Head of Collections Operations;

14. VWFS will not threaten to commence court action, including an application for a charging order or order for sale, in order to pressurise a customer in default or arrears difficulties to pay more than they can reasonably afford but will instead provide factual information relating to consequences of non-payments;

15. VWFS will provide information of any arrears and balance owing to the customer or person acting on behalf of the customer where the customer offers a payment lower than the total amount owing;

16. VWFS will provide to the customer, upon request, information on the status of their account where VWFS has decided to stop pursuing the debt;

17. VWFS contracts with customers work within UK laws in terms of contracting, however where the vehicle has moved jurisdictions the team will deal within any other geographical jurisdiction.

18. VWFS will take reasonable steps with all of its outsourced partners to ensure they act within all regulatory guidelines with VWFS' customers in relation to debt collection visits;

19. VWFS will not misrepresent its authority or status when dealing with customers; and

20. VWFS will ensure that all customer information is dealt with in accordance with its Data Protection Policy and Outsourcing Policy.

Payment Plans & Proposals

If a Customer advises they are developing a repayment plan, VWFS will make it clear that it is willing to listen to their proposals. If a Customer advises they are developing a repayment plan – including if the Customer advises that a DMC is assisting in the formulation of the plan – VWFS will take details from the Customer as to when they believe the plan will be finalised. VWFS will ensure these details are noted in the VWFS system and provide 'breathing space' for the customer where relevant. However the customer will continue to receive VWFS' computerised arrears letters in order that the customer is kept up to date with their agreement. VWFS does not support the use of continuous payment authority for itself or via its external third parties.

Forbearance

When a customer falls into an arrears position VWFS will treat the customer with empathy and, where appropriate, with justified forbearance. VWFS will enable the customer to make the payments up to the original term of the agreement and will only consider extending collection past the end of the contract in cases where a higher authority referral process has been used or the contract has been terminated by VWFS.

To ensure repayments are sustainable and affordable for the customer, where applicable VWFS will utilise the Income and Expenditure form when agreeing arrears repayment plans with customers and will never pressurise customers to pay more than they can afford.

VWFS do not charge additional interest on live arrears contracts. VWFS will charge statutory interest after a judgment has been obtained by one of its panel of law firms. These partners have the authority to suspend application or collection of this statutory interest as part of the forbearance tools. VWFS does not in principal support the long term use of payment holidays or small token payments whilst the contract is live and the vehicle remains with the customer. This is due to the value of the vehicle depreciating every month, which would in turn increase the customer indebtedness and lead to a detrimental outcome for the customer. Where the vehicle has been recovered and a shortfall debt remains, forbearance tools will be used appropriately.

Performing Accounts and Pre Arrears Accounts

Customers are encouraged to contact VWFS if they foresee difficulty in maintaining their current payments. The customers' circumstances will be discussed and VWFS will try to establish the reasons behind potential future non-payment and signpost the customers' options.

Vulnerable Customers:

Under the FCA's definition a vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to detriment. VWFS recognises that vulnerability can impact its customers at any time whether temporary or permanent. The situations and circumstances of vulnerable individuals are diverse, complex and dynamic: the experience of vulnerability is unpredictable, and it can change over time. Therefore VWFS should be flexible in its approach when identifying and dealing with vulnerable customers. Should a customer find themselves in an arrears position, the VWFS Collections and Recoveries Advisor will establish the reasons for missed payments and whether the issues are short or long term, utilising the approved collections and recoveries tools set out in the procedures manuals.

How VWFS recognize vulnerability - Initial notification of vulnerability may come from the customer themselves or a third party, through various channels of communication e.g. telephone, email or letters. Vulnerability is a sensitive matter. By using techniques / tools available to advisors, it will help break down those barriers and outline what support VWFS can offer to help its customers. When a customer contacts VWFS it may be initially difficult to identify if they have vulnerability - it could help to consider some of the language, words, phrases and behaviors they may display

Procedures are in place to cover all acceptable repayment options that will be extended to customers. This includes authorities of agents and management to agree to such payment options. The use of tools such as an Income and Expenditure Form is useful in understanding the customers' arrears and difficulties in meeting their contractual monthly instalments. Supporting documentation may be requested, this will be detailed in VWFS operational procedures.

Termination Procedure

Where it is not possible to rectify the arrears that have arisen under a Financing Contract, VWFS' collections department follows a thorough collections process. Once all appropriate reminder notices have been issued (e.g. a default notice is served in respect of a Regulated Financing Contract) and expired, a termination notice is issued. Once the Financing Contract has been terminated, VWFS secures the legal return of the Vehicles as quickly as possible using the most appropriate methods through repossession agents or if the Obligor has paid one-third or more of the total amount payable under the relevant Regulated Financing Contract, a return of goods action via VWFS' solicitors will be obtained.

Upon termination of a Financing Contract, the Obligor is required to pay the full balance or the Financing Contract is transferred to one of VWFS' contracted repossession agencies to make contact with the Obligor. Under CCA guidelines, the Obligor is advised of this by letter when the Financing Contract is allocated to the agent.

The respective agency will either secure the return of the Vehicle, by arranging for it to be delivered to a nominated British Car Auctions ("**BCA**") site, or will collect payment of the balance outstanding under the Financing Contract.

When a vehicle arrives at the nominated BCA site, it is scanned upon entry and is entered into the BCA stock management system. Vehicles are then sold in a series of auctions by BCA. Some BCA auctions are specific to vehicles owned by VWFS.

If any liability remains outstanding under the Financing Contract following the sale of the vehicle, the Obligor will be advised of the outstanding amount by letter. If the Obligor is unable to clear this remaining liability in full then VWFS' collections department would consider agreeing a payment plan with the Obligor. Where an Obligor is unable to pay its liabilities in full, in exceptional circumstances, in accordance with the Servicer's Customary Operating Practices VWFS may consider a reduced settlement, where the renounced amount will be written off. This will be permissible under the Servicer's Customary Operating Practices when there is no realistic prospect for an improvement of the Obligor's economic circumstances.

VWFS will only proceed to litigation or repossession as a last resort and only after attempting and exhausting all other options to agree an acceptable payment plan with the Obligor. The advice of the appointed legal firm is obtained before taking any action in relation to a Financing Contract where litigation and legal proceedings are being actively pursued.

Charged-Off Receivables

"**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.

Referral to 3rd Party Suppliers

As discussed above VWFS appoints outsourced partners and other third partner suppliers that have been appointed to support the work of the department. Contracts are required between both parties to ensure that their approach is in line with VWFS' policies and the requirements of the regulator.

These outsourced partners will be managed in line with the Arrears Management Policy and in relation to CONC 1.2.2.R. This ensures that VWFS partners are aligned to the VWFS culture and controls and can evidence that it is embedded in all processes and practises. This includes, but is not limited to the requirement to comply with its business and regulatory framework including CONC 7. The litigation and vehicle recovery processes cover the specific steps VWFS takes to demonstrate oversight of these outsourced activities.

Referral to third Party Suppliers for the purposes of debt collection, litigation or repossession of a vehicle is initiated by the VWFS Collections Operations department.

Third party suppliers can action the below activities on behalf of VWFS:

1. Repossession Agents

    (a) Collect customer vehicles

    (b) Transport vehicles to nominated vehicle auction house(s)

    (c) Field investigations when requested by VWFS

2. Litigation, Probate Specialists and Debt Collection Agencies

    (a) Collect arrears

    (b) Negotiate settlements within approved mandates

    (c) Issue legal proceedings

    (d) Management of Bankruptcy and Insolvency cases

Audits

The internal audit department of Volkswagen Financial Services AG audits VWFS. Its controlling procedures include audits of Obligor receivables with respect to their amounts and their punctual payment. Under English law the annual financial statements of a company must be audited by an independent audit company.

Auditors

PricewaterhouseCoopers LLP, Exchange House, Central Business Exchange, Midsummer Boulevard, Central Milton Keynes, MK9 2DF (chartered accountants and registered auditors authorised and regulated by the Financial Conduct Authority), have audited the financial statements of VWFS for the year ended 31 December 2018 and have issued their audit report without qualification. PricewaterhouseCoopers LLP, is a member firm of the Institute of Chartered Accountants in England and Wales.

Volkswagen Financial Services UK Ltd

Retail Financing Business
Selected figures for the years 2011-2018:

	2018	2017	2016	2015	2014	2013	2012	2011
New contracts	395,610	405,459	396,094	337,189	299,965	262,485	219,367	179,779
(number)								
- thereof new cars	260,629	284,259	286,086	232,957	202,632	173,786	142,877	108,922
- thereof used cars	134,984	121,200	110,008	104,232	97,333	88,699	76,490	70,857
Contracts outstanding	987,644	939,673	850,311	726,712	623,882	536,173	458,605	388,578
(number)								
- thereof new cars	707,053	693,717	626,831	516,652	431,042	356,690	291,809	231,395
- thereof used cars	280,591	245,956	223,480	210,060	192,840	179,483	166,796	157,183

Data on VWFS

Source: Annual Reports

ADMINISTRATION OF THE PURCHASED RECEIVABLES UNDER THE SERVICING AGREEMENT

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

(a) service and collect the Receivables in accordance with the Servicing Agreement;

(b) as long as the Monthly Remittance Condition is satisfied, transfer by the Payment Date of each month to the Distribution Account the Collections relating to the relevant Monthly Period (and if the Monthly Remittance Condition is no longer satisfied, take the action set out in "*Commingling*" below);

(c) repossess and sell Vehicles upon any default by any Obligor or sell the Vehicles upon termination of the Financing Contract where the Vehicle is returned to the Servicer (save to the extent the Receivable relating to such Financing Contract is a Redelivery Purchased Receivable and has been repurchased by VWFS under the Redelivery Repurchase Agreement on the Redelivery Repurchase Date); and

(d) perform other tasks incidental to the above.

For the purpose of compliance with the requirements stemming from Article 21(9) of the Securitisation Regulation, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries, payment holidays and other asset performance remedies are applied (if applicable) in accordance with VWFS's Customary Operating Practices.

In the Servicing Agreement, VWFS agrees with the Issuer and the Security Trustee that it shall, in performing the Services, comply with its Customary Operating Practices and, in particular:

(i) shall not agree to any material amendment to or variation of any Financing Contract except in accordance with its Customary Operating Practices; and

(ii) in relation to any default by an Obligor under or in connection with a Financing Contract, may exercise discretion in applying its Customary Operating Practices in accordance with the Servicing Agreement.

Commingling

VWFS, in its capacity as the Servicer, will be entitled to commingle funds representing Collections with its own funds during each Monthly Period in accordance with the following procedure:

(a) if and as long as the Monthly Remittance Condition is satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period and will be required to make a single deposit of such monthly Collections to the Distribution Account on each Payment Date;

(b) if and as long as the Monthly Remittance Condition is not satisfied, VWFS will be entitled to commingle funds representing Collections with its own funds during each Monthly Period provided that, no later than fourteen (14) calendar days after the first day on which the Monthly Remittance Condition has not been satisfied (the "**Monthly Collateral Start Date**"), VWFS complies with the following mechanism. For the avoidance of doubt, in respect of any Payment Date falling in the period between the date on which the Monthly Remittance Condition is no longer satisfied and the Monthly Collateral Start Date, VWFS shall make a single deposit of such monthly Collections to the Distribution Account on such Payment Date:

(i) On the Monthly Collateral Start Date VWFS shall:

(1) Transfer to the Distribution Account an amount equal to Collections received in the period from (and including) the first calendar day until (and including) the last calendar day of the Monthly Period immediately preceding the Monthly Period in which the Monthly Collateral Start Date falls unless such Collections have already been transferred to the Issuer on the Payment Date falling in the same calendar month as the Monthly Collateral Start Date; and

(2) (A) post an amount to the Monthly Collateral Account equal to Expected Collections for the period from (and including) the first calendar day until (and including) the last calendar day of the Monthly Period in which the Monthly Collateral Start Date falls and (B) maintain such Expected Collections until the Payment Date in the immediately succeeding calendar month whereupon the Issuer will transfer such Expected Collections to the Distribution Account.

(ii) With regard to any Payment Date falling after the Monthly Collateral Start Date VWFS shall (save in respect of any Expected Collections posted under limb (b)(i)(2) above) on and from the Monthly Collateral Start Date:

(1) (A) on the eleventh Business Day prior to the start of the Monthly Period relating to such Payment Date, determine the amount representing the Monthly Collateral Part 1 for the Monthly Period relating to such Payment Date and to transfer an amount equal to the Monthly Collateral Part 1 to the Monthly Collateral Account as security for the Issuer's claim with respect to the Monthly Collections Part 1 for the Monthly Period relating to such Payment Date and (B) to maintain the Monthly Collateral Part 1 as collateral on the Monthly Collateral Account until the Monthly Collections Part 1 for such Monthly Period have been paid; and

(2) (A) on the eleventh Business Day prior to the sixteenth calendar day of the Monthly Period relating to such Payment Date, determine the amount representing the Monthly Collateral Part 2 for the Monthly Period relating to such Payment Date and transfer an amount equal to the Monthly Collateral Part 2 for the Monthly Period relating to such Payment Date to the Monthly Collateral Account as security for the Issuer's claim with respect to the Monthly Collections Part 2 and (B) to maintain the Monthly Collateral Part 2 as collateral on the Monthly Collateral Account until the Monthly Collections Part 2 for such Monthly Period have been paid; and

(c) VWFS will be required to transfer the following amounts (each as a single deposit) to the Distribution Account, save in respect of any Collections paid under limb (b)(i)(1) and (b)(ii) above:

(i) on the fifth Business Day of each calendar month, the Monthly Collections Part 2 for the Monthly Period ending on the last day of the immediately preceding calendar month; and

(ii) on the fifth Business Day following the fifteenth calendar day of each calendar month, the Monthly Collections Part 1 for the current Monthly Period;

(d) any funds credited to the Monthly Collateral Account shall be released to VWFS, (i) if and as long as the Monthly Remittance Condition is satisfied again or (ii) VWFS' obligation to transfer and maintain the Monthly Collateral Part 1 and the Monthly Collateral Part 2 has ceased to exist or (iii) if and to the extent that the Monthly Collateral Part 1 or, as the case may be, the Monthly Collateral Part 2 for the current Monthly Period is determined to be less than the Monthly Collateral Part 1 or the Monthly Collateral Part 2, respectively, for the immediately preceding Monthly Period; and

(e) On each Payment Date the Servicer shall:

(i) if the amounts transferred to the Distribution Account in accordance with paragraphs (b)(i)(2) and (c) above exceed the Collections received during the preceding Monthly Period, effect the release of such excess amounts from the Distribution Account; or

(ii) if the Collections received during the preceding Monthly Period exceed the amounts transferred to the Distribution Account in accordance with paragraphs (b)(i)(2) and (c) above, transfer the excess amount of such Collections to the Distribution Account.

For the purposes of the above, the "**Monthly Remittance Condition**" shall be no longer satisfied if any of the following events occur: (a) Volkswagen AG no longer has (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 (or any of its successors within the Volkswagen

Group as parent of the Servicer) ceases to be in effect or (iii) Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS, or (b) either Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent to the Servicer) (i) no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P and a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, or (ii) where Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) 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) Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS or (c) Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent to the Servicer) no longer has a long-term rating for unsecured and unguaranteed debt of at least "Baa1" from Moody's.

Administration of Collections and Costs of Administration

The Servicer shall use all reasonable endeavours to:

(a) collect all Purchased Receivables, and ensure payment of all sums, due under or in connection with the relevant Purchased Receivables;

(b) ensure payment of collections into the Distribution Account in accordance with the Servicing Agreement;

(c) recover amounts from Obligors that are not paid when due;

(d) enforce all obligations of Obligors under the Financing Contracts; and

(e) assist in the sale or disposal of each Vehicle following termination of its related Financing Contract where the Vehicle is returned to the Servicer and use its reasonable commercial endeavours to achieve a fair market price for such Vehicle sold or disposed of (save to the extent the Receivable relating to such Financing Contract is a Redelivery Purchased Receivable and has been repurchased by VWFS under the Redelivery Repurchase Agreement on the Redelivery Repurchase Date),

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

In case, an action needs to be taken in relation to an Obligor, the Servicer may, in accordance with its Customary Operating Practices:

(a) take such action as may be necessary or desirable or as the Servicer determines (including, if necessary, court proceedings and the employment by the Servicer as disclosed agent for the Issuer of solicitors to carry out any necessary court or other proceedings) against any Obligor in relation to a defaulted Purchased Receivable; and

(b) on request keep the Issuer or the Security Trustee informed (respectively) of all material actions and decisions taken in each case following its Customary Operating Practices.

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

Based on the Seller's, the Servicer's and the Issuer's understanding of the spirit of Article 20(7) of the Securitisation Regulation and the EBA STS Guidelines applicable to Non-ABCP Securitisations, the Seller, the Servicer and the Issuer agree not to undertake active portfolio management of the Purchased Receivables included in the Portfolio on a discretionary basis.

Administration of Insurance Benefits and Realisation of Vehicles

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

Upon the termination of a Financing Contract, the Servicer is obliged in accordance with its customary practices as they are applied from time to time to repossess and realise the respective Vehicle. After deducting any fees incurred in the sale of such Vehicle, the Servicer shall treat the remaining proceeds (except to the extent that the same relate to any Written-Off Purchased Receivables) as Collections and credit such amounts to the Distribution Account in accordance with the Servicing Agreement.

Reporting Duties of the Servicer

Under the Servicing Agreement the Servicer undertakes to report, amongst others, the following facts to the Issuer, the Security Trustee, the Principal Paying Agent, the Calculation Agent, the Rating Agencies, the Noteholders, the Registrar, the Subordinated Lender and the Swap Counterparties on each Investor Report Performance Date:

(a) the Available Distribution Amount and the aggregate amount to be distributed in relation to each Note and the Subordinated Loan on the immediately following Payment Date;

(b) the repayment of the nominal amount attributed to each Note and to the Subordinated Loan as advanced together with the interest payment;

(c) the nominal amount still outstanding on each Note and the Subordinated Loan as at each respective Payment Date and the nominal amount of any Further Notes to be issued on such Payment Date;

(d) the General Cash Collateral Amount remaining available on the immediately following Payment Date;

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

(f) the Cumulative Net Loss Ratio;

(g) the Class A Actual Overcollateralisation Percentage and the Class B Actual Overcollateralisation Percentage;

(h) the Dynamic Net Loss Ratio;

(i) the applicable Class A Targeted Overcollateralisation Percentage and the applicable Class B Targeted Overcollateralisation Percentage;

(j) delinquency information for delinquency periods of up to 30 days, 30 to 60 days, 60 to 90 days, 90 to 120 days, 120 to 150 days, 150 to 180 days and greater than 180 days with respect to the number of delinquent Financing Contracts, the amount of delinquent Purchased Receivables and the total outstanding Discounted Receivables Balance of delinquent Financing Contracts;

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

(l) stratification tables;

(m) the Late Delinquency Ratio;

(n) the Buffer Release Amount;

(o) the Amortisation Factors with respect to any Series of Notes that qualify as an Amortising Series;

(p) information on the occurrence of an Early Amortisation Event;

(q) the amortisation profile of the outstanding pool;

(r) the Class A Aggregate Discounted Receivables Balance Increase Amount and the Class B Aggregate Discounted Receivables Balance Increase Amount;

(s) the Maximum Issuance Amount for each Series of Notes;

(t) the sum of the credit balances (deposits) on the previous Payment Date of the Obligors of the Purchased Receivables at bank accounts maintained with VWFS; and

(u) the number and proportionate share of Financed Vehicles which have an EA 189 EU5 diesel engine.

To a certain extent some of the above information will be included in the reports of the Issuer and sent to True Sale International GmbH, such information will be, among other things, accessible on the TSI website (www.true-sale-international.de).

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

In addition, under the Servicing Agreement, subject to the provisions of the Data Protection Rules, the Servicer may, for as long as the Class A Notes or (if possible in accordance with the Eurosystem eligibility criteria or Bank of England eligibility criteria in force from time to time) any other Class of Notes are intended to be held in a manner which will allow Eurosystem eligibility or Bank of England eligibility, make loan level data in such a manner available as required to comply with:

(a) the Eurosystem eligibility criteria set out in the Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), which was published in the Official Journal of the European Union on 2 April 2015 and applies from 1 May 2015, as amended from time to time including as amended by Guideline (EU) 2016/64 of 18 November 2015 effective from 5 January 2016; and

(b) the Bank of England eligibility criteria and transparency criteria for asset backed securities (as set out in the Detailed Information Transparency for Asset-Backed Securities for Auto-loan ABS of 17 December 2012 as amended and applicable from time to time).

Under the Servicing Agreement, the Servicer has undertaken to the Issuer that, pursuant to the Securitisation Regulation, it will (on behalf of the Issuer) make the information available to the Noteholders, to competent authorities, as referred to in Article 29 of the Securitisation Regulation and to potential Noteholders all such information as the Issuer is required to make available pursuant to and in compliance with the Securitisation Regulation Disclosure Requirements. To the extent no securitisation repository is registered in accordance with Article 10 of the Securitisation Regulation, the Servicer will make such information available on the website of the European Data Warehouse (www.eurodw.eu) which, for the avoidance of doubt, will comply with the Securitisation Regulation Disclosure Requirements. If a securitisation repository should be registered in accordance with Article 10 of the Securitisation Regulation, the Servicer on behalf of the Issuer will make the information available to such securitisation repository.

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

Under the Servicing Agreement, the Servicer has further undertaken to the Issuer that by no later than the Business Day following the entry, modification or termination of any transaction between the Issuer and the Swap Counterparties under the Swap Agreements, it will (on behalf of the Issuer):

(a) prepare and submit any counterparty reports to the relevant trade repository (or, the European Securities and Markets Authority as the case may be) that the Issuer is required to submit pursuant to Article 9 of the EMIR; and

(b) prepare and submit any transaction reports to the relevant trade repository (or, the European Securities and Markets Authority as the case may be) that the Issuer and Swap Counterparties are required to submit pursuant to Article 9 of the EMIR. To the extent agreed with the relevant Swap Counterparty, for the purposes of complying with its obligations under this paragraph of the Servicing Agreement, the Servicer agrees to correspond and liaise with the Swap Counterparty for the purposes of jointly preparing, agreeing on and submitting a single transaction report to the relevant trade repository (or, the European Securities and Markets Authority as the case may be).

In connection with the reporting duties mentioned above, the Servicer has undertaken that it will, on behalf of the Issuer, keep records of the entry into, or modification of, each transaction entered into by the Issuer under the Swap Agreements for a period of at least 5 years following the termination of such transaction.

Under the Servicing Agreement, the Servicer has further undertaken to the Issuer that it will keep record on behalf of the Issuer of any notification provided to it by the Issuer and/or the relevant Swap Counterparty pursuant to Part 6(c) of the schedule to the Swap Agreements.

Under the Servicing Agreement, the Servicer further undertakes to the Issuer that, as soon as reasonably practicable after the SFIs Website is established, without prejudice to any of its specific obligations thereunder, it will, if required, appoint a suitable entity to enable the Issuer to comply with any applicable disclosure and/or reporting requirements under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013, and the regulatory technical standards applicable pursuant to the Commission Delegated Regulation (EU) 2015/3 of 30 September 2014, or other or further regulatory technical standards applicable from time to time.

Distribution Procedure

Each 25th day of each month or, if 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) shall be a Payment Date.

The Servicer will transfer by the Payment Date of each month to the Distribution Account the Collections relating to the relevant Monthly Period.

Dismissal and Replacement of the Servicer

If any of the following events (each a "**Servicer Replacement Event**") shall occur:

(a) the Servicer fails to make any payment or deposit to be made by it to the Distribution Account within five (5) Business Days of when due;

(b) the Servicer fails on two separate occasions within any continuous period of 12 months to deliver a copy of the Monthly Investor Report to the Noteholders within five (5) Business Days of the date upon which it is required so to do pursuant to the terms of the Servicing Agreement;

(c) 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) or (b) 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);

(d) 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);

(e) the Servicer becomes subject to an Insolvency Event;

(f) 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; or

(g) there is a going concern qualification in the annual audited financial statements of the Servicer,

provided, however, that if a Servicer Replacement Event referred to under paragraph (a), or (b) 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 90 days, a Servicer Replacement Event will be deemed not to have occurred.

Upon and after (a) such termination, all authority and power of the Servicer will terminate and be of no further effect, (b) the retiring Servicer shall no longer hold itself out in any way as the agent of any party to the Agreement pursuant to any Transaction Document or the Servicing Agreement; (c) the rights and obligations of the retiring Servicer and any obligations of the Issuer, each of the Seller and the Security Trustee to the retiring Servicer shall cease to exist but the relevant termination shall be without prejudice to (i) any liabilities or obligations of the retiring Servicer to the Issuer, each of the Seller or the Security Trustee or any successor servicer incurred or arising up to the Servicer Termination Date; (ii) any liabilities or obligations of the Issuer, each of the Seller or the Security Trustee to the retiring Servicer incurred or arising up to the Servicer Termination Date and (iii) the retiring Servicer's obligation to deliver documents and materials in accordance with the Servicing Agreement or any other Transaction Document.

On the Servicer Termination Date, the retiring Servicer shall (save as prohibited or required otherwise by any applicable laws, regulations, judgments and other directions or orders to which it may be subject) immediately deliver or make available to (and in the meantime shall hold to the order of) (a) if a successor servicer has then been appointed, such successor servicer; or (b) failing such appointment, the Issuer; the Purchased Receivable Records, the Servicer Records and the Transaction Documents (provided that the retiring Servicer shall have the right to make and retain such copies of any such records as it desires at its own cost) and any monies then held by the retiring Servicer on behalf of the Issuer and any other assets of the Issuer then held by it; and take such further action as the Issuer, the Security Trustee or the successor servicer appointed to replace the retiring Servicer may reasonably direct in order to effectively transfer its rights and obligations under the Servicing Agreement to a successor servicer.

The successor servicer shall be appointed by the Issuer and the Security Trustee with effect from the Servicer Termination Date by the entry of the successor servicer, the Issuer and the Security Trustee into a replacement servicing agreement which complies with the following provisions:

An entity may be appointed as successor servicer only if:

(a) it has experience of administering assets reasonably similar to the Purchased Receivables being administered by the Servicer or is able to demonstrate that it has the capability to administer assets reasonably similar to the Purchased Receivables being administered by the Servicer;

(b) it has the permissions pursuant to the Financial Services and Markets Act 2000 necessary to administer the Purchased Receivables on behalf of the Issuer;

(c) it has a net worth of not less than £25,000,000;

(d) it is willing to enter into an agreement with the parties to the Servicing Agreement (other than VWFS except in its capacity as Seller) which provides for the successor servicer to be remunerated at such

a rate as is agreed by the Issuer but which does not exceed the rate then commonly charged by providers of services of the kind described in the Servicing Agreement and required by the Servicing Agreement to be provided by the Servicer and is otherwise on substantially the same terms as those of the Servicing Agreement; and

(e) the Noteholders have consented to its appointment.

SECURITY TRUSTEE

Wilmington Trust (London) Limited has been appointed as Security Trustee.

Wilmington Trust (London) Limited, a limited liability company incorporated in London and having its registered address at 1 King's Arms Yard, EC2R 7AF London, United Kingdom and acting through its managing directors will provide the security trustee services to the Noteholders.

Wilmington Trust (London) Limited is ultimately held by M&T Bank Corp., Buffalo/New York, USA, a NYSE listed bank (trading symbol: "**MTB**") in United States.

The Wilmington Trust group is a division of M&T Bank Corporation and exists since more than 100 years being a major player in the trust business. Wilmington Trust is mandated in over 3,000 mortgage and asset-backed securitisations representing nearly 200 issuers and a wide variety of asset classes. Wilmington Trust is the independent and neutral partner with no lending or securities underwriting conflicts.

This description of the Security Trustee does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Transaction Documents.

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

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

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

CALCULATION AGENT, PRINCIPAL PAYING AGENT, INTEREST DETERMINATION AGENT, CASH ADMINISTRATOR, ACCOUNT BANK AND CUSTODIAN

HSBC Bank plc and its subsidiaries form a group providing a range of banking products and services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a company limited by shares in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered as a public limited company and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Group Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide across 66 countries and territories in Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US$2,659bn at 31 March 2019, HSBC is one of the world’s largest banking and financial services organisations.

The short term senior unsecured and unguaranteed obligations of HSBC Bank `plc are, as at the date of this Prospectus, rated P-1 by Moody's and A-1+ by Standard & Poor's and HSBC Bank plc has a short term issuer default rating of F1+ from Fitch. The long term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated Aa3 by Moody's and AA- by Standard & Poor's and HSBC Bank plc has a long term issuer default rating of AA- from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ.

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

SWAP COUNTERPARTIES

This description of each Swap Counterparty does not purport to be an abstract of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Swap Agreements and the other Transaction Documents.

Skandinaviska Enskilda Banken AB (publ) as Swap Counterparty

Skandinaviska Enskilda Banken AB (publ) is a leading Nordic financial services group. As a relationship bank, Skandinaviska Enskilda Banken AB (publ) offers financial advice and a wide range of financial services to corporate customers, financial institutions and private individuals in Sweden and the Baltic countries. In Norway, Denmark, Finland, Germany and the UK, SEB's operations focus on delivering a full-service offering to corporate and institutional clients and building long-term customer relationships. The international nature of Skandinaviska Enskilda Banken AB (publ)'s business is reflected in its presence in some 20 countries worldwide.

On 31 December 2018, the Group's total assets amounted to Swedish Krona 2,568 billion while its assets under management totalled Swedish Krona 1,699 billion. The Group has around 15,000 employees.

The information in the preceding two paragraphs has been provided by Skandinaviska Enskilda Banken AB (publ) for use in this Base Prospectus and Skandinaviska Enskilda Banken AB (publ) is solely responsible for the accuracy of the preceding two paragraphs. Except for the preceding two paragraphs, Skandinaviska Enskilda Banken AB (publ) in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus

Crédit Agricole Corporate and Investment Bank as Swap Counterparty

Crédit Agricole Corporate and Investment Bank will serve as the swap counterparty. Crédit Agricole Corporate and Investment Bank is a société anonyme incorporated under, and governed by, the laws of France, whose registered office is at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex - France. Crédit Agricole Corporate and Investment Bank is registered at the Trade and Commercial Register of Nanterre (France) under the number 304 187 701. Crédit Agricole Corporate and Investment Bank is subject to Articles L.225-1 et seq. of Book 2 of the French Commercial Code. As a credit institution, Crédit Agricole Corporate and Investment Bank is subject to Articles L.511-1 et seq. and L.531-1 et seq. of the French Monetary and Financial Code.

As of 31 December 2018, Crédit Agricole Corporate and Investment Bank's shareholders' capital amounted to €7,851,636,342 divided into 290,801,346 shares with a nominal value of €27 each. Crédit Agricole Corporate and Investment Bank's share capital is held at more than 99% by the Crédit Agricole Group. Crédit Agricole S.A. holds more than 97% of the share capital of Crédit Agricole Corporate and Investment Bank.

Crédit Agricole Corporate and Investment Bank is the corporate and investment banking arm of the Crédit Agricole Group.

Crédit Agricole Corporate and Investment Bank offers banking services to its customers on a global basis. Its main activities are financing, capital markets and investment banking and wealth management.
Financing business covers:

- structured finance, i.e. originating, structuring and financing major export and investment operations in France and abroad, often backed with assets as collateral (aircraft, boats, business property, commodities etc.), along with complex and structured loans; and

- commercial banking, i.e. trade and export finance, including domestic and international cash management, short-term and medium-term trade finance, syndicated loans, leasing, factoring, international trade (letters of credit, receipts, pre-financing export, buyer credits, forfaiting etc.), domestic and international guarantees, market guarantees and interest rates and foreign exchange risk management products, as well as debt optimisation and distribution with syndicated loans.

Capital markets and investment banking covers treasury and liquidity management, fixed income, foreign exchange, credit markets, mergers and acquisitions, equity capital markets and equity derivatives.

Crédit Agricole Corporate and Investment Bank also runs a wealth management business in Europe out of Switzerland, Luxembourg Monaco, Spain, Brazil and more recently in Asia with the acquisition in 2017 of CIC wealth management activities in Singapore and Hong Kong;

S&P has affirmed A+/A-1 ratings for long and short term unsecured debt on 19 October 2018 with a perspective revised to stable from positive; Moody's has affirmed A1/P-1 ratings on 5 July 2018 with a perspective revised to positive from stable and Fitch has affirmed A+/Stable/F1 ratings on4 december 2018.

Any further information on Crédit Agricole Corporate and Investment Bank can be obtained on Crédit Agricole Corporate and Investment Bank's website at www.ca-cib.com. This website does not form part of this prospectus.

The information in the preceding nine paragraphs has been provided by Crédit Agricole Corporate and Investment Bank for use in this Base Prospectus and Crédit Agricole Corporate and Investment Bank is solely responsible for the accuracy of the preceding nine paragraphs. Except for the preceding nine paragraphs, Crédit Agricole Corporate and Investment Bank in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus.

Banco Santander, S.A. as Swap Counterparty

Banco Santander, S.A. is the parent bank of Grupo Santander. It was established on 21 March 1857 and incorporated in its present form by a public deed executed in Santander, Spain, on 14 January 1875.

Banco Santander, S.A. and its consolidated subsidiaries are a financial group operating through a network of offices and subsidiaries across Spain, the United Kingdom and other European countries, Brazil and other Latin American countries and the US, offering wide range of financial products. In Latin America, Santander Group have majority shareholdings in banks in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay.

At December 31, 2017, Santander Group had a market capitalization of €88.4 billion, shareholders' equity of a €94.5 billion and total assets of €1,444.3 billion. Santander Group had €1,162.3 billion in customer funds under management at that date.

As of December 31, 2017, we had 68,223 employees and 6,315 branch offices in Continental Europe, 25,971 employees and 808 branches in the United Kingdom, 88,713 employees and 5,891 branches in Latin America, 17,560 employees and 683 branches in the United States and 1,784 employees in Corporate Activities

Banco Santander, S.A has a long- term credit rating of "A-" by Fitch (as of December 2017), "A" by Standard & Poor´s (as of April 2018), "A2" by Moody´s (as of April 2018) and "AH" by DBRS (as of April 2018).

The information in the preceding six paragraphs has been provided by Banco Santander, S.A. for use in this Base Prospectus and Banco Santander, S.A. is solely responsible for the accuracy of the preceding six paragraphs. Except for the preceding six paragraphs, Banco Santander, S.A. in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus.

The Bank of Nova Scotia as Swap Counterparty

The Bank of Nova Scotia was granted a charter under the laws of the Province of Nova Scotia in 1832 and commenced operations in Halifax, Nova Scotia in that year. Since 1871, The Bank of Nova Scotia has been a chartered bank under the Bank Act (Canada) (the "Bank Act"). The Bank of Nova Scotia is a Schedule 1 bank under the Bank Act and the Bank Act is its charter. The head office of The Bank of Nova Scotia is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 3B7 and its executive offices are at Scotia Plaza, 44

King Street West, Toronto, Ontario, M5H 1H1. A copy of The Bank of Nova Scotia's by-laws is available on http://www.sedar.com.

The Bank of Nova Scotia is Canada's international bank and a leading financial services provider in the Americas. The Bank of Nova Scotia is dedicated to helping its more than 25 million customers become better off through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets. With a team of more than 97,000 employees and assets of C$998 billion (as at October 31, 2018), Scotiabank trades on the Toronto (TSX: BNS) and New York Exchanges (NYSE: BNS).

The information in the preceding two paragraphs has been provided by The Bank of Nova Scotia for use in this Base Prospectus and The Bank of Nova Scotia is solely responsible for the accuracy of the preceding two paragraphs. Except for the preceding two paragraphs, The Bank of Nova Scotia in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus.

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main as Swap Counterparty

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ("**DZ BANK**") is registered in the Commercial Register of the local court of Frankfurt am Main under No. HRB 45651.

Legal name	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
Commercial name	DZ BANK AG
Domicile	Platz der Republik, 60325 Frankfurt am Main, Federal Republic of Germany
Legal Form, Legislation	DZ BANK is a stock corporation (Aktiengesellschaft) organised under German Law
Country of Incorporation	Federal Republic of Germany
Principal Activities	DZ BANK is acting as a central bank, corporate bank and parent holding company of the DZ BANK Group. The DZ BANK Group forms part of the German Volksbanken Raiffeisenbanken cooperative financial network, which comprises more than 900 cooperative banks and is one of Germany's largest financial services organisations measured in terms of total assets. DZ BANK is a central institution and is closely geared to the interests of the cooperative banks, which are both its owners and its most important customers. Using a customized product portfolio and customer-focused marketing, DZ BANK aims to ensure that the cooperative banks continually improve their competitiveness on the basis of their brands and - in the opinion of the Issuer - a leading market position. In addition, following the merger with WGZ BANK, DZ BANK in its function as central bank for more than 900 cooperative banks is responsible for liquidity management within the Volksbanken Raiffeisenbanken cooperative financial network. As a corporate bank DZ BANK serves companies

and institutions that need a banking partner that operates at the national level. DZ BANK offers the full range of products and services of an international oriented financial institution with a special focus on Europe. DZ BANK also provides access to the international financial markets for its partner institutions and their customers.

The information in the preceding seven paragraphs has been provided by DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main for use in this Base Prospectus and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main is solely responsible for the accuracy of the preceding seven paragraphs. Except for the preceding seven paragraphs, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus.

RATINGS

As at the date of this Base Prospectus the relevant Class A Notes are rated Aaa(sf) by Moody's, AAA(sf) by S&P and AAA (sf) by Fitch.

With respect to the relevant Class A Notes, the rating of Aaa(sf) is the highest rating that Moody's assigns to long term structured finance debts, AAA(sf) is the highest rating that S&P assigns to long-term structured finance debts and AAA (sf) is the highest rating that Fitch assigns to long-term structured finance debts.

As at the date of this Base Prospectus the relevant Class B Notes are rated A+(sf) by S&P, at least A1 (sf) by Moody's and at least A+ (sf) by Fitch.

With respect to the relevant Class B Notes, the rating of A1 is the fifth highest rating that Moody's assigns to long term structured finance debts, A+sf is the fifth highest rating that S&P assigns to long-term structured finance debts and A+ (sf) is the fifth highest rating that Fitch assigns to long-term structured finance debts.

The rating of the relevant Class A Notes addresses the ultimate payment of principal and timely payment of interest according to the Conditions. The rating of the relevant Class B Notes addresses the ultimate payment of principal and interest according to the Conditions. The rating takes into consideration the characteristics of the Receivables and the structural, legal, tax and Issuer-related aspects associated with the relevant Notes.

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

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

References to ratings of Moody's, S&P and Fitch in this Base Prospectus shall refer to www.moodys.com, www.standardandpoors.com and www.fitchratings.com, respectively.

THE ISSUER

1. General

The Issuer, a public company with limited liability (*société anonyme*), was incorporated for the purpose of issuing asset backed securities under the laws of Luxembourg on 29 July 2011 for an unlimited period and has its registered office at 22-24 Boulevard Royal, L-2449 Luxembourg (telephone: (+352) 2602 491) acting for and on behalf of its specific Compartment 2 duly created by resolutions of its Board of Directors on 25 October 2013. The Company is registered with the Luxembourg Commercial Register of Commerce and Companies under registration number B 162.723.

The Issuer has expressly elected in its Articles of Incorporation to be governed by the Luxembourg Securitisation Law and is hereby subject to the Luxembourg Securitisation Law.

The Company currently does not intend to issue securities on a continuous basis to the public and if at a later point it did, it will first apply and become approved as a regulation securitisation company pursuant to, and in accordance with the provisions of the Luxembourg Securitisation Law.

The Legal Entity Identifier (LEI) of the Issuer is: 529900MRO80NKJYUH055.

2. Corporate purpose of the Issuer

The Issuer has as its business purpose as stated in its Articles the securitisation (within the meaning of the Luxembourg Securitisation Law which has been expressly adopted by the Issuer in its articles of incorporation) of risks associated to receivables and related assets. The Issuer may issue securities of any nature and in any currency and, to the largest extent permitted by the Luxembourg Securitisation Law, pledge, mortgage or charge or otherwise create security interests in and over its assets, property and rights to secure its obligations. The Issuer may enter into any agreement and perform any action necessary or useful for the purposes of carrying out transactions permitted by the Luxembourg Securitisation Law, including, without limitation, disposing of its assets in accordance with the relevant agreements. The Issuer may only carry out the above activities if and to the extent that they are compatible with the Luxembourg Securitisation Law.

3. Compartment

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

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

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

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

Fees, costs, expenses and other liabilities incurred on behalf of the Company but which do not relate specifically to any Compartment shall be general liabilities of the Company and shall not be payable out of the assets of any Compartment. The board of directors of the Issuer shall ensure that creditors of such

liabilities waive recourse to the assets of any Compartment. If such creditors do not waive recourse and such general liabilities cannot be otherwise funded, they shall be apportioned pro rata among the Compartments of the Company upon a decision of the board of directors.

With board resolution dated 25 October 2013 the Issuer created Compartment 2. With board resolutions dated 18 November 2013, 20 November 2014, 20 November 2015, 17 June 2016, 21 October 2017, 16 May 2017, 15 May 2018 and 14 May 2019, the Issuer authorised the transaction and the issuance of the Notes.

4. Business Activity

In respect of the Transaction, the principal activities of the Issuer, acting for and on behalf of its Compartment 2, will be the issue of the Notes, in connection with the Transaction, the granting of the Security, the entering into the Subordinated Loan Agreement, respectively, the entering into the Swap Agreements and the entering into all other Transaction Documents to which it is a party and the opening of the Distribution Account, the Accumulation Account, each Counterparty Downgrade Collateral Account, the Cash Collateral Account and the Monthly Collateral Account and the exercise of related rights and powers and other activities reasonably incidental thereto.

5. Corporate Administration and Management

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

Director	**Business address**	**Principal activities outside the issuer**
Zamyra Heleen Cammans	22-24 Boulevard Royal, L-2449 Luxembourg	Professional in the domiciliation business
Meenakshi Mussai-Ramassur	22-24 Boulevard Royal, L-2449 Luxembourg	Professional in the domiciliation business
Sheena Schmidt	22-24 Boulevard Royal, L-2449 Luxembourg	Professional in the domiciliation business

The Company confirms that there is no conflict of interest between the duties of a director of the Company and the principal and/or other activities outside Driver UK Master S.A.

6. Capital, Shares and Shareholders

The subscribed capital of the Company is set at GBP 29,000 divided into 2,900 fully paid up, registered shares with a par value of GBP 10 each.

The sole shareholder of the Company is Stichting CarLux. Stichting CarLux is a foundation duly incorporated and validly existing under the laws of The Netherlands with its registered office at Barbara Strozzilaan 101, 1083 HN Amsterdam, The Netherlands is registered with the trade register of the Chamber of Commerce in Amsterdam under number 34283304.

7. Capitalisation

The share capital of the Company as at the date of this Base Prospectus is as follows: Share Capital

Authorised, subscribed, issued and fully paid up: GBP 29,000, consisting of 2,900 shares of 10 GBP each. The shares rank *pari passu* to each other.

8. Indebtedness

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

9. Holding Structure

Stichting CarLux, prenamed 2,900 shares

Total 2,900 shares

10. Subsidiaries

The Issuer has no subsidiaries or affiliates.

11. Name of the Issuer's Financial Auditors

PricewaterhouseCoopers société coopérative
2 rue Gerhard Mercator
L-2182 Luxembourg

PricewaterhouseCoopers, société coopérative, is a member of the Institut des Réviseurs d' Entreprises.

12. Main Process for Director's Meetings and Decisions

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

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

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

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

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

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

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

13. Financial Statements

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

The business year of the Issuer extends from 1 July to 30 June of each year. The first business year began on 29 July 2011 (date of incorporation) and ended on 30 June 2012 so that the first annual general meeting of the shareholder was held in 2013.

The Financial statements of the Issuer for the fiscal years ended on 30 June 2017 and 30 June 2018 are incorporated by reference into this Base Prospectus. See "*DOCUMENTS INCORPORATED BY REFERENCE*".

14. Auditors and Auditors' Reports

PricewaterhouseCoopers, société coopérative, as the auditor of Driver UK Master S.A. audited the annual accounts of Driver UK Master S.A. displayed hereunder for the period from 1 July 2016 to 30 June 2017 and from 1 July 2017 to 30 June 2018.

In the opinion of PricewaterhouseCoopers, société coopérative, the Issuer's annual accounts gave, in conformity with Luxembourg legal and regulatory requirements, a true and fair report of the financial position of Driver UK Master S.A. as at 30 June 2017 and as at 30 June 2018 and of the result of its operations from 1 July 2016 to 30 June 2017 and from 1 July 2017 to 30 June 2018.

15. Inspection of Documents

For the life of the Notes, but at least for the life of this Base Prospectus, the following documents (or copies thereof)

(a) the Articles of Incorporation of the Issuer;

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

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

(d) the historical financial information of the Issuer for the years ending in June 2017 and June 2018 of the Issuer.

may be inspected at the Issuer’s registered office at 22-24 boulevard Royal, L-2449 Luxembourg.

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

CORPORATE ADMINISTRATION AND ACCOUNTS

Corporate Administration

Pursuant to the Corporate Services Agreement, the Issuer has appointed Circumference FS (Luxembourg) S.A., 22-24 Boulevard Royal, L-2449 Luxembourg as Corporate Services Provider to provide management, secretarial and administrative services to the Issuer including the provision of directors of the Issuer. The Corporate Services Provider is a public limited liability company (*Société Anonyme*) incorporated in Luxembourg. It is not in any manner associated with the Issuer or with the Volkswagen Group. The Corporate Services Provider will *inter alia* provide the following services to the Issuer:

(a) provide three directors and secretarial, clerical, administrative services;

(b) convene meetings of shareholders;

(c) maintain accounting records; and

(d) procure that the annual accounts of the Issuer are prepared, audited and filed.

The Corporate Services Provider will, furthermore, fulfil or cause to be fulfilled all the obligations of the Issuer under the contracts to which the Issuer is a party and which are mentioned in this Base Prospectus, which are as follows:

(a) Receivables Purchase Agreement;

(b) Servicing Agreement;

(c) Corporate Services Agreement;

(d) Trust Agreement;

(e) Deed of Charge and Assignment;

(f) Swap Agreements;

(g) Agency Agreement;

(h) Subordinated Loan Agreement;

(i) Data Protection Trust Agreement;

(j) Account Agreement; and

(k) Note Purchase Agreement.

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

TERMS AND CONDITIONS OF THE CLASS A NOTES

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

1. Form and Nominal Amount of the Notes

(a) The issue by Driver UK Master S.A., acting for and on behalf of its Compartment 2 (the "**Issuer**") in an aggregate nominal amount of up to GBP 10,000,000,000 (the "**Nominal Amount**") is divided into certain Class A Notes payable to the registered holder (the "**Class A Notes**"), each having a nominal amount of GBP 100,000 and certain Class B Notes.

(b) The Class A Notes are issued in registered form and represented by a global registered note without coupons attached (the "**Global Note**"). The Global Note representing the Class A Notes shall be deposited with a Common Safekeeper for Clearstream Luxembourg and Euroclear and thereafter, the Global Note will be held in book-entry form only. The Global Note representing the Class A Notes will bear the personal signatures of two duly authorised directors of Driver UK Master S.A., acting for and on behalf of its Compartment 2 and will be authenticated by one or more employees or attorneys of the Principal Paying Agent and will be effectuated by the Common Safekeeper.

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

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

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

(f) Simultaneously with the Class A Notes the Issuer has issued Class B Floating Rate Notes (the "**Class B Notes**" and together with the Class A Notes, the "**Notes**"), which rank junior to the Class A Notes with respect to payment of interest and principal as described in the Order of Priority. The Issuer will issue new Class B Notes in the lesser of the Class B Notes Increase Amount and the amount of Class B Notes notified by the Issuer on the Closing Date and any Further Issue Date. The Issuer borrowed from the Subordinated Lender the Subordinated Loan on 20 November 2013 and further may borrow Subordinated Loan Increase Amounts on each Additional Borrowing Date. The Subordinated Loan ranks junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.

(g) The Notes are subject to the provisions of the Trust Agreement between, *inter alia*, the Issuer, the Security Trustee and Volkswagen Financial Services (UK) Limited. The

provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Conditions.

2. Series

(a) Series of Class A Notes:

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

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

the number of such Series in respect of the relevant year, in the following format "y",

in the following format: Series 20xx-y.

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

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

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

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

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

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

3. Status and Ranking

(a) The Class A Notes of any Series constitute direct, secured, unconditional and unsubordinated obligations of the Issuer. The Class A Notes rank pari passu among themselves. The Class A Notes rank senior to the Class B Notes and the Subordinated Loan.

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

4. The Issuer

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

5. Assets of the Issuer for the Purpose of Payments on the Notes and on the Subordinated Loan, Provision of Security, Limited Payment Obligation

(a) The Issuer will use the proceeds of the Issue of the Notes and of the Subordinated Loan to finance the acquisition of the Receivables from the Seller and to acquire Additional Receivables from VWFS during the Revolving Period. The servicing and collection of the Receivables shall initially be carried out on the basis of the Servicing Agreement by VWFS (in this capacity, the "**Servicer**"). In addition, subject to revocation by the Security Trustee, the Issuer is authorised to collect, to have collected, to realise and to have realised in the

ordinary course of its business or otherwise to use the rights and assets assigned for security purposes as necessary. Furthermore, the Issuer has entered into additional agreements in connection with the acquisition of the Receivables and the issue of the Notes and the raising of the Subordinated Loan, in particular, the Subordinated Loan Agreement with Volkswagen International Luxemburg S.A., a Corporate Services Agreement with the Corporate Services Provider, the Data Protection Trust Agreement with Wilmington Trust SP Services (Frankfurt) GmbH and the Security Trustee, the Swap Agreements with the Swap Counterparties, the Trust Agreement with the Security Trustee, the Agency Agreement with VWFS and the Principal Paying Agent, the Account Agreement with the Account Bank, the Redelivery Repurchase Agreement and the Driver UK 2011 and CCJ Receivables Repurchase Agreement with VWFS. The Receivables Purchase Agreement, the Servicing Agreement, the Corporate Services Agreement, the Subordinated Loan Agreement, the Agency Agreement, the Account Agreement, the Redelivery Repurchase Agreement and the Driver UK 2011 and CCJ Receivables Repurchase Agreement, are (amongst others) collectively referred to as the "**Transaction Documents**" and the creditors of the Issuer under these Transaction Documents are referred to as "**Transaction Creditors**".

(b) In accordance with the Deed of Charge and Assignment and an Assignation in Security, the Issuer with full title guarantee, has assigned in favour of the Security Trustee by first fixed security, all of its present and future right, title and interest to, in and under the English Purchased Receivables. The Issuer also executed and delivered to the Security Trustee a Scottish Declaration of Trust in respect of the Scottish Receivables.

(c) The Issuer also assigned in favour of the Security Trustee by way of first fixed security the benefit of all its present and future rights, title and interest in and under the Charged Transaction Documents and the other charged contracts and charged by way of first fixed security interest in each of the Accounts. Further, the Issuer assigned and pledged its rights under the German Transaction Documents to the Security Trustee under the Trust Agreement.

(d) All payment obligations of the Issuer under the Notes and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount as generated, *inter alia*, by payments to the Issuer by the obligors and by the Swap Counterparties under the Swap Agreements, as available on the respective Payment Dates according to the Order of Priority of distribution. None of the Notes of any Series shall give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it pursuant to clause 20 (*Distribution Account; Cash Collateral Account; Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement in the Distribution Account. Further, the Issuer has on or around the Initial Issue Date established and thereafter maintains the Cash Collateral Account pursuant to clause 20 (*Distribution Account; Cash Collateral Account; Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement to provide limited coverage for payments of interest and principal on the Notes and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Transaction Documents with the due care of a prudent businessman such that obligations under the Notes may, subject always to the provisions of these Conditions of the Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights the funds of the Issuer, including in the Distribution Account and the Cash Collateral Account, any other assets of the Issuer and the proceeds from the enforcement of the Security are insufficient to satisfy in full the claims of all holders of Notes any claims of holders of Notes of the respective Series remaining unpaid shall be extinguished at the Final Maturity Date applicable to the respective Series of Notes and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Notes of the respective Series nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid.

(e) The enforcement of the payment obligations under the Notes, the Subordinated Loan Agreement and the Swap Agreements pursuant to paragraph (c) shall only be effected by the Security Trustee for the benefit of all Noteholders, the Swap Counterparties and the Subordinated Lender. The Security Trustee is required to foreclose on the Receivables and

the other collateral it holds following the occurrence of a Foreclosure Event, on the conditions and in accordance with the terms set forth in the Trust Agreement.

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

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

(h) The recourse of the Transaction Creditors is limited to the assets allocated to Compartment 2 of the Driver UK Master S.A.

6. Further Covenants of the Issuer

(a) As long as any of the Notes and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Security Trustee, to perform any activities described in clause 38 (*Actions of the Issuer Requiring Consent*) of the Trust Agreement.

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

7. Payment Date, Payment Related Information

The Issuer shall inform the holders of the Class A Notes, not later than the day on which the Monthly Investor Report is provided, which is the 2nd Business Day prior to each Payment Date. By means of the publication provided for under Condition 13 (ii) with reference to the Payment Date (as described below) of such month, as follows:

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

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

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

(d) the remaining General Cash Collateral Amount;

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

(f) The Issuer shall make available for inspection by the holders of the Class A Notes, in its offices at 22-24 Boulevard Royal, L-2449 Luxembourg and during normal business hours, the documents from which the figures reported to the holders of the Class A Notes are calculated; and

(g) For the avoidance of doubt, the record date shall be the Business Day, by the close of business, prior to the relevant Payment Date.

8. Payments of Interest

(a) Subject to the limitations set forth in Condition 5(d), each outstanding principal amount in respect of the Notes shall bear interest from (and including) 28 May 2019 (the "**Closing Date**") until (and including) the day preceding the day on which the principal amount has been reduced to zero.

(b) Interest shall be paid in arrear on each Payment Date. The amount of interest payable in respect of each Class A Note on any Payment Date shall be calculated by applying the Class A Notes Interest Rate for the relevant Interest Accrual Period to the principal amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 365 and rounding the result to the nearest full penny, all as determined by HSBC Bank plc (the "**Interest Determination Agent**"), in accordance with the definition of LIBOR provided that if there has been a public announcement of the permanent or indefinite discontinuation of LIBOR, the Issuer (acting on the advice of the Servicer) shall use commercially reasonable endeavours to propose an Alternative Benchmark Rate in accordance with Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*) no later than the discontinuation of LIBOR becoming effective.

(c) The interest rate to be used for calculating the amount of interest payable pursuant to paragraph (b) shall be the sum (subject to a floor of zero) of LIBOR plus the relevant margin as set out in the relevant Final Terms (the "**Margin**") per annum (the "**Class A Notes Interest Rate**"), with LIBOR being determined by the Interest Determination Agent on the following basis:

(i) at or about 11.00 a.m. London time on each Payment Date (each such day, a "**LIBOR Determination Date**"), the Interest Determination Agent will determine the offered quotation to leading banks in the London interbank market ("**LIBOR**") for one month Sterling deposits (rounded to five decimal places with the mid-point rounded up) administered by ICE Benchmark Administration Limited (or any person which takes over the administration of that rate) as quoted on page LIBOR01 of the Reuters screen service (the "**LIBOR Screen Rate**"). If the agreed page is replaced or service ceases to be available, the Interest Determination Agent may specify another page or service displaying the appropriate rate after consultation with the Security Trustee; or

(ii) if the LIBOR Screen Rate is not then available for Sterling or for the Interest Period of Class A Notes, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Interest Determination Agent at its request by the principal London office of each of The Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank PLC or such other banks which the Interest Determination Agent (in consultation with the Security Trustee) may appoint from time to time (the "**Reference Banks**") at or about 11.00 a.m. London time on the LIBOR Determination Date for the offering of deposits to the leading banks in the London interbank market in Sterling and for a period comparable to the Interest Period for the Class A Notes. If on any LIBOR Determination Date, only two of three of the Reference Banks provide such offered quotations to the Interest Determination Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such LIBOR Determination Date, only one quotation is provided as requested, the rate for that LIBOR Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in London selected by the Interest Determination Agent (which bank or banks is or are in the opinion of the Security Trustee suitable for such purpose). If LIBOR cannot be determined in accordance with the foregoing provisions, the LIBOR rate for the respective Interest Period shall equal the reference rate last shown prior to the Determination Date on the aforementioned screen page.

(iii) "**LIBOR**" may be amended by the Servicer on behalf of the Issuer subject to and in accordance with the procedure set forth in Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*).

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

9. Payment obligations, Agents

(a) On each Payment Date, the Issuer shall, subject to Condition 5(d), pay to each holder of a Class A Note interest at the Class A Notes Interest Rate on the Series Nominal Amount outstanding immediately prior to the relevant Payment Date, and on each Payment Date the Class A Note qualifies as an Amortising Series of Class A Notes, the Class A Amortisation Amount applicable to such Series of Class A Notes in accordance with the Order of Priority. The record date shall be the close of the Business Day (in the ICSDs' city) prior to the relevant Payment Date.

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

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

(d) The first Payment Date for the Class A Notes shall be specified in the relevant Final Terms. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date falling in May 2025 (the "**Scheduled Repayment Date**").

(e) Subject to the occurrence of an Enforcement Event, all payments of interest on and principal of the Class A Notes will be due and payable at the latest in full on the Final Maturity Date of the relevant Series of Class A Notes as set out in the relevant Final Terms (each a "**Final Maturity Date**").

(f) Provided that the Noteholders have received a notice from the Issuer in accordance with Condition 13 substantially in the form set out in Schedule 1 to these Conditions no later than one month prior to the then current revolving period expiration date applicable to the Series of Notes held by such Noteholder (as specified in the relevant Final Terms or as previously extended, the "**Series Revolving Period Expiration Date**"), all of the holders of the relevant Series of Class A Notes, acting together shall have the right (but not the obligation) exercisable by written notice to the Principal Paying Agent, the Security Trustee, the Registrar and the Issuer (in the form of Schedule 2) to these Conditions to be received not later than on the tenth Business Day immediately preceding the then current Series Revolving Period Expiration Date to request:

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

(ii) an amendment to the Margin; and

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

(g) Any amendments so requested shall become effective only if (A) (i) the Issuer has received confirmation from the Rating Agencies that the rating of the Class A Notes (to the extent rated) will not be affected by such amendments, or (ii) the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Class A Notes before the Series Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating as the Class A Notes prior to the amendments and (B) by no later than the

third Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders of the Class A Notes in the form prescribed by Condition 13 that it has received such confirmation and that it agrees to the requested amendments; and (C) that the Issuer had arranged sufficient interest hedging for the amended Series Revolving Period Expiration Date. In case one of the Registered Holder of a Series of Class A Note does extend its Series Revolving Period Expiration Date, Scheduled Repayment Date and Final Maturity Date, the Final Maturity Date for all Notes outstanding will automatically be extended by one year in order to align all Final Maturity Dates.

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

(i) Payments of interest and principal shall be made by the Issuer to the Principal Paying Agent for on-payment to Clearstream Luxembourg and/or Euroclear or to their order for credit to the accounts of the relevant account holders of Clearstream Luxembourg or, as applicable Euroclear. Payment by the Issuer to the Principal Paying Agent may also include payment to a substitute or alternative paying agent duly appointed pursuant to Condition 9(j) without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity.

(j) In their capacity as such, the Principal Paying Agent, the Calculation Agent and the Interest Determination Agent, respectively, shall act solely as agents of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class A Notes. The Issuer may appoint a new principal paying agent, calculation agent and/or an interest determination agent, or if there are grounds to do so, appoint an alternative principal paying agent, calculation agent and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent, the Calculation Agent and/or the Interest Determination Agent as provided for in clause 9 (*General*) of the Agency Agreement. Appointments and revocations thereof shall be notified to the holders of the Class A Notes pursuant to Condition 13. The Issuer will ensure that during the term of the Class A Notes and as long as the Class A Notes are listed on the Luxembourg Stock Exchange a paying agent, an interest determination agent and a calculation agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code.

10. Taxes

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected ("**taxes**") on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by applicable law (or pursuant to FATCA). The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Noteholder's request, provide proof thereof. It is not obliged to pay any additional amounts as a result of the deduction or withholding.

11. Replacement of Issuer

(a) The Issuer is at any time entitled to appoint another company (the "**New Issuer**") in place of the Issuer as debtor for all obligations arising from and in connection with the Class A Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes, the Subordinated Loan, the Receivables Purchase Agreement, the Trust Agreement, the Account Agreement, the Deed of Charge and Assignment, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust

Agreement, the Swap Agreements and the Agency Agreement and any other Transaction Document by means of an agreement with the Issuer; provided (ii) the Security is, upon the Issuer's replacement, to be held by the Security Trustee for the purpose of securing the obligations of the New Issuer vis-à-vis the Transaction Creditors, (iii) the holders of the Notes and the Subordinated Lender of the Subordinated Loan confirm that no further expenses or legal disadvantages of any kind arise for any of them from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Principal Paying Agent, (iv) the New Issuer provides proof that it has obtained all of the necessary governmental approvals, licenses and consents in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Notes or the Subordinated Lender as a whole, (v) the Issuer and the New Issuer conclude such agreements and execute such documents which the Security Trustee considers necessary for the effectiveness of the replacement. The Issuer will notify the Rating Agencies on the replacement of the Issuer. The replacement shall only become effective if the Issuer has received confirmation from the Rating Agencies that the rating of the Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Notes before the replacement, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Notes as applicable prior to the replacement. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer vis-à-vis the holders of the Notes under or in connection with the Notes and the Subordinated Lender under or in connection with the Subordinated Loan Agreement.

(b) Such replacement of the Issuer must be published in accordance with Condition 13.

(c) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Notes shall be deemed to be a reference to the New Issuer.

12. Loss of Notes

Should the Global Note become lost, stolen, damaged or destroyed, then it may be replaced at the Issuer's offices upon payment by the claimant of the costs arising in connection thereto. The Issuer may require proof of a declaration of exemption and/or adequate security prior to replacement. In the event of damage, the Global Note shall be surrendered before a replacement is issued. In the event of the loss, theft or destruction of the Global Note, the possibility of invalidation under statutory provisions shall remain unaffected.

13. Notices

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

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

In addition, as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, all notices to the Noteholders regarding the Class A Notes shall be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice referred to above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Should an official listing be absent, then such notices shall be published in the electronic German Federal Gazette (*elektronischer Bundesanzeiger*).

Additionally, investor reports with the information set forth in Condition 6 will be made available to the Noteholders via the website of TSI (www.true-sale-international.de). This Base Prospectus relating to the Conditions will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

14. Miscellaneous

(a) The form and content of the Class A Notes and all of the rights and obligations of the holders of the Class A Notes, the Issuer, the Principal Paying Agent and the Servicer under these Class A Notes shall be subject in all respects to the laws of Germany.

(b) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force. The invalid provision shall, according to the intent and purpose of these Conditions, be replaced by such valid provision which in its economic effect comes as close as legally possible to that of the invalid provision.

(c) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) For any legal proceedings brought in connection with these Conditions of the Class A Notes which have been initiated against the Issuer in a court of Germany, the Issuer grants Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Federal Republic of Germany the authority to accept service of process. The Issuer undertakes to maintain an agent for accepting such service in the Federal Republic of Germany as long as any of the Notes are outstanding.

15. Amendments to the Conditions and Benchmark Rate Modification

(a) Save for purposes of complying with the Securitisation Regulation in accordance with Condition 15 (b) or in respect of a Benchmark Rate Modification undertaken in accordance with Condition 15(c) below, the Conditions of any Series of Class A Notes may only be modified through contractual agreement to be concluded between the Issuer and all Noteholders of each Series of Class A Notes as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)) with a prior notification to the Rating Agencies (to the extent such Series of Class A Notes is rated) or by a Noteholder's resolution adopted with unanimous consent of the Noteholders of such Series of Class A Notes pursuant to Sections 5 to 22 of aforementioned act.

(b) Subject to giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies, by publishing such notice with the Luxembourg Stock Exchange (www.bourse.lu), the Issuer will be entitled to amend any term or provision of the Conditions with the consent of the Security Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein or in any regulatory technical standards authorised under the Securitisation Regulation.

(c) The Servicer, on behalf of the Issuer, has the right to amend these Conditions and any Transaction Document for the purpose of changing the benchmark rate in respect of the Notes from LIBOR to an alternative benchmark rate (any such rate, an "**Alternative Benchmark Rate**") (which rate shall apply for the purposes of determining the floating amount payable by the floating rate payer in respect of the Swap Agreements without a requirement for the consent of the relevant Swap Counterparty to such change in the benchmark rate) and making such other related or consequential amendments to the Transaction Documents as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the changes envisaged pursuant to this Condition 15 (a "**Benchmark Rate Modification**"), provided that in relation to any amendment under this Condition 15 the Servicer, on behalf of the Issuer, certifies to the Security Trustee in writing (such certificate, a "**Benchmark Rate Modification Certificate**") that:

(i) the Issuer has provided at least 30 days' notice to the Noteholders of each Series of Class A Notes of the proposed modification in accordance with Condition 13 (*Notices*), and the Noteholders representing at least 10 per cent. of the aggregate outstanding principal amount of the Class A Notes then outstanding have not contacted the Security Trustee in writing (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) the Issuer has provided the Transaction Creditors (including the Swap Counterparties) with at least 30 days' notice of the proposed modifications:

(1) to the Alternative Benchmark Rate which shall apply in respect of the Conditions and the Swap Agreements for the purposes of determining the floating amount payable by the floating rate payer in respect of the Swap Agreements without a requirement for the consent of the relevant Swap Counterparty to such change in the benchmark rate; and

(2) to such other related or consequential amendments to the Transaction Documents (including, if applicable, the Swap Agreements) as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the Benchmark Rate Modification and the Issuer has obtained the consent of any other Transaction Creditors which are not Noteholders in accordance with the provisions of the Incorporated Terms Memorandum;

(iii) the Seller pays all fees, costs and expenses incurred by the Issuer and the Security Trustee or any other Transaction Party in connection with such Benchmark Rate Modification;

(iv) such Benchmark Rate Modification is being undertaken by the Servicer, on behalf of the Issuer, due to:

(1) a material disruption to LIBOR, a material adverse change in the methodology of calculating LIBOR or LIBOR ceasing to exist or be published or the administrator of LIBOR having used a fallback methodology for calculating LIBOR for a period of at least 30 calendar days;

(2) the insolvency or cessation of business of the LIBOR administrator (in circumstances where no successor LIBOR administrator has been appointed);

(3) a public statement or the publication of information by or on behalf of the LIBOR administrator announcing that it has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR with effect from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(4) a public statement or publication of information by the regulatory supervisor of the LIBOR administrator, the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority, an insolvency official with jurisdiction over the LIBOR administrator, or a court or entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the LIBOR administrator has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR with effect from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(5) a public statement or publication of information by the regulatory supervisor of the LIBOR administrator, the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority that means LIBOR may no longer be used or that its use is or will be subject to restrictions or adverse consequences from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(6) a change in generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Rates, despite the continued existence of LIBOR;

(7) it becomes unlawful for the Paying Agent, the Issuer or the Interest Determination Agent to calculate any payments to be made to any Noteholder using LIBOR;

(8) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (1), (2) or (7) above will occur or exist within six months of the proposed effective date of such Benchmark Rate Modification;

(9) a Benchmark Rate Modification is being proposed pursuant to Condition 15(h), and

(v) such Alternative Benchmark Rate is:

(1) a benchmark rate published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an alternative benchmark rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Benchmark Rate);

(2) a benchmark rate utilised in a material number of publicly-listed new issues of Sterling denominated asset backed floating rate notes prior to the effective date of such Benchmark Rate Modification;

(3) a benchmark rate utilised in a publicly-listed new issue of Sterling denominated asset backed floating rate notes where the originator of the relevant assets is an Affiliate of VWFS; or

(4) such other benchmark rate as the Servicer reasonably determines provided that this option may only be used if the Servicer certifies to the Security Trustee that, in the reasonable opinion of the Servicer, conditions (b)(v)(1) to (3) are not applicable and/or practicable in the context of the Transaction, and sets out the rationale in the Benchmark Rate Modification Certificate for choosing the Alternative Benchmark Rate;

(d) The Servicer on the Issuer's behalf, shall (i) provide the Security Trustee with an initial draft of the Benchmark Rate Modification Certificate at least 30 calendar days prior to the date on which it is proposed that the Benchmark Rate Modification would take effect and (ii) provide the Security Trustee with a signed copy of the final Benchmark Rate Modification Certificate on the date on which the Benchmark Rate Modification shall take effect (the "**Benchmark Rate Modification Effective Date**").

(e) The Servicer, on behalf of the Issuer, shall provide at least 30 days' notice to the Noteholders of each Series of Class A Notes of the proposed modification in accordance

with Condition 13 (*Notices*) (the "**Benchmark Rate Modification Noteholder Notice**"). The Benchmark Rate Modification Noteholder Notice shall include the following:

(i) details of how the Noteholders representing at least 10 per cent. of the Note Principal Amount Outstanding of the Class A Notes then outstanding may object to the proposed Benchmark Rate Modification;

(ii) confirmation of the sub-paragraph(s) of Condition 15(c)(iv) under which the Benchmark Rate Modification is being proposed;

(iii) confirmation of the Alternative Benchmark Rate and where Condition 15(c)(v)(4) is being applied, the rationale for choosing the proposed Alternative Benchmark Rate;

(iv) details of any consequential modifications that the Issuer has agreed will be made to the Swap Agreements to which it is a party (if any) for the purpose of aligning the Swap Agreements with the proposed Benchmark Rate Modification, if the proposed Benchmark Rate Modification takes effect;

(v) confirmation that either:

(1) the Servicer, on behalf of the Issuer, has obtained from each of the Rating Agencies written confirmation (or certifies in the Benchmark Rate Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that the proposed Benchmark Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency or (y) placing any Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Security Trustee with the Benchmark Rate Modification Certificate; or

(2) the Servicer on behalf of the Issuer certifies to the Security Trustee in the Benchmark Rate Modification Certificate that the Rating Agencies have been informed of the proposed modification and neither of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent).

(f) If the Noteholders representing at least 10 per cent. of the Note Principal Amount Outstanding of the Class A Notes then outstanding have notified the Issuer in writing (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 such Noteholders do not consent to the Benchmark Rate Modification, then such Benchmark Rate Modification will not be made in respect of each Series of Class A Notes unless Noteholders of such Series of Class A Notes unanimously consent in favour of the Benchmark Rate Modification, in accordance with Part B of the German Debenture Act.

(g) Other than where specifically provided in this Condition 15 or any Transaction Document, when implementing any modification pursuant to this Condition 15, the Security Trustee shall not consider the interests of the Noteholders, any other Transaction Creditors or any other person and shall act and rely solely and without further investigation, on any Benchmark Rate Modification Certificate or evidence provided to it by the Servicer on behalf of the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 15 and shall not be liable to the Noteholders of the Class A Notes, any other Transaction Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

(h) Any Benchmark Rate Modification shall be binding on all the Noteholders and shall be notified by the Servicer, on behalf of the Issuer, at least 10 Business Days prior to the Benchmark Rate Modification Effective Date to:

(i) so long as any of the Class A Notes rated by the Rating Agencies remains outstanding, each Rating Agency;

(ii) the Transaction Creditors (including, for the avoidance of doubt, the Swap Counterparties); and

(iii) the Noteholders of the Class A Notes in accordance with Condition 13 (*Notices*).

(i) Following the making of a Benchmark Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Class A Notes pursuant to a Benchmark Rate Modification, the Issuer is entitled to propose a further Benchmark Rate Modification pursuant to this Condition 15.

SCHEDULE 1
FORM OF NOTICE TO BE DELIVERED BY THE ISSUER TO THE HOLDERS OF THE CLASS A NOTES IN ACCORDANCE WITH CONDITION 9(F)

Notice to the registered holders of the Class A Notes, issued by Driver UK Master S.A. acting for and on behalf of its Compartment 2 (the "Class A Notes"), to be given one month prior to the Series Revolving Period Expiration Date

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

Notice is hereby given to the holders of the Class A Notes that they shall have the right exercisable by written notice sent to each of the Principal Paying Agent, the Registrar, the Security Trustee and the Issuer to be received not later than on the tenth Business Day immediately preceding then current Series Revolving Period Expiration Date, to request:

(i) an extension of the Series Revolving Period Expiration Date for a period to be specified in the relevant notice;

(ii) an amendment to the Margin; and

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

Luxembourg, [*date*]

Signed by: _____

Driver UK Master S.A. acting for and on behalf of its Compartment 2

SCHEDULE 2
FORM OF NOTICE TO BE DELIVERED BY THE HOLDERS OF EACH SERIES OF CLASS A NOTES TO THE PRINCIPAL PAYING AGENT, THE REGISTRAR, THE SECURITY TRUSTEE AND THE ISSUER IN ACCORDANCE WITH CONDITION 9(F)

From:

[Name, address, phone number and fax number of relevant Noteholder]

To:

[Issuer]

[Principal Paying Agent] [Registrar] [Security Trustee] [Rating Agencies]

GBP Class A Series [●] Notes, issued by Driver UK Master S.A. acting for and on behalf of its Compartment 2 (the "Notes")

Dear Sirs,

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

Reference is made to Condition 9(f) of the terms and conditions of the above mentioned Class A Notes and the notice published on [date].

We hereby request:

(i) an extension of the [Series] Revolving Period Expiration Date for a period of [one year] so that the extended Series Revolving Period Expiration Date shall be [to be inserted];

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

(iii) an extension of the Final Maturity Date for a period equal to the period specified under (i) above so that the extended Final Maturity Date shall be [to be inserted].

We hereby represent and warrant that:

(i) as of the date of this notice, we hold [*to be inserted*] per cent of the Notes outstanding on the date of this notice; and

(ii) after the date of this notice, we will not sell or transfer or otherwise dispose of any of the Class A Notes prior to the 25th Business Day after the date of this notice.

We hereby acknowledge that the amendments requested above shall become effective only if: (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Class A Notes (to the extent rated) will not be affected by such amendments, (B) by no later than the third Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to us (as holders of the Class A Notes) in the form prescribed in Condition 13 that it has received such reaffirmation and that it agrees to the requested amendments and (C) the Notes have the benefit of an interest rate swap with an Eligible Swap Counterparty under which interest payments due under the relevant Series of Notes are hedged to the extended Final Maturity Date of the Notes.

Kind regards,

Signed by: _____

[name and signatures of Class A Series [●] Noteholder]

TERMS AND CONDITIONS OF THE CLASS B NOTES

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

1. **Form and Nominal Amount of the Notes**

(a) The issue by Driver UK Master S.A., acting for and on behalf of its Compartment 2 (the "**Issuer**") in an aggregate nominal amount of up to GBP 10,000,000,000 (the "**Nominal Amount**") is divided into certain Class B Notes payable to the registered holder (the "**Class B Notes**"), each having a nominal amount of GBP 100,000 and certain Class A Notes.

(b) The Class B Notes are issued in registered form and represented by a global registered note without coupons attached (the "**Global Note**"). The Global Note representing the Class B Notes shall be deposited with a Common Depository for Clearstream Luxembourg and Euroclear and thereafter, the Global Note will be held in book-entry form only. The Global Note representing the Class B Notes will bear the personal signatures of two duly authorised directors of Driver UK Master S.A., acting for and on behalf of its Compartment 2 and will be authenticated by one or more employees or attorneys of the Principal Paying Agent.

(c) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the names and addresses of the Noteholders (as defined below) and the particulars of such Class B Notes held by them and all transfers and payments (of interest and principal) of such Class B Notes. The rights of the Noteholders (as defined below) evidenced by the Global Note and title to the Class B Notes itself pass by assignment and registration in the Register. The Global Note representing the Class B Notes will be issued in the name of a nominee of the Common Depositary for Clearstream Luxembourg and Euroclear (the "**Registered Holder**"). The Registered Holder will be registered as Noteholder in the Register.

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

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

(f) Simultaneously with the Class B Notes the Issuer has issued Class A Floating Rate Notes (the "**Class A Notes**" and together with the Class B Notes, the "**Notes**"). The Class A Notes rank senior to the Class B Notes with respect to payment of interest and principal as described in the Order of Priority. The Issuer borrowed from the Subordinated Lender the Subordinated Loan on 20 November 2013 and further may borrow Subordinated Loan Increase Amounts on each Additional Borrowing Dates. The Subordinated Loan ranks junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.

(g) The Notes are subject to the provisions of the Trust Agreement between, *inter alia*, the Issuer, the Security Trustee and Volkswagen Financial Services (UK) Limited. The

provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Conditions.

2. Series

(a) Series of Class B Notes:

On a given Issue Date falling within the Revolving Period, all Class B Notes issued on that date will constitute one or several Series of Class B Notes, which shall be identified by means of:
A four digit number representing the year on which the Series was issued, in the following format: Series "20xx", followed by:

the number of such Series in respect of the relevant year, in the following format "y",

in the following format: Series 20xx-y.

(b) General principles relating to the Series of Class B Notes:

The Class B Notes of different Series shall not be fungible among themselves.
All Class B Notes issued within the same Series shall be fungible among themselves in accordance with and subject to the following provisions:
The Series 20xx-y Class B Notes of the same Series shall all bear the same interest rate in accordance with the provisions of Condition 8;
The interest rate payable under the Series 20xx-y Class B Notes of a given Series shall be paid on the same Payment Dates; and
The Series 20xx-y Class B Notes in respect of a given Series shall have the same Scheduled Repayment Date and the same Series 20xx-y Final Maturity Date as set out in Condition 9.

3. Status and Ranking

(a) The Class B Notes of any Series constitute direct, secured, unconditional and unsubordinated obligations of the Issuer. The Class B Notes rank pari passu among themselves, but rank junior to the Class A Notes. The Class B Notes rank senior to the Subordinated Loan.

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

4. The Issuer

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

5. Assets of the Issuer for the Purpose of Payments on the Notes and on the Subordinated Loan, Provision of Security, Limited Payment Obligation

(a) The Issuer will use the proceeds of the Issue of the Notes and of the Subordinated Loan to finance the acquisition of the Receivables from the Seller and to acquire Additional Receivables from VWFS during the Revolving Period. The servicing and collection of the Receivables shall initially be carried out on the basis of the Servicing Agreement by VWFS (in this capacity, the "**Servicer**"). In addition, subject to revocation by the Security Trustee, the Issuer is authorised to collect, to have collected, to realise and to have realised in the ordinary course of its business or otherwise to use the rights and assets assigned for security purposes as necessary. Furthermore, the Issuer has entered into additional agreements in connection with the acquisition of the Receivables and the issue of the Notes and the raising of the Subordinated Loan, in particular, the Subordinated Loan Agreement with Volkswagen International Luxemburg S.A., a Corporate Services

Agreement with the Corporate Services Provider, the Data Protection Trust Agreement with Wilmington Trust SP Services (Frankfurt) GmbH and the Security Trustee, the Swap Agreements with the Swap Counterparties, the Trust Agreement with the Security Trustee, the Agency Agreement with VWFS and the Principal Paying Agent, the Account Agreement with the Account Bank , the Redelivery Repurchase Agreement and the Driver UK 2011 and CCJ Receivables Repurchase Agreement with VWFS. The Receivables Purchase Agreement, the Servicing Agreement, the Corporate Services Agreement, the Subordinated Loan Agreement, the Agency Agreement, the Account Agreement, the Redelivery Repurchase Agreement and the Driver UK 2011 and CCJ Receivables Repurchase Agreement, are (amongst others) collectively referred to as the "**Transaction Documents**" and the creditors of the Issuer under these Transaction Documents are referred to as "**Transaction Creditors**".

(b) In accordance with the Deed of Charge and Assignment and an Assignation in Security, the Issuer with full title guarantee, has assigned in favour of the Security Trustee by first fixed security, all of its present and future right, title and interest to, in and under the English Purchased Receivables. The Issuer also executed and delivered to the Security Trustee a Scottish Declaration of Trust in respect of the Scottish Receivables.

(c) The Issuer also assigned in favour of the Security Trustee by way of first fixed security the benefit of all its present and future rights, title and interest in and under the Charged Transaction Documents and the other charged contracts and charged by way of first fixed security its interest in each of the Accounts. Further, the Issuer assigned and pledged its rights under the German Transaction Documents to the Security Trustee under the Trust Agreement.

(d) All payment obligations of the Issuer under the Notes and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount as generated, *inter alia*, by payments to the Issuer by the obligors and by the Swap Counterparties under the Swap Agreements, as available on the respective Payment Dates according to the Order of Priority of distribution. None of the Notes of any Series shall give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it pursuant to clause 20 (*Distribution Account; Cash Collateral Account; Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement in the Distribution Account. Further, the Issuer has on or around the Initial Issue Date established and thereafter maintains the Cash Collateral Account pursuant to clause 20 (*Distribution Account; Cash Collateral Account; Counterparty Downgrade Collateral Account; Swap Provisions*) of the Trust Agreement to provide limited coverage for payments of interest and principal on the Notes and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Transaction Documents with the due care of a prudent businessman such that obligations under the Notes may, subject always to the provisions of these Conditions of the Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights the funds of the Issuer, including in the Distribution Account and the Cash Collateral Account, any other assets of the Issuer and the proceeds of the enforcement of the Security are insufficient to satisfy in full the claims of all holders of Notes any claims of holders of Notes of the respective Series remaining unpaid shall be extinguished at the Final Maturity Date applicable to the respective Series of Notes and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Notes of the respective Series nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid.

(e) The enforcement of the payment obligations under the Notes, the Subordinated Loan Agreement and the Swap Agreements pursuant to paragraph(c) shall only be effected by the Security Trustee for the benefit of all Noteholders, the Swap Counterparties and the Subordinated Lender. The Security Trustee is required to foreclose on the Receivables and the other collateral it holds following the occurrence of a Foreclosure Event, on the conditions and in accordance with the terms set forth in the Trust Agreement.

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

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

(h) The recourse of the Transaction Creditors is limited to the assets allocated to Compartment 2 of the Driver UK Master S.A.

6. Further Covenants of the Issuer

(a) As long as any of the Notes and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Security Trustee, to perform any activities described in clause 38 (*Actions of the Issuer Requiring Consent*) of the Trust Agreement.

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

7. Payment Date, Payment Related Information

The Issuer shall inform the holders of the Class B Notes, not later than the day on which the Monthly Investor Report is provided, which is the 2nd Business Day prior to each Payment Date by means of the publication provided for under Condition 13 with reference to the Payment Date (as described below) of such month, as follows:

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

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

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

(d) the remaining General Cash Collateral Amount;

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

(f) The Issuer shall make available for inspection by the holders of the Class B Notes, in its offices at 22-24 Boulevard Royal, L-2449 Luxembourg and during normal business hours, the documents from which the figures reported to the holders of the Class B Notes are calculated; and

(g) For the avoidance of doubt, the record date shall be the Business Day, by the close of business, prior to the relevant Payment Date.

8. Payments of Interest

(a) Subject to the limitations set forth in Condition 5(d), each outstanding principal amount in respect of the Class B Notes shall bear interest from (and including) the Closing Date until (and including) the day preceding the day on which the principal amount has been reduced to zero.

(b) Interest shall be paid in arrear on each Payment Date. The amount of interest payable in respect of each Class B Note on any Payment Date shall be calculated by applying the Class B Notes Interest Rate for the relevant Interest Accrual Period to the principal amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 365 and rounding the result to the nearest full penny, all as determined by HSBC Bank plc (the

"**Interest Determination Agent**") in accordance with the definition of LIBOR provided that if there has been a public announcement of the permanent or indefinite discontinuation of LIBOR the Issuer (acting on the advice of the Servicer) shall use commercially reasonable endeavours to propose an Alternative Benchmark Rate in accordance with Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*) no later than the discontinuation of LIBOR becoming effective.

(c) The interest rate to be used for calculating the amount of interest payable pursuant to paragraph (b) shall be the sum (subject to a floor of zero) of LIBOR plus the relevant margin as set out in the relevant Final Terms (the "**Margin**") per annum (the "**Class B Notes Interest Rate**"), with LIBOR being determined by the Interest Determination Agent on the following basis:

(i) at or about 11.00 a.m. London time on each Payment Date (each such day, a "**LIBOR Determination Date**"), the Interest Determination Agent will determine the offered quotation to leading banks in the London interbank market ("**LIBOR**") for one month Sterling deposits (rounded to five decimal places with the mid-point rounded up) administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) as quoted on page LIBOR01 of the Reuters screen service (the "**LIBOR Screen Rate**"). If the agreed page is replaced or service ceases to be available, the Interest Determination Agent may specify another page or service displaying the appropriate rate after consultation with the Security Trustee; or

(ii) if the LIBOR Screen Rate is not then available for Sterling or for the Interest Period of Class B Notes, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Interest Determination Agent at its request by the principal London office of each of The Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank PLC or such other banks which the Interest Determination Agent (in consultation with the Security Trustee) may appoint from time to time (the "**Reference Banks**") at or about 11.00 a.m. London time on the LIBOR Determination Date for the offering of deposits to the leading banks in the London interbank market in Sterling and for a period comparable to the Interest Period for the Class B Notes. If on any LIBOR Determination Date, only two of three of the Reference Banks provide such offered quotations to the Interest Determination Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such LIBOR Determination Date, only one quotation is provided as requested, the rate for that LIBOR Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in London selected by the Interest Determination Agent (which bank or banks is or are in the opinion of the Security Trustee suitable for such purpose). If LIBOR cannot be determined in accordance with the foregoing provisions, the LIBOR rate for the respective Interest Period shall equal the reference rate last shown prior to the Determination Date on the aforementioned screen page.

(iii) "LIBOR" may be amended by the Servicer on behalf of the Issuer subject to and in accordance with the procedure set forth in Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*).

(d) Accrued Interest not paid on the Class B Notes on the Payment Date related to the Interest Period in which it accrued, will be an "**Interest Shortfall**" with respect to the Class B Notes will be carried over to the next Payment Date.

9. Payment obligations, Agents

(a) On each Payment Date, the Issuer shall, subject to Condition 5(d), pay to each holder of a Class B Note interest at the Class B Notes Interest Rate on the Series Nominal Amount outstanding immediately prior to the relevant Payment Date, and on each Payment Date the Class B Note qualifies as an Amortising Series of Class B Notes, the Class B

Amortisation Amount applicable to such Series of Class B Notes in accordance with the Order of Priority. The record date shall be the close of the Business Day (in the ICSDs' city) prior to the relevant Payment Date.

(b) Sums which are to be paid to holders of a Class B Note shall be rounded down to the next lowest cent amount for each of the Class B Notes. The amount of such rounding down to the next pence amount shall be used in the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to retain any amount less than GBP 500 remaining on the *Final Maturity Date* (as defined below).

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

(d) The first Payment Date for the Class B Notes shall be specified in the relevant Final Terms. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date falling in May 2025 (the "**Scheduled Repayment Date**").

(e) Subject to the occurrence of an Enforcement Event, all payments of interest on and principal of the Class B Notes will be due and payable at the latest in full on the Final Maturity Date of the relevant Series of Class B Notes as set out in the relevant Final Terms (each a "**Final Maturity Date**").

(f) Provided that the Noteholders have received a notice from the Issuer in accordance with Condition 13 substantially in the form set out in Schedule 1 to these Conditions no later than one month prior to the then current revolving period expiration date applicable to the relevant Series of Notes held by such Noteholder (as specified in the Final Terms or as previously extended, the "**Series Revolving Period Expiration Date**"), all of the holders of the relevant Series of Class B Notes, acting together collectively, shall have the right (but not the obligation) exercisable by written notice to the Principal Paying Agent, the Registrar, the Security Trustee and the Issuer (in the form of Schedule 2) to these Conditions to be received not later than on the tenth Business Day immediately preceding the then current Series Revolving Period Expiration Date to request:

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

(ii) an amendment to the Margin; and

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

(g) Any amendments so requested shall become effective only if (A) (i) the Issuer has received confirmation from the Rating Agencies that the rating of the Class B Notes (to the extent rated) will not be affected by such amendments, or (ii) the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Class B Notes before the Series Revolving Period Expiration Date was extended, or, as applicable, the Issuer has received a new rating confirmation stating the same rating as the Class B Notes prior to the amendments; and (B) by no later than the third Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders of the Class B Notes in the form prescribed by Condition 13 that it has received such confirmation and that it agrees to the requested amendments; and (C) that the Issuer had arranged sufficient interest hedging for the amended Series Revolving Period Expiration Date.

(h) The Issuer shall procure that the amendments that have become effective in accordance with these provisions will be notified to the Principal Paying Agent for further communication to the Common Depositary for Euroclear and Clearstream, Luxembourg immediately after the notice from the holders of the Class B Notes specified under (c) in the previous paragraph has been given. In case one of the Registered Holder of a Series of Class B Note does extend its Series Revolving Period Expiration Date, Scheduled Repayment Date and Final Maturity Date, the Final Maturity Date for all Class B Notes outstanding will automatically be extended by one year in order to align all Final Maturity Dates

(i) Payments of interest and principal shall be made by the Issuer to the Principal Paying Agent for on-payment to Clearstream Luxembourg and/or Euroclear or to their order for credit to the accounts of the relevant account holders of Clearstream Luxembourg or, as applicable Euroclear. Payment by the Issuer to the Principal Paying Agent may also include payment to a substitute or alternative paying agent duly appointed pursuant to Condition 9(j) without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity.

(j) In their capacity as such, the Principal Paying Agent, the Calculation Agent and the Interest Determination Agent, respectively, shall act solely as agents of the Issuer and shall not maintain an agency or trust relationship with the holders of the Notes. The Issuer may appoint a new principal paying agent, calculation agent and/or an interest determination agent, or if there are grounds to do so, appoint an alternative principal paying agent, calculation agent and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent and/or the Interest Determination Agent as provided for in clause 9 (*General*) of the Agency Agreement. Appointments and revocations thereof shall be notified to the holders of the Notes pursuant to Condition 13. The Issuer will ensure that during the term of the Notes and as long as the Notes are listed on the Luxembourg Stock Exchange a paying agent, an interest determination agent and a calculation agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code.

10. Taxes

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected ("**taxes**") on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by applicable law (or pursuant to FATCA). The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Noteholder's request, provide proof thereof. It is not obliged to pay any additional amounts as a result of the deduction or withholding.

11. Replacement of Issuer

(a) The Issuer is at any time entitled to appoint another company (the "**New Issuer**") in place of the Issuer as debtor for all obligations arising from and in connection with the Class B Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes, the Subordinated Loan, the Receivables Purchase Agreement, the Trust Agreement, the Account Agreement, the Deed of Charge and Assignment, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust Agreement, the Swap Agreements and the Agency Agreement and any other Transaction Document by means of an agreement with the Issuer; provided (ii) the Security is, upon the Issuer's replacement, to be held by the Security Trustee for the purpose of securing the obligations of the New Issuer vis-à-vis the Transaction Creditors, (iii) the holders of the Notes and the Subordinated Lender of the Subordinated Loan confirm that no further expenses or legal disadvantages of any kind arise for any of them from such an assumption of debt and this fact has been established in legal opinions which can be

examined at the premises of the Principal Paying Agent, (iv) the New Issuer provides proof that it has obtained all of the necessary governmental approvals, licenses and consents in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Notes or the Subordinated Lender as a whole, (v) the Issuer and the New Issuer conclude such agreements and execute such documents which the Security Trustee considers necessary for the effectiveness of the replacement. The Issuer will notify the Rating Agencies on the replacement of the Issuer. The replacement shall only become effective if the Issuer has received confirmation from the Rating Agencies that the rating of the Notes will not be affected by such amendments, or the Rating Agencies have confirmed that the assignment of new ratings are not lower than the rating for the then outstanding Notes before the replacement, or, as applicable, the Issuer has received a new rating confirmation stating the same rating for the Notes as applicable prior to the replacement. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer *vis-à-vis* the holders of the Notes under or in connection with the Notes and the Subordinated Lender under or in connection with the Subordinated Loan.

(b) Such replacement of the Issuer must be published in accordance with Condition 13.

(c) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Notes shall be deemed to be a reference to the New Issuer.

12. Loss of Notes

Should the Global Note become lost, stolen, damaged or destroyed, then it may be replaced at the Issuer's offices upon payment by the claimant of the costs arising in connection thereto. The Issuer may require proof of a declaration of exemption and/or adequate security prior to replacement. In the event of damage, the Global Note shall be surrendered before a replacement is issued. In the event of the loss, theft or destruction of the Global Note, the possibility of invalidation under statutory provisions shall remain unaffected.

13. Notices

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

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

In addition, as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, all notices to the Noteholders regarding the Class A Notes shall be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice referred to above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Should an official listing be absent, then such notices shall be published in the electronic German Federal Gazette (*elektronischer Bundesanzeiger*).

Additionally, investor reports with the information set forth in Condition 6 will be made available to the Noteholders via the website of TSI (www.true-sale-international.de). This Base Prospectus relating to the Conditions will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

14. Miscellaneous

(a) The form and content of the Class B Notes and all of the rights and obligations of the holders of the Class B Notes, the Issuer, the Principal Paying Agent and the Servicer under these Class B Notes shall be subject in all respects to the laws of Germany.

(b) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force. The invalid provision shall, according to the intent and purpose of these Conditions, be replaced by such valid provision which in its economic effect comes as close as legally possible to that of the invalid provision.

(c) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) For any legal proceedings brought in connection with these Conditions of the Class B Notes which have been initiated against the Issuer in a court of Germany, the Issuer grants Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Federal Republic of Germany the authority to accept service of process. The Issuer undertakes to maintain an agent for accepting such service in the Federal Republic of Germany as long as any of the Notes are outstanding.

15. Amendments to the Conditions and Benchmark Rate Modification

(a) Save for purposes of complying with the Securitisation Regulation in accordance with Condition 15 (b) or in respect of a Benchmark Rate Modification undertaken in accordance with Condition 15(c) below, the Conditions of any Series of Class B Notes may only be modified through contractual agreement to be concluded between the Issuer and all Noteholders of each Series of Class B Notes as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)) with a prior notification to the Rating Agencies (to the extent such Series of Class B Notes is rated) or by a Noteholder's resolution adopted with unanimous consent of the Noteholders of such Series of Class B Notes pursuant to Sections 5 to 22 of aforementioned act.

(b) Subject to giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies, by publishing such notice with the Luxembourg Stock Exchange (www.bourse.lu), the Issuer will be entitled to amend any term or provision of the Conditions with the consent of the Security Trustee, but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager or any other Person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein or in any regulatory technical standards authorised under the Securitisation Regulation.

(c) The Servicer, on behalf of the Issuer, has the right to amend these Conditions and any Transaction Document for the purpose of changing the benchmark rate in respect of the Notes from LIBOR to an alternative benchmark rate (any such rate, an "**Alternative Benchmark Rate**") (which rate shall apply for the purposes of determining the floating amount payable by the floating rate payer in respect of the Swap Agreements without a requirement for the consent of the relevant Swap Counterparty to such change in the benchmark rate) and making such other related or consequential amendments to the Transaction Documents as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the changes envisaged pursuant to this Condition 15 (a "**Benchmark Rate Modification**"), provided that in relation to any amendment under this Condition 15 the Servicer, on behalf of the Issuer, certifies to the Security Trustee in writing (such certificate, a "**Benchmark Rate Modification Certificate**") that:

(i) the Issuer has provided at least 30 days' notice to the Noteholders of each Series of Class B Notes of the proposed modification in accordance with Condition 13 (*Notices*), and the Noteholders representing at least 10 per cent. of the aggregate outstanding principal amount of the Class B Notes then outstanding have not contacted the Security Trustee in writing (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) the Issuer has provided the Transaction Creditors (including the Swap Counterparties) with at least 30 days' notice of the proposed modifications:

(1) to the Alternative Benchmark Rate which shall apply in respect of the Conditions and the Swap Agreements for the purposes of determining the floating amount payable by the floating rate payer in respect of the Swap Agreements without a requirement for the consent of the relevant Swap Counterparty to such change in the benchmark rate; and

(2) to such other related or consequential amendments to the Transaction Documents (including, if applicable, the Swap Agreements) as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the Benchmark Rate Modification and the Issuer has obtained the consent of any other Transaction Creditors which are not Noteholders in accordance with the provisions of the Incorporated Terms Memorandum;

(iii) the Seller pays all fees, costs and expenses incurred by the Issuer and the Security Trustee or any other Transaction Party in connection with such Benchmark Rate Modification;

(iv) such Benchmark Rate Modification is being undertaken by the Servicer, on behalf of the Issuer, due to:

(1) a material disruption to LIBOR, a material adverse change in the methodology of calculating LIBOR or LIBOR ceasing to exist or be published or the administrator of LIBOR having used a fallback methodology for calculating LIBOR for a period of at least 30 calendar days;

(2) the insolvency or cessation of business of the LIBOR administrator (in circumstances where no successor LIBOR administrator has been appointed);

(3) a public statement or the publication of information by or on behalf of the LIBOR administrator announcing that it has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR with effect from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(4) a public statement or publication of information by the regulatory supervisor of the LIBOR administrator, the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority, an insolvency official with jurisdiction over the LIBOR administrator, or a court or entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the LIBOR administrator has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR with effect from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(5) a public statement or publication of information by the regulatory supervisor of the LIBOR administrator, the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority, that means LIBOR may no longer be used or that its use is or will be subject to restrictions or adverse consequences from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(6) a change in generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Rates, despite the continued existence of LIBOR;

(7) it becomes unlawful for the Paying Agent, the Issuer or the Interest Determination Agent to calculate any payments to be made to any Noteholder using LIBOR;

(8) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (1), (2) or (7) above will occur or exist within six months of the proposed effective date of such Benchmark Rate Modification;

(9) a Benchmark Rate Modification is being proposed pursuant to Condition 15(h), and

(v) such Alternative Benchmark Rate is:

(1) a benchmark rate published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an alternative benchmark rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Benchmark Rate);

(2) a benchmark rate utilised in a material number of publicly-listed new issues of Sterling denominated asset backed floating rate notes prior to the effective date of such Benchmark Rate Modification;

(3) a benchmark rate utilised in a publicly-listed new issue of Sterling denominated asset backed floating rate notes where the originator of the relevant assets is an Affiliate of VWFS; or

(4) such other benchmark rate as the Servicer reasonably determines provided that this option may only be used if the Servicer certifies to the Security Trustee that, in the reasonable opinion of the Servicer, conditions (b)(v)(1) to (3) are not applicable and/or practicable in the context of the Transaction, and sets out the rationale in the Benchmark Rate Modification Certificate for choosing the Alternative Benchmark Rate;

(d) The Servicer on the Issuer's behalf, shall (i) provide the Security Trustee with an initial draft of the Benchmark Rate Modification Certificate at least 30 calendar days prior to the date on which it is proposed that the Benchmark Rate Modification would take effect and (ii) provide the Security Trustee with a signed copy of the final Benchmark Rate Modification Certificate on the date on which the Benchmark Rate Modification shall take effect (the "**Benchmark Rate Modification Effective Date**").

(e) The Servicer, on behalf of the Issuer, shall provide at least 30 days' notice to the Noteholders of each Series of Class B Notes of the proposed modification in accordance with Condition 13 (*Notices*) (the "**Benchmark Rate Modification Noteholder Notice**"). The Benchmark Rate Modification Noteholder Notice shall include the following:

(i) details of how the Noteholders representing at least 10 per cent. of the Note Principal Amount Outstanding of the Class B Notes then outstanding may object to the proposed Benchmark Rate Modification;

(ii) confirmation of the sub-paragraph(s) of Condition 15(c)(iv) under which the Benchmark Rate Modification is being proposed;

(iii) confirmation of the Alternative Benchmark Rate and where Condition 15(c)(v)(4) is being applied, the rationale for choosing the proposed Alternative Benchmark Rate;

(iv) details of any consequential modifications that the Issuer has agreed will be made to the Swap Agreements to which it is a party (if any) for the purpose of aligning the Swap Agreements with the proposed Benchmark Rate Modification, if the proposed Benchmark Rate Modification takes effect;

(v) confirmation that either:

(1) the Servicer, on behalf of the Issuer, has obtained from each of the Rating Agencies written confirmation (or certifies in the Benchmark Rate Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that the proposed Benchmark Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class B Notes by such Rating Agency and would not result in any Rating Agency or (y) placing any Class B Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Security Trustee with the Benchmark Rate Modification Certificate; or

(2) the Servicer on behalf of the Issuer certifies to the Security Trustee in the Benchmark Rate Modification Certificate that the Rating Agencies have been informed of the proposed modification and neither of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class B Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent).

(f) If the Noteholders representing at least 10 per cent. of the Note Principal Amount Outstanding of the Class B Notes then outstanding have notified the Issuer in writing (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 such Noteholders do not consent to the Benchmark Rate Modification, then such Benchmark Rate Modification will not be made in respect of each Series of Class B Notes unless Noteholders of such Series of Class B Notes unanimously consent in favour of the Benchmark Rate Modification, in accordance with Part B of the German Debenture Act.

(g) Other than where specifically provided in this Condition 15 or any Transaction Document, when implementing any modification pursuant to this Condition 15, the Security Trustee shall not consider the interests of the Noteholders, any other Transaction Creditors or any other person and shall act and rely solely and without further investigation, on any Benchmark Rate Modification Certificate or evidence provided to it by the Servicer on behalf of the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 15 and shall not be liable to the Noteholders of the Class B Notes, any other Transaction Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

(h) Any Benchmark Rate Modification shall be binding on all the Noteholders of the Class B Notes and shall be notified by the Servicer, on behalf of the Issuer, at least 10 Business Days prior to the Benchmark Rate Modification Effective Date to:

(i) so long as any of the Class B Notes rated by the Rating Agencies remains outstanding, each Rating Agency;

(ii) the Transaction Creditors (including, for the avoidance of doubt, the Swap Counterparties); and

(iii) the Noteholders of the Class B Notes in accordance with Condition 13 (*Notices*).

(i) Following the making of a Benchmark Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Class B Notes pursuant to a Benchmark Rate Modification, the Issuer is entitled to propose a further Benchmark Rate Modification pursuant to this Condition 15.

SCHEDULE 1
FORM OF NOTICE TO BE DELIVERED BY THE ISSUER TO THE HOLDERS OF THE CLASS B NOTES IN ACCORDANCE WITH CONDITION 9(F)

Notice to the registered holders of the Class B Notes, issued by Driver UK Master S.A. acting for and on behalf of its Compartment 2 (the "Class B Notes"), to be given one month prior to the Series Revolving Period Expiration Date

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

Notice is hereby given to the holders of the Class B Notes that they shall have the right exercisable by written notice sent to each of the Principal Paying Agent, the Security Trustee, the Registrar and the Issuer to be received not later than on the tenth Business Day immediately preceding then current Series Revolving Period Expiration Date, to request:

(i) an extension of the Series Revolving Period Expiration Date for a period to be specified in the relevant notice;

(ii) an amendment to the Margin; and

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

Luxembourg, [*date*]

Signed by: _____

Driver UK Master S.A. acting for and on behalf of its Compartment 2

SCHEDULE 2
FORM OF NOTICE TO BE DELIVERED BY THE HOLDERS OF EACH SERIES OF CLASS B NOTES TO THE PRINCIPAL PAYING AGENT, THE REGISTRAR, THE SECURITY TRUSTEE AND THE ISSUER IN ACCORDANCE WITH CONDITION 9(F)

From:

[Name, address, phone number and fax number of relevant holder]

To:

[Issuer]

[Principal Paying Agent] [Registrar] [Security Trustee] [Rating Agencies]

GBP Class B Series [●] Notes, issued by Driver UK Master S.A. acting for and on behalf of its Compartment 2 (the "Notes")

Dear Sirs,

Terms not defined in herein shall have the meaning given to them in the terms and conditions of the Class B Notes.

Reference is made to Condition 9(f) of the terms and conditions of the above mentioned Class B Notes and the notice published on [date].

We hereby request:

(i) an extension of the Series Revolving Period Expiration Date for a period of one year so that the extended Series Revolving Period Expiration Date shall be [*to be inserted*];

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

(iii) an extension of the Final Maturity Date for a period equal to the period specified under (i) above so that the extended Final Maturity Date shall be [*to be inserted*].

We hereby represent and warrant that:

(i) as of the date of this notice, we hold [*to be inserted*] per cent of the Notes outstanding on the date of this notice; and

(ii) after the date of this notice, we will not sell or transfer or otherwise dispose of any of the Class B Notes prior to the 25th Business Day after the date of this notice.

We hereby acknowledge that the amendments requested above shall become effective only if: (A) the Issuer has received confirmation from the Rating Agencies that the rating of the Class B Notes (to the extent rated) will not be affected by such amendments, (B) by no later than the third Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to us (as holders of the Class B Notes) in the form prescribed in Condition 13 that it has received such reaffirmation and that it agrees to the requested amendments and (C) the Notes have the benefit of an interest rate swap with an Eligible Swap Counterparty under which the interest payments due under the relevant Series of Notes are hedged to the extended Final Maturity Date of the Notes.

Kind regards,

Signed by: _____

[*name and signatures of Class B Series [●] Noteholder*]

FORM OF FINAL TERMS

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Final Terms

[Date]

DRIVER UK MASTER S.A.

acting for and on behalf of its Compartment 2

(*incorporated with limited liability in Luxembourg with R. C.S. registration number* B 162723)

as Issuer

for the issuance of the

GBP [●] [Class A/Class B] Series [●] Notes

[(to be consolidated and form a single Series with the GBP [●] [Class A/Class B] Series [●] Notes already outstanding)].

issued pursuant to the GBP 10,000,000,000 Programme for the Issuance of Notes

These Final Terms are issued to give details of an issue of Notes by Driver UK Master S.A. acting for and on behalf of its Compartment 2 under the GBP 10,000,000,000 Programme for the Issuance of Notes (the "**Programme**"). The Base Prospectus dated 22 May 2019 [and any supplement dated [●] hereto] and the Final Terms have been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Final Terms of the [Class A / Class B] Series [●] Notes have been prepared for the purpose of Article 5(4) of Directive 2003/71/EC and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Capitalised terms not otherwise defined herein shall have the meaning specified in the Conditions of the [Class A / Class B] Notes. All references in these Final Terms to numbered Conditions are to be read as reference to the respective Conditions of the [Class A / Class B] Notes.

1.	Issue Price:	[●] per cent
2.	[Further] Issue Date (Condition 8 (a)):	[●]
3.	[Class A/Class B] Series Number:	[●]
	Tranche Number:	[●]
4.	[Further][Class A/Class B] Series Nominal Amount:	GBP [●]
	[Aggregate nominal amount of [Class A/Class B] Series [●] Notes (including the Notes subject of these Final Terms):]	GBP [●]
5.	[Class A/Class B] Series [●] Notes Interest Rate (Condition 8(c)):	[●]

	Amount on which interest is to be paid on the first Payment Date (Condition 9 (a)):	GBP [●]
	Margin (Condition 8 (c)):	[●] per cent. per annum
	First occurring Payment Date with respect to the [Class A/Class B] Series [●] Notes:	[●]
	Series Revolving Period Expiration Date:	Payment Date falling in [●](or as extended in accordance with the Condition 9(f))
6.	Scheduled Repayment Date (Condition 9(d)):	Payment Date falling in [●] (or as extended in accordance with the Condition 9(f) as a consequence of the extension of the [Class A/Class B] Series [●] Revolving Period Expiration Date)
7.	Final Maturity Date (Condition 9(e)):	[●](or as extended in accordance with the Condition 9(f) as a consequence of the extension of the [Class A/Class B] Series [●] Revolving Period Expiration Date)
8.	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No] [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs registered in the name of a nominee of one of the ICSDs acting as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the

		Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
9.	Clearing Codes:	
	- ISIN Code	[●]
	- Common Code	[●]
10.	Admission to trading:	Application has been made for the [Class A/Class B] Series [●] Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [●]. The total expenses related to the admission to trading will amount to EUR [●].

[In case of Further Notes being subject to these Final Terms: please insert updated portfolio data.]

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

[Name & title of signatories]

TRUST AGREEMENT

The following is the text of the material terms of the Trust Agreement between the Issuer acting for and on behalf of its Compartment 2, the Seller, the Servicer, the Note Purchasers, the Security Trustee, the Subordinated Lender, the Corporate Services Provider, the Swap Counterparties, the Principal Paying Agent, the Interest Determination Agent, the Calculation Agent, the Account Bank, the Cash Administrator, the Data Protection Trustee, the Registrar, the Managers and the Arranger. The text is attached to the Conditions as Annex A and constitutes an integral part of the Conditions - In case of any overlap or inconsistency in the definition of a term or expression in the Trust Agreement and elsewhere in this Base Prospectus, the definition contained in the Trust Agreement will prevail.

1. DEFINITIONS, INTERPRETATION AND COMMON TERMS

1.1 Definitions

(a) Unless otherwise defined herein, capitalised terms shall have the respective meanings set forth in clause 1 ("***Master Definitions Schedule***") of the incorporated terms memorandum dated 19 November 2013, as amended from time to time and as amended and restated on the Closing Date and signed by, *inter alios*, the parties hereto (the "**Incorporated Terms Memorandum**"). The terms of the Incorporated Terms Memorandum are hereby expressly incorporated into this Agreement by reference.

(b) If there is any conflict between the Incorporated Terms Memorandum and this Agreement, this Agreement shall prevail.

1.2 Interpretation

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

1.3 Incorporation of Common Terms

Except as provided below, the Common Terms apply to this Agreement and shall be binding on the Transaction Parties to this Agreement as if set out in full in this Agreement.

1.4 Common Terms

In the event of any conflict between the provisions of the Common Terms and the provisions of this Agreement, the provisions of this Agreement shall prevail, subject always to compliance with clause 3 (*Limited Recourse, No Lien Or Set-Off, No Petition*) of the Common Terms.

1.5 Governing law and jurisdiction

This Agreement and all matters (including non-contractual duties and claims) arising from or connected with it are governed by German law in accordance with clause 7 (*Applicable Law, Place Of Performance, Jurisdiction*) of the Common Terms, which applies to this Agreement as if set out in full in this Agreement.

2. DUTIES OF THE SECURITY TRUSTEE

2.1 This Agreement establishes the rights and obligations of the Security Trustee to carry out the tasks assigned to it in this Agreement. Unless otherwise explicitly set forth in this Agreement or in the Deed of Charge and Assignment, the Security Trustee shall not be obliged to supervise the discharge of the payment and other obligations of the Issuer arising from the Funding and the Transaction Documents or to carry out duties which are the responsibility of the management of Driver UK Master S.A.

2.2 The Issuer agrees and authorises that the Security Trustee acts as trustee (*Treuhänder*) for the benefit of the Transaction Creditors pursuant to the terms of this Agreement and the Deed of Charge and Assignment. The Security Trustee agrees to act accordingly.

3. **POSITION OF THE SECURITY TRUSTEE IN RELATION TO THE TRANSACTION CREDITORS**

3.1 The Security Trustee carries out the duties specified in this Agreement as a security trustee for the benefit of the Transaction Creditors. The Security Trustee shall exercise its respective duties hereunder with particular regard to the interests of the Transaction Creditors, giving priority to the interests of each Transaction Creditor in accordance with the Order of Priority, especially to the interests of the Noteholders. If there is a conflict between the interest of the Class A Noteholders and any other Transaction Creditor, the interests of the Class A Noteholders shall prevail.

3.2 This Agreement grants all Transaction Creditors the right to demand that the Security Trustee performs its duties under clause 2 (*Duties of the Security Trustee*) and all its other duties hereunder in accordance with this Agreement, and therefore this Agreement constitutes, in favour of the Transaction Creditors that are not directly parties to this Agreement (in particular the Noteholders of Notes of Series initially issued later than 20 November 2013) a contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to section 328 of the German Civil Code (*Bürgerliches Gesetzbuch*). The rights of the Issuer pursuant to clause 4.2 (*Position of the Security Trustee in Relation to the Issuer*) shall not be affected. For the avoidance of doubt, in case trust arrangements are not regarded as valid in a jurisdiction other than Germany, the relation between the Security Trustee and the Transaction Creditors created hereunder shall be regarded as an agency (*Auftrag*).

4. **POSITION OF THE SECURITY TRUSTEE IN RELATION TO THE ISSUER**

4.1 The Issuer hereby grants to the Security Trustee a separate and independent claim (the "**Trustee Claim**") pursuant to which the Issuer owes the Security Trustee amounts equal to the amounts due at present or at any time hereafter by the Issuer to any of the Transaction Creditors under any of the Transaction Documents as and when the same fall due for payment.

4.2 The obligation of the Issuer to make payments to the respective Noteholder and/or Transaction Creditor shall remain unaffected. Any discharge of the Secured Obligations to the Security Trustee or any other relevant Transaction Creditor shall, to the same extent, discharge the corresponding obligations owing to the other, provided that any discharge of the Trustee Claim by virtue of any set-off, counterclaim or similar defence invoked against the Security Trustee shall not discharge the Secured Obligations to any other relevant Transaction Creditor. The Trustee Claim in whole or in part may be enforced separately from the relevant Transaction Creditor's claim related thereto.

4.3 The obligations of the Security Trustee under this Agreement are owed exclusively to the Transaction Creditors, except for the obligations and declarations of the Security Trustee to the Issuer pursuant to clauses 4.1, 10 (*Representations of the Security Trustee*) and clauses 38 (*Actions of the Issuer Requiring Consent*) through 42 (*Condition Precedent*).

5. **ASSIGNMENT FOR SECURITY PURPOSES**

5.1 The Issuer hereby assigns to the Security Trustee for security purposes (*Sicherungsabtretung*) all its claims and other rights arising from the German Transaction Documents (with the exception of claims and other rights arising from this Agreement, but including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future German law contracts the Issuer has entered or may enter into in connection with the Notes, the Subordinated Loan, the Swap Agreements, or the Receivables.

The Security Trustee hereby accepts such assignments.

5.2 The assignments for security purposes pursuant to clause 5.1 are subject to the condition precedent that the German Transaction Documents (for the avoidance of doubt excluding this Agreement) are signed.

5.3 If an express or implied current account relationship (*Kontokorrent*) exists or is later established between the Issuer and a third party as a matter of German law, the Issuer hereby assigns to the Security Trustee - without prejudice to the generality of the provisions in clause 5.1 - the right to receive a periodic account statement (*Saldenziehung*) and the right to payment of present or future balances (including a final net balance determined upon the institution of any insolvency

proceedings according to the Applicable Insolvency Law regarding the estate of the Issuer), as well as the right to terminate the current account relationship and to the determination and payment of the closing net balance upon termination.

6. **PLEDGE**

The Issuer hereby pledges to the Security Trustee all its present and future claims against the Security Trustee arising under this Agreement. The Security Trustee hereby accepts such pledges. The Issuer hereby gives notice to the Security Trustee of such pledge in accordance with Section 1280 of the German Civil Code (*Bürgerliches Gesetzbuch*) and the Security Trustee hereby confirms the receipt of such notice.

7. **SECURITY PURPOSE**

The assignment for security purposes pursuant to clause 5.1 (*Assignment for Security Purposes*) and the pledge pursuant to clause 6 (*Pledge*) serve to secure the Trustee Claim of the Security Trustee. In addition, the assignment pursuant to clause 5.1 (*Assignment for Security Purposes*) is made for the purpose of securing the rights of the Transaction Creditors against the Issuer arising under the Funding and the Transaction Documents.

8. **AUTHORITY TO COLLECT; ASSUMPTION OF OBLIGATIONS**

8.1 The Issuer is authorised to collect, to have collected, to realise and to have realised in the ordinary course of its business or otherwise to use the rights and assets assigned for security purposes pursuant to clause 5.1 (*Assignment for Security Purposes*) and the rights pledged pursuant to clause 6 (*Pledge*) and, pursuant to the terms of the Deed of Charge and Assignment, the Charged Property (as defined in the Deed of Charge and Assignment).

8.2 The authority provided in clause 8.1 is deemed to be granted only to the extent that all obligations of the Issuer are fulfilled in accordance with the Order of Priority prior to an Enforcement Event. The authority may be revoked by the Security Trustee at any time if this is necessary in the opinion of the Security Trustee to avoid endangering the Security or its value. The authority shall automatically terminate upon the occurrence of an Enforcement Event pursuant to clause 16 (*Foreclosure on the Security; Foreclosure Event; Enforcement Event*).

9. **REPRESENTATION OF THE ISSUER**

9.1 The Issuer represents and warrants to the Security Trustee that:

(a) the Security has not already been assigned or pledged to a third party; and

(b) the Issuer has not established any third-party rights on or in connection with the Security.

9.2 The Issuer shall pay damages pursuant to sections 280(1) and 280(3) of the German Civil Code (*Bürgerliches Gesetzbuch*) (*Schadensersatz statt der Leistung*) if the legal existence of the Security transferred for security purposes in accordance with this Agreement and/or the Deed of Charge and Assignment is invalid as a consequence of any action or omission by the Issuer contrary to clause 9.1.

10. **REPRESENTATIONS OF THE SECURITY TRUSTEE**

The Security Trustee represents and warrants to the Issuer:

(a) that it is legally competent and in a position to perform the duties assigned to it in this Agreement in accordance with the provisions of this Agreement; and

(b) it has and will continue to have its centre of main interests (as that term is used in Article 3(1) of the Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings) in the United Kingdom and has not and will not have an establishment (being a place of operations where a company carries out non-transitory economic activity within human means and goods) as referred to in the EU Regulation on Insolvency Proceedings outside of the United Kingdom.

11. **RELEASE OF SECURITY**

11.1 Subject to clause 11.2 and subject to clause 19.5 (*Release of Security*) of the Deed of Charge and Assignment, as soon as the Issuer has fully performed and discharged all its obligations secured by this Agreement, the Security Trustee shall promptly retransfer or release, as applicable, any Security transferred to it under this Agreement and that it still holds at such time to or to the order of the Issuer.

11.2 Clause 19 (*Release of Security*) of the Deed of Charge and Assignment shall remain unaffected.

12. **ACCEPTANCE, SAFEKEEPING AND REVIEW OF DOCUMENTS; NOTIFICATION OF THE ISSUER**

12.1 The Security Trustee may demand from the Issuer the on-transfer of the documents delivered to the Issuer in connection with the reporting of VWFS pursuant to the Receivables Purchase Agreement and the Servicing Agreement (including any Notice of Sale and lists of Purchased Receivables), and the Security Trustee shall keep such documents for one year after the termination of this Agreement and, at the discretion of the Issuer, thereafter either destroy such documents or deliver the same to the Issuer or to the Seller, in each case subject to mandatory law applicable to the Security Trustee.

12.2 The Security Trustee shall to a reasonable extent check the conformity of the documents provided to it in accordance with the Servicing Agreement without being obliged to recalculate the figures. If this does not reveal any indication of a breach of duties or any risk for the Security, the Security Trustee is not obliged to examine such documents any further. If, on the basis of such checks, the Security Trustee comes to the conclusion that a Transaction Creditor is not properly fulfilling its obligations under a Transaction Document, the Security Trustee shall promptly inform the directors of the Issuer thereof. The right of the Security Trustee to obtain additional information from the Seller shall not be affected hereby.

13. **ACCOUNTS**

13.1 The terms of the Accounts are set out in the Account Agreement. Should any Account Bank cease to have the Account Bank Required Ratings, the Account Bank shall notify the Issuer and the Security Trustee thereof and no less than 30 (thirty) and no more than thirty three (33) calendar days from the downgrade shall do one of the following: (i) procure transfer of the Accounts held with it to an Eligible Collateral Bank, or (ii) (in the case of a rating from S&P only) take any other action in order to maintain the rating of the Notes or to restore the rating of the Notes. If following no less than 30 (thirty) and no more than thirty three (33) calendar days from the downgrade none of the measures set out under (i) or (ii) above is taken, the Issuer shall terminate the Account Agreement, provided that such termination shall not take effect until the transition of the Issuer's banking arrangements has been completed. The outgoing Account Bank shall, in case of a termination, reimburse (on a pro rata basis) to the Issuer any up-front fees paid by the Issuer for periods after the date on which the substitution of the Account Bank is taking effect. In case of a termination as a result of the short-term or long-term ratings of the Account Bank fall below the Account Bank Required Rating, the outgoing Account Bank shall reimburse the Issuer for the costs (including legal costs and administration costs) or pay any costs incurred for the purpose of appointing a Successor Bank up to an amount of GBP 20,000 (the "**Replacement Cost**"). For the avoidance of doubt, such Replacement Cost shall cover any and all replacement costs incurred in respect of a replacement of HSBC Bank plc as Account Bank and Cash Administrator.

13.2 Should any Account be terminated either by the Account Bank, or by the Issuer, the Issuer shall promptly inform the Security Trustee of such termination. The Issuer shall, together with the Security Trustee, open an account, on conditions as close as possible to those previously received, with the Successor Bank specified by the Security Trustee, which has at least the Account Bank Required Ratings. The Issuer shall conclude a new Account Agreement with the Successor Bank as counterparty and with the consent of the Security Trustee the new Account Agreement shall include a provision, in which the Successor Bank undertakes to promptly notify the other contract parties of any downgrade in its rating.

13.3 For the avoidance of doubt, in case any Account is at any time held with a Successor Bank, and the Issuer or the Security Trustee receives a notice pursuant to clause 13.1 with regard to the

Successor Bank, then the procedure laid out in clause 13.1 and 13.2 shall also apply for such Successor Bank.

14. BREACH OF OBLIGATIONS BY THE ISSUER

14.1 If the Security Trustee in the course of its activities becomes aware that the existence or the value of the Security, in its sole professional judgment, is at risk due to any failure of the Issuer to properly comply with its obligations under this Agreement or the Deed of Charge and Assignment, the Security Trustee shall, subject to the provisions in clause 14.2, deliver a notice to the Issuer in reasonable detail of such failure (with a copy to the Servicer) and, if the Issuer does not remedy such failure within ninety (90) days after the delivery of such notice, the Security Trustee shall at its sole discretion, unless otherwise instructed by all Noteholders (but excluding any Noteholder, which is VW Bank or any of its Affiliates), take or induce all actions which in the opinion of the Security Trustee are necessary or beneficial to avoid such threat. To the extent that the Issuer does not comply with its obligations pursuant to clause 36 (*Undertakings of the Issuer in Respect of the Security*) in respect of the Security and does not remedy such failure within the ninety day period after the notice set forth above, the Security Trustee is in particular authorised and shall exercise all rights arising under the Transaction Documents on behalf of the Issuer.

14.2 The Security Trustee shall only intervene in accordance with clause 14.1 if and to the extent that it is assured that it will be indemnified to its satisfaction, at its discretion either by reimbursement of costs or in any other way it deems appropriate, against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors, or other experts as well as the expenses for retaining third parties to perform certain duties) and against all liability, any other obligations and legal proceedings. Clause 33 (*Standard of Care*) shall not be affected hereby.

15. POWER OF ATTORNEY

The Issuer hereby grants by way of security power of attorney to the Security Trustee, waiving, to the extent legally possible, the restrictions set forth in section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*), and with the right to grant substitute power of attorney, to act in the name of the Issuer with respect to all rights of the Issuer arising under the Transaction Documents (except for the rights *vis-à-vis* the Security Trustee). Such power of attorney is irrevocable. The Security Trustee shall only act under this power of attorney in the context of its rights and obligations pursuant to this Agreement.

16. FORECLOSURE ON THE SECURITY; FORECLOSURE EVENT; ENFORCEMENT EVENT

16.1 The Security shall be subject to enforcement and/or foreclosure upon the occurrence of an Enforcement Event, provided that the pledge granted under clause 6 (*Pledge*) shall only be subject to enforcement if the requirements set forth in sections 1273 para 2, 1204 et seq. of the German Civil Code (*Bürgerliches Gesetzbuch*) with regard to the enforcement of pledge is met (*Pfandreife*) and further provided that the Security granted under the Deed of Charge and Assignment shall be subject to enforcement in accordance with the provisions set out therein.

16.2 The Security Trustee shall without undue delay upon becoming aware of the same give notice to the Noteholders, the Rating Agencies and the Subordinated Lender of the occurrence of a Foreclosure Event and serve an Enforcement Notice upon the Issuer. The Security Trustee will act upon instruction of the Noteholders in the majority required as set out in the definition of Enforcement Event in order to determine whether such Foreclosure Event shall constitute an Enforcement Event.

16.3 After the occurrence of a Foreclosure Event and after the Enforcement Notice has been given, the Security Trustee will, at its reasonable discretion, unless instructed otherwise by all (a) Noteholders or (b) the Noteholders representing 66 2/3 per cent. of all outstanding Notes (whereby Notes owned by VW Bank or its Affiliates will not be taken into account for the determination of the required majority of 66 2/3 per cent. of the aggregate principal amount then outstanding under the Notes), foreclose or enforce or cause the foreclosure or the enforcement of the Security in accordance with this Agreement and, as relevant, the Deed of Charge and Assignment unless otherwise instructed by (a) all Noteholders, or (b) the Noteholders representing 66 2/3 per cent. of all outstanding Notes (whereby Notes owned by VW Bank or its Affiliates will not be taken into

account for the determination of the required majority of 66 2/3 per cent. of the aggregate principal amount then outstanding under the Notes). Unless compelling grounds to the contrary exist, the foreclosure and enforcement shall be performed by collecting payments made into the Distribution Account from the Security. The provisions of the Corporate Services Agreement shall be unaffected by the foreclosure of the Security. For the avoidance of doubt, upon the occurrence of an Enforcement Event, the Security Trustee is not automatically required to liquidate the Purchased Receivables at market value.

16.4 Within fifteen days after the occurrence of an Enforcement Event, the Security Trustee shall give notice to the Noteholders, the Subordinated Lender and each Swap Counterparty, specifying the manner in which it intends to foreclose and enforce on the Security, in particular, whether it intends to sell the assets subject to the Security, and apply the proceeds from such foreclosure and/or enforcement to satisfy the obligations of the Issuer, subject to the relevant Order of Priority in clause 20 (*Order of Priority*). If, within sixty days after such notice has been given, the Security Trustee receives written notice from a Noteholder or Noteholders representing 100 per cent. of the outstanding principal amount of the Notes (whereby the votes of a Noteholder VW Bank and its Affiliates will not be taken into account), objecting to the action proposed in the Security Trustee's notice or directing the Security Trustee to take another measure to enforce the Security, the Security Trustee shall not undertake or shall cease undertaking such action (other than the collection of payments on the Accounts from the Security) or, as applicable, shall take such enforcement measure as directed in such notice. Furthermore, the Security Trustee is obliged to provide the Rating Agencies upon their request, with all relevant information pertaining to the Enforcement Event to the extent that such information is available to and may be disclosed by the Security Trustee. For the avoidance of doubt, the Security Trustee shall not be under any obligation to obtain information in order to be able to comply with a request made by a Rating Agency.

17. PAYMENTS UPON OCCURRENCE OF THE ENFORCEMENT EVENT

17.1 Upon the occurrence of an Enforcement Event, the Security may be claimed exclusively by the Security Trustee. All payments from such Security hereafter shall only be made to the Security Trustee. The Security Trustee shall invest the payments which it receives in this manner, as provided for in clause 20 (*Order of Priority*), until they are paid to the Transaction Creditors of the Issuer in accordance with the Order of Priority pursuant to clause 20.3 (c) (*Order of Priority*).

17.2 After the occurrence of the Enforcement Event, payments on the obligations of the Issuer may not be made as long as, in the opinion of the Security Trustee, such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer with higher rank in accordance with the Order of Priority.

17.3 In the case of payments on the Notes or the Subordinated Loan, the Security Trustee shall provide the Noteholders and the Subordinated Lender with advance notice of the Payment Date pursuant to the Conditions of the Class A Notes, or the Conditions of the Class B Notes, as applicable, or the Subordinated Loan Agreement. In the case of such payment, the Security Trustee is only responsible for making the relevant amount available to the Principal Paying Agent. In order to do so, the Security Trustee shall rely on the records that each of the Relevant Clearing Systems holds for its customers which reflect the amount of such customer's interest in the Notes.

17.4 After all obligations under the Transaction Documents have been finally discharged and paid in full, the Security Trustee shall pay out any remaining amounts to the Issuer.

18. CONTINUING DUTIES

Clauses 12 (*Acceptance, Safekeeping and Review of Documents; Notification of the Issuer*) through 14 (*Breach of Obligations by the Issuer*) shall continue to apply after the Foreclosure Event has occurred.

19. DISTRIBUTION ACCOUNT; CASH COLLATERAL ACCOUNT; COUNTERPARTY DOWNGRADE COLLATERAL ACCOUNT; SWAP PROVISIONS

19.1 The Distribution Account shall be used for the fulfilment of the payment obligations of the Issuer.

19.2 The Issuer has established at the Account Bank the Cash Collateral Account to be used for the cash collateral in the initial amount of GBP 28,681,200. The amount of GBP 28,681,200 (1.2 % per cent. of the aggregate nominal amount of the Notes as at 20 November 2013) serves as the initial Cash Collateral Amount. On each Further Issue Date, such amount will be increased by an amount equal to 1.2 per cent. of the aggregate nominal amount of the Further Notes to be issued on such Further Issue Date. All funds in the Cash Collateral Account in accordance with clause 19.3 below (other than the balance standing to the credit of the Interest Compensation Amount) are referred to as the "**General Cash Collateral Amount**".

19.3 On each Payment Date, prior to an Enforcement Event the General Cash Collateral Amount shall be used:

(a) first, to cover any shortfalls in the amounts payable under items *first* through *seventh* of the Order of Priority set out in clause 20.3(a) (*Order of Priority*) below;

(b) second, to make payment of the amounts due and payable under clause 20.3(b) (*Order of Priority*); and

(c) third, on the earlier of (i) the latest occurring Final Maturity Date of any Series of Notes or (ii) the date on which the Aggregate Discounted Receivables Balance has been reduced to zero, to make payment of the amounts due and payable under items *ninth, tenth, twelfth, thirteenth and fourteenth* of the Order of Priority set out in clause 20.3(a) (*Order of Priority*) below.

In addition, the Servicer is entitled to utilise the General Cash Collateral Amount to the extent and in the amounts as agreed with its auditors for the purposes of the Clean-Up Call Option. In connection with the exercise of the Clean-Up Call Option, VWFS shall ensure that all amounts outstanding under the Notes and any obligations ranking pari passu with or senior to the Notes in the Order of Priority are discharged in full.

On each Payment Date following the occurrence of an Enforcement Event, the General Cash Collateral Amount (including the balance standing to the credit of the Interest Compensation Amount) shall be applied in accordance with clause 20.3(c) (*Order of Priority*) of this Agreement.

19.4 The Issuer shall ensure that all payments made to it shall be made by way of a bank transfer to or deposit or in any other way into the Distribution Account (other than any payments of amounts transferred as collateral under any Swap Agreement which shall be deposited in accordance with clause 19.5 below).

19.5 The Issuer has entered into Swap Agreements to hedge the floating rate interest exposure on the respective Series of Notes. The Issuer may in the following situations and shall under the following conditions enter into new swap transactions:

(a) The Issuer shall, as soon as practicable following the termination of a Swap Agreement, enter into replacement Swap Agreements with replacement Swap Counterparties in the event that a Swap Agreement is terminated prior to its scheduled expiration pursuant to an "**event of default**" (where the Swap Counterparty is the "**defaulting party**") or "**termination event**" under the respective Swap Agreement. The respective replacement Swap Agreement will have an initial notional amount equal to the applicable notional amount of the terminated Swap Agreement as at termination. The notional amount of the respective replacement Swap Agreement will decrease by the amount of any principal repayments on the relevant Series of Notes or increase by the amount of any principal increase on the relevant Series of Notes from time to time.

(b) The Issuer will use reasonable efforts to enter into new interest rate Swap Agreements upon the issuance of further Series of Notes, provided that:

(i) Such new interest rate Swap Agreements are basically on the same terms and conditions as the existing Swap Agreements; and

(ii) It is ensured that the notional amount under the new Swap Agreement will at all times be equal to the lower of (x) the maximum notional amount under the new

swap Agreement and (y) the outstanding principal balance of the corresponding new issued Series of Notes.

19.6 In the event that a Swap Counterparty is required to collateralise its obligations pursuant to the terms of the applicable Swap Agreement, such amounts will be held in the Counterparty Downgrade Collateral Account for such Swap Agreement and any securities deposited therein will be held by the Security Trustee on trust for the relevant Swap Counterparty and the Security Trustee will invest any cash amounts in accordance with the provisions of the respective Swap Agreement. Each Counterparty Downgrade Collateral Account shall be separate from the Distribution Account and from the general cash flow of the Issuer. Collateral deposited in such Counterparty Downgrade Collateral Account shall not constitute Available Distribution Amounts. Amounts standing to the credit of each Counterparty Downgrade Collateral Account (or securities deposited therein) shall secure solely the payment obligations of the Swap Counterparty to the Issuer under the applicable Swap Agreement. The amounts in each Counterparty Downgrade Collateral Account will be applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the respective Swap Agreement. Any Excess Swap Collateral owing to the relevant Swap Counterparty pursuant to the relevant Swap Agreement shall not be available to Transaction Creditors and shall be returned to such Swap Counterparty outside of the Order of Priority. Any Swap Tax Credits will be applied to the Swap Counterparty outside of the Order of Priority. Following the establishment of the Counterparty Downgrade Collateral Account for a Swap Agreement, the relevant Swap Counterparty shall bear any costs and expenses in connection with the Counterparty Downgrade Collateral Account. If the Issuer incurs any liabilities, or commercially reasonable costs or expenses in connection with the Counterparty Downgrade Collateral Account, the Swap Counterparty shall reimburse the Issuer immediately upon request from the Issuer.

19.7 The Servicer shall calculate and provide, by delivery of the Monthly Investor Report, written notification to each Swap Counterparty and to the Security Trustee of the notional amount of each Swap Agreement as at each Payment Date on or before the Investor Report Performance Date in the month of the related Payment Date. The Interest Determination Agent shall provide the Servicer with the calculation of LIBOR (as further described in the Note Purchase Agreement and the Subordinated Loan Agreement). The Servicer shall provide the calculation of LIBOR to the Security Trustee under this Agreement and shall forward the amounts calculated by the calculation agent under each Swap Agreement in respect of all payments due under such Swap Agreement on each Payment Date, including Net Swap Payments, Net Swap Receipts and Swap Termination Payments payable in accordance with clause 20 (*Order of Priority*) below on each Payment Date and shall provide written notification of such amounts to the Swap Counterparty and to the Security Trustee no later on the Investor Report Performance Date prior to such Payment Date. The parties hereto hereby acknowledge that with respect to the obligations under each Swap Agreement of the parties thereto, all calculations shall be performed by the calculation agent (as appointed under the relevant Swap Agreement).

19.8 In the event of an early termination of the transaction under any Swap Agreement, any Swap Termination Payments received by the Issuer or the Security Trustee on behalf of the Issuer from the related Swap Counterparty will be remitted to the Counterparty Downgrade Collateral Account.

19.9 The Issuer shall promptly, following the early termination of the Swap Agreement due to an "event of default" or "termination event" (each as defined in the applicable Swap Agreement) and in accordance with the terms of the Swap Agreement, enter into a replacement Swap Agreement with an Eligible Swap Counterparty to the extent possible and practicable through application of available funds in the Counterparty Downgrade Collateral Account (after returning any Excess Swap Collateral to the Swap Counterparty).

19.10 Subject to clause 19.11, on each Payment Date following the termination of a Swap Agreement, funds standing to the credit of the Counterparty Downgrade Collateral Account (after returning any Excess Swap Collateral to the Swap Counterparty)shall be used to cover any shortfalls in the amounts payable under items *first* through *tenth* according to the Order of Priority set out in clause 20.3(a) (Order of Priority) or items *first* through *ninth* in the Order of Priority set out in clause 20.3(c) (Order of Priority), as applicable, provided that in no event will the amount of Swap Termination Payments withdrawn from the Counterparty Downgrade Collateral Account for such purpose exceed the amount of Net Swap Receipts that would have been required to be paid to the Issuer on

such Payment Date under the terminated Swap Agreement had there been no termination of such Swap Agreement.

19.11 Any Swap Replacement Proceeds which are received by the Issuer or the Security Trustee on behalf of the Issuer from a replacement Swap Counterparty will be remitted directly to the Counterparty Downgrade Collateral Account. Such Swap Replacement Proceeds shall be applied in payment of any Swap Termination Payments to the Swap Counterparty under the initial Swap Agreement outside the Order of Priority. If Swap Replacement Proceeds are insufficient to pay the Swap Termination Payment due to the initial Swap Counterparty, any shortfall shall be paid in accordance with the Order of Priority. If Swap Replacement Proceeds exceed the Swap Termination Payment due to the initial Swap Counterparty, any excess shall be treated as part of the Available Distribution Amount.

19.12 To the extent that the Issuer determines not to replace the initial Swap Agreements the Issuer will promptly notify the Rating Agencies. Amounts in the Counterparty Downgrade Collateral Account which correspond to Swap Termination Payments received by the Issuer (after returning any Excess Swap Collateral to the Swap Counterparty) shall be remitted directly to the Distribution Account, shall be treated as part of the Available Distribution Amount and shall be paid in accordance with the Order of Priority.

19.13 Upon payment of all amounts outstanding under the Notes the sums remaining in the Counterparty Downgrade Collateral Account shall be paid according to the following order of priority:

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

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

(c) third, to pay all remaining excess to VWFS by way of a final success fee.

20. **ORDER OF PRIORITY**

20.1 Prior to the full and unconditional discharge of all obligations of the Issuer to the Transaction Creditors, any credit in the Distribution Account, the Monthly Collateral Account and the Cash Collateral Account (the "**Credit**") shall be distributed exclusively in accordance with clauses 20.2, 20.3, 20.4 and 20.5 of this Agreement.

20.2 For the avoidance of doubt, interest accruing on the Counterparty Downgrade Collateral Accounts (other than amounts payable under clause 19.10 and clause 19.12 (*Distribution Account, Cash Collateral Account, Counterparty Downgrade Collateral Account, Swap Provisions*) of this Agreement), the Cash Collateral Account and the Monthly 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 Agreement; (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/or VWFS in accordance with the priority of payment set out in Clause 19.13 (*Distribution Account; Cash Collateral Account, Counterparty Downgrade Collateral Account; Swap Provisions*) of this 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 this Agreement (iv) in the case of interest accruing on the Monthly Collateral Account, be netted against the Servicer's obligation to pay the Monthly Collateral Part 1 and the Monthly Collateral Part 2 and be paid to the Seller following the exercise of the Clean-Up Call Option or once the Notes and the Subordinated Loan have been fully redeemed.

20.3 Distributions will be made on each Payment Date from the Available Distribution Amount and, subject to clause 19.3 (*Distribution Account, Cash Collateral Account, Counterparty Downgrade*

Collateral Account, Swap Provisions), the Cash Collateral Account, according to the following Order of Priority, *provided* that any distributions arising from a Term Takeout shall not be distributed according to the following Order of Priority but shall be distributed as set out in clause 11 (*Sale of Receivables to Other Secured Vehicles*) of the Receivables Purchase Agreement:

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

(i) *first*, amounts due and payable in respect of taxes (if any) by the Issuer;

(ii) *second*, amounts (excluding any payments under the Trustee Claim) due and payable by the Issuer (i) to the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clause 30 (*Termination by the Security Trustee for good cause*) or clause 31 (*Replacement of the Security Trustee*) of this Agreement or under any agreement replacing this Agreement;

(iii) *third*, to the Servicer, the Servicer Fee;

(iv) *fourth*, of equal rank amounts due and payable and allocated to the Issuer: (i) to the directors of the Issuer; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to each Agent under the Agency Agreement; (iv) to the Account Bank and Cash Administrator under the Account Agreement; (v) to the Rating Agencies the fees for the monitoring of the Issue; (vi) to the Managers under the Note Purchase Agreement; (vii) to the Custodian under the Custody Agreement; (viii) to the Data Protection Trustee under the Data Protection Trust Agreement; and (ix) to the Issuer in respect of other administration costs and expenses of the Issuer, including, without limitation, any costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange and the admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, any auditors' fees, any tax filing fees and any annual return or exempt company status fees;

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

(vi) *sixth*, *pari passu* and rateably to each other, amounts due and payable in respect of (a) interest accrued on the Class A Notes during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) pari passu and rateably as to each other on all Class A Notes;

(vii) *seventh*, *pari passu* and rateably as to each other, amounts due and payable in respect of (a) interest accrued on the Class B Notes during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) pari passu and rateably as to each other on all Class B Notes;

(viii) *eighth*, to the Cash Collateral Account, until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;

(ix) *ninth*, *pari passu* and rateably, (a) the Class A Amortisation Amount to each Amortising Series of Class A Notes and (b) an amount no less than zero equal to the Class A Accumulation Amount;

(x) *tenth*, *pari passu* and rateably, (a) the Class B Amortisation Amount to each Amortising Series of Class B Notes and (b) an amount no less than zero equal to the Class B Accumulation Amount;

(xi) *eleventh*, *pari passu* and rateably as to each other in or towards payment, pro rata and pari passu, of amounts due and payable to a Swap Counterparty under any Swap Agreement other than payments made under item fifth above;

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

(xiii) *thirteenth*, to the Subordinated Lender, to repay the outstanding principal amount of the Subordinated Loan; and

(xiv) *fourteenth*, to pay all remaining excess to VWFS by way of a final success fee.

(b) On any Payment Date after satisfaction of the amounts in clause 19.3(a) (*Distribution* Account*, Cash Collateral Account, Counterparty Downgrade Collateral Account, Swap Provisions*) above, distribution will be made from the Cash Collateral Account prior to the occurrence of an Enforcement Event, if and to the extent the General Cash Collateral Amount exceeds the Specified General Cash Collateral Account Balance and no Credit Enhancement Increase Condition is in effect, according to the following Order of Priority, provided that for any Payment Date on which a Term Takeout occurs, the Specified General Cash Collateral Account Balance shall be calculated by using the aggregate outstanding principal amount of the Notes following the redemption of the Notes that occurs on such Payment Date as a result of such Term Takeout:

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

(ii) *second,* to the Subordinated Lender, to reduce the outstanding principal amount of the Subordinated Loan; and

(iii) *third,* to pay all remaining excess to VWFS by way of a final success fee.

(c) Following the occurrence of an Enforcement Event, distributions will be made by the Security Trustee from the Available Distribution Amount and any proceeds from the enforcement of the Security, and according to the following Order of Priority:

(i) *first,* amounts due and payable in respect of taxes (if any) by the Issuer;

(ii) *second,* amounts (excluding any payments under the Trustee Claim) due and payable by the Issuer (i) to the Security Trustee under the Trust Agreement or the Deed of Charge and Assignment, (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clause 30 *(Termination by the Security Trustee for good cause)* or clause 31 *(Replacement of the Security Trustee)* of the Trust Agreement or under any agreement replacing the Trust Agreement, and (iii) any fees, costs, expenses, indemnities and other amounts due and payable to any receiver, manager, receiver and manager, administrator or administrative receiver appointed in respect of the Issuer in accordance with the Deed of Charge and Assignment;

(iii) *third,* to the Servicer, the Servicer Fee;

(iv) *fourth,* of equal rank amounts due and payable and allocated to the Issuer: (i) to the directors of the Issuer; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to each Agent under the Agency Agreement; (iv) to the Account Bank and Cash Administrator under the Account Agreement; (v) to the Rating Agencies the fees for the monitoring of the Issue; (vi) to the Managers under the Note Purchase Agreement; (vii) to the Custodian under the Custody Agreement; (viii) to the Data Protection Trustee under the Data Protection Trust Agreement; and (ix) to the Issuer in respect of other administration costs and expenses of the Issuer, including, without limitation, any costs relating to the listing of the Notes on the official list of the Luxembourg Stock Exchange and the

admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange, any auditors' fees, any tax filing fees and any annual return or exempt company status fees;

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

(vi) *sixth, pari passu* and rateably to each other amounts due and payable in respect of (a) interest accrued on the Class A Notes during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all Class A Notes;

(vii) *seventh, pari passu* and on a pro-rata basis, to each Series of Class A Notes the amount of principal due on such Series of Class A Notes until the Class A Notes have been redeemed in full;

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

(ix) *ninth, pari passu* and on a pro-rata basis, to each Series of Class B Notes the amount of principal due on such Series of Class B Notes until the Class B Notes have been redeemed in full;

(x) *tenth*, *pari passu* and rateably as to each other in or towards payment, pro rata and pari passu, of amounts due and payable to a Swap Counterparty under any Swap Agreement other than payments made under item fifth above;

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

(xii) *twelfth,* to the Subordinated Lender, to repay the outstanding principal amount of the Subordinated Loan; and

(xiii) *thirteenth,* to pay all remaining excess to VWFS by way of a final success fee.

20.4 Notwithstanding the provisions of clause 20.3 (*Order of Priority*) amounts due and payable under items *first* through *fourth* of the Order of Priority in clause 20.3(a) or (c) may be paid once a Monthly Period on any date other than a Payment Date from any funds available on the Distribution Account and allocated in the Order of Priority.

20.5 Where it becomes necessary or desirable to provide for an amount which is to be converted or to convert an amount which is payable in accordance with items *first* through *fourth* of the Order of Priority in clause 20.3(a) into another currency for the purposes of making such payment, such amount may be provided for or converted at such rate, on such date and in accordance with such method (including providing for and/or converting an amount at the spot rates together with an adjustment factor of 20 per cent.) as the Issuer or the Servicer on its behalf may determine having regard to current rates of exchange if available. Any amounts provided for or converted and not used shall be reconverted (if applicable) and retained in the Distribution Account and will be deemed to form part of the Available Distribution Amount for application on the next Payment Date.

21. ACCUMULATION ACCOUNT

The Issuer will on the date of this Agreement establish at the Account Bank the Accumulation Account to collect during the Revolving Period payments as set forth in the ninth item and tenth

item of the Order of Priority according to clause 20.3(a). During the Revolving Period, amounts on deposit in the Accumulation Account shall be used by the Issuer for the purchase of Additional Receivables from VWFS according to the terms for the purchase of Additional Receivables as set forth in clause 4 (*Sales of Additional Receivables*) of the Receivables Purchase Agreement. Upon the occurrence of an Early Amortisation Event, an Enforcement Event or the end of the Revolving Period, the Accumulation Account shall be closed on the subsequent Payment Date and any amounts on deposit in the Accumulation Account (other than interest earned on the Accumulation Account) shall be transferred on the subsequent Payment Date to the Distribution Account.

22. RELATION TO THIRD PARTIES; OVERPAYMENT

22.1 In respect of the Security, the Order of Priority shall be binding on all Transaction Creditors of the Issuer. In respect of other assets of the Issuer, such Order of Priority shall only be applicable internally between the Transaction Creditors, the Security Trustee and the Issuer; in third party relationships, the rights of the Transaction Creditors and the Security Trustee shall have equal rank to those of the third-party creditors of the Issuer.

22.2 The Order of Priority set forth in clause 20 (*Order of Priority*) shall also be applicable if the claims are transferred to a third party by assignment, subrogation into a contract, or otherwise.

22.3 All payments to Transaction Creditors shall be subject to the condition that, if a payment is made to a Transaction Creditor in breach of the Order of Priority such Transaction Creditor shall repay - with commercial effect to the relevant Payment Date - the received amount to the Security Trustee; the Security Trustee shall then pay - with commercial effect to the relevant Payment Date - such moneys received in the way that they were payable in accordance with the aforementioned Order of Priority on the relevant Payment Date. If such non-complying payment is not repaid on the relevant Payment Date by such Transaction Creditor, following the non-complying payment or if the claim to repayment is not enforceable, the Security Trustee is authorised and obliged to adapt the distribution provisions pursuant to clause 20 (*Order of Priority*) in such a way that any over- or underpayments made in breach of clause 20 (*Order of Priority*) are set off by correspondingly increased or decreased payments on such Payment Date (and, to the extent necessary, on all subsequent Payment Dates).

23. DELEGATION

23.1 In individual instances, the Security Trustee may, at market prices (if appropriate, after obtaining several offers), retain the services of a suitable law firm or credit institution to assist the Security Trustee in performing the duties assigned to the Security Trustee under this Agreement, by delegating the entire or partial performance of the following duties:

(a) the undertaking of individual measures pursuant to clause 14 (*Breach of Obligation by the Issuer*), specifically the enforcement of certain claims against the Issuer or a Transaction Creditor;

(b) the foreclosure on Security pursuant to clause 16 (*Foreclosure on the Security; Foreclosure Event; Enforcement Event*);

(c) the settlement of payments pursuant to clause 17 (*Payments upon Occurrence of the Enforcement Event*); and

(d) the settlement of overpayments pursuant to clause 22 (*Relation to the Third Parties; Overpayment*).

23.2 If third parties are retained pursuant to clause 23.1, the Security Trustee shall only be liable for the exercise of due care in the selection and supervision of the third party to a degree that the Security Trustee would exercise in its own affairs. The Security Trustee, however, shall not be liable for any negligence or wilful misconduct of the third party. In case of any damage caused by such third party, the Security Trustee shall enforce any claims for damages against such third party for the benefit of the Transaction Creditors.

23.3 The Security Trustee shall promptly notify the Rating Agencies and the Noteholders of every hiring pursuant to clause 23.1.

24. **ADVISORS**

24.1 The Security Trustee is authorised, in connection with the performance of its duties under the Funding and the Transaction Documents, at its own discretion, to seek information and advice from legal counsel, financial consultants, banks, and other experts in the United Kingdom or elsewhere (and irrespective of whether such persons are already retained by the Security Trustee, the Issuer, a Transaction Creditor, or any other person involved in the transactions under the Notes, the Subordinated Loan or the Transaction Documents), at market prices (if appropriate, after obtaining several offers).

24.2 The Security Trustee may rely on such information and such advice of such external advisors without having to make its own investigations. The Security Trustee shall not be liable for any damages or losses caused by acting in reliance on the information or the advice of such Persons. If such Persons are retained pursuant to clause 24.1 the Security Trustee shall only be liable for the exercise of due care in the selection and supervision of the third party to a degree that the Security Trustee would exercise in its own affairs. The Security Trustee, however, shall not be liable for any negligence or wilful misconduct of the third party.

25. **FEES**

25.1 The Issuer will pay the Security Trustee a fee, the amount of which shall be separately agreed between the Issuer and the Security Trustee.

25.2 Upon the occurrence of a Foreclosure Event or a default of any party (other than the Security Trustee) to a Transaction Document which results in that the Security Trustee undertaking tasks, the Issuer shall pay or procure to be paid to the Security Trustee such additional remuneration as shall be agreed between the Issuer and the Security Trustee. In the event that the Issuer and the Security Trustee fail to agree as to whether and/or in which amount an additional remuneration shall be payable in accordance with the preceding sentence, such matters shall be determined by a bank, financial services institution or auditing firm of recognised standing (acting as an expert and not as an arbitrator) jointly determined by the Issuer and the Security Trustee. The determination made by such expert shall be final and binding upon the Issuer and the Security Trustee. It is understood that the additional tasks to be performed by the Security Trustee will not be delayed, but instead will be continued as if the Issuer and the Security Trustee would have agreed on a fee immediately.

26. **REIMBURSEMENT OF EXPENSES; ADVANCE**

The Issuer shall bear all reasonable costs and disbursements (including costs for legal advice and costs of other experts) incurred by the Security Trustee (other than in relation to tax on its own income, profits or gains or any FATCA Deduction or FATCA Costs) in connection with the performance of its respective duties under this Agreement, including the costs and disbursements in connection with the creation, holding, and foreclosure on the Security.

27. **RIGHT TO INDEMNIFICATION**

27.1 The Issuer shall indemnify the Security Trustee against all losses, liabilities, obligations (including any taxes (other than taxes on the Security Trustee's own income, profits or gains or any FATCA Deduction or FATCA Costs)), actions in and out of court, and costs and disbursements incurred by the Security Trustee in connection with this Agreement or any other Transaction Document, unless such costs and expenses are incurred by the Security Trustee due to a breach of its standard of care pursuant to clause 33 (*Standard of Care*), as limited pursuant to clause 34 (*Exclusion of Liability*).

27.2 The Security Trustee shall not be bound to take any action under or in connection with this Agreement or any other Transaction Document or any document executed pursuant to any of them including, without limitation, forming any opinion or employing any agent, unless in all cases, it is fully indemnified or secured, and is reasonably satisfied that the Issuer will be able to honour any indemnity in accordance with the Order of Priority as set out in clause 20 (*Order of Priority*) hereof, against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection with them (other than taxes

on the Security Trustee's own income, profits or gains or any FATCA Deduction or FATCA Costs) for which purpose the Security Trustee may require payment in advance of such liabilities being incurred of an amount which it considers (without prejudice to any further demand) sufficient to indemnify it or security satisfactory to it.

27.3 Notwithstanding any other provision of this Agreement, the Issuer will have no obligation to indemnify the Security Trustee for any FATCA Deductions or FATCA Costs.

28. **TAXES**

28.1 The Issuer shall bear all stamp and transfer taxes and other similar taxes or charges which are imposed in the United Kingdom or in Luxembourg on or in connection with (i) the creation, holding, foreclosure or enforcement of Security, (ii) any measure taken by the Security Trustee pursuant to the Conditions of the Class A Notes, the Conditions of the Class B Notes, the Subordinated Loan or the Transaction Documents, and (iii) the Issue of the Notes or the Subordinated Loan Agreements or the conclusion of Transaction Documents.

28.2 All payments of fees and reimbursements of reasonable expenses to the Security Trustee shall include any irrecoverable turnover taxes, value added taxes or similar taxes, other than taxes on the Security Trustee's own income, profits or gains, or any FATCA Deductions or FATCA Costs, which are imposed in the future on the services of the Security Trustee.

29. **LIMITED RECOURSE; NO LIEN OR SET-OFF; NO PETITION**

Clause 3 (*Limited Recourse; No Lien or Set-Off; No Petition*) of the Incorporated Terms Memorandum shall apply *mutatis mutandis*, as if set out in full herein.

30. **TERMINATION BY THE SECURITY TRUSTEE FOR GOOD CAUSE**

30.1 The Security Trustee may resign from its office as Security Trustee for good cause (*aus wichtigem Grund*) at any time, provided that upon or prior to its resignation the Security Trustee, on behalf of the Issuer, appoints a reputable firm as successor and such appointee who needs to be experienced in the business of security trusteeship in the United Kingdom assumes all rights and obligations arising from this Agreement and has been furnished with all authorities and powers that have been granted to the Security Trustee.

30.2 Without prejudice to the obligation of the Security Trustee to appoint a successor in accordance with sub-clause 30.1 above, the Issuer shall be authorised to make such appointment in lieu of the Security Trustee.

30.3 The appointment of the new Security Trustee pursuant to sub-clauses 30.1 or 30.2 above shall only take effect if (i) VWFS and the Noteholders consent to the appointment of the proposed new Security Trustee; and (ii) the Issuer consents to the appointment of the proposed new Security Trustee or withholds such consent unreasonably. Consent pursuant to number (i) above shall be deemed granted if the Issuer or the Security Trustee requests VWFS and the Noteholders in writing for consent to the appointment and consent is not refused by VWFS and the Noteholders within five banking days in London of having received the request. Consent pursuant to number (ii) shall be deemed granted if the Security Trustee requests the Issuer in writing for consent to the appointment and consent or proof of reasonable cause for refusing to give consent is not provided within five banking days in London after the Issuer receives the request. Consent pursuant to number (i) above shall not require consent of VWFS to the extent VWFS became subject to the occurrence of an Insolvency Event with respect to itself.

30.4 A termination pursuant to sub-clause 30.1 above notwithstanding, the rights and obligations of the Security Trustee shall continue until the appointment of the new Security Trustee has become effective and the rights pursuant to clause 32 (*Transfer of Security; Costs; Publication*) have been assigned to it.

31. **REPLACEMENT OF THE SECURITY TRUSTEE**

The Issuer shall be authorised and obliged to replace the Security Trustee with a reputable firm who needs to be experienced in the business of security trusteeship in the United Kingdom, if the

Issuer has been so instructed in writing by a Noteholder or Noteholders and the Subordinated Lender together owning at least 66 2/3 per cent. of the aggregate outstanding nominal amount of the Notes and the Subordinated Loan. The Issuer shall be obliged to notify VWFS and the Rating Agencies within thirty (30) days upon receipt of such request to replace the Security Trustee on the request to replace the Security Trustee.

32. TRANSFER OF SECURITY; COSTS; PUBLICATION

32.1 In the case of a replacement of the Security Trustee pursuant to clause 30 (*Termination by the Security Trustee for Good Cause*) or clause 31 (*Replacement of the Security Trustee*), the Security Trustee shall forthwith transfer the assets and other rights it holds as fiduciary under this Agreement, as well as its Trustee Claim under clause 4 (*Position of the Security Trustee in relation to the Issuer*) (including the pledge rights granted for the same pursuant to clause 6 (*Pledge*)) in its capacity as trustee to the new Security Trustee. Without prejudice to this obligation, the Issuer is hereby irrevocably authorised to effect such transfer on behalf of the Security Trustee.

32.2 The costs incurred in connection with replacing the Security Trustee pursuant to clause 30 (*Termination by the Security Trustee for Good Cause*) or clause 31 (*Replacement of the Security Trustee*) shall be borne by the Issuer. If the replacement pursuant to clause 30 (*Termination by the Security Trustee for Good Cause*) or clause 31 (*Replacement of the Security Trustee*) is caused by a violation of obligations of the Security Trustee as set out in clauses 33 (*Standard of Care*) and 34 (*Exclusion of Liability*), the Issuer shall be entitled, without prejudice to any additional rights, to demand damages from the Security Trustee in the amount of such costs up to a maximum amount of GBP 15,000 (the "**Replacement Costs**"). For the avoidance of doubt, such Replacement Cost shall cover any and all replacement costs occurred in respect of a replacement of Wilmington Trust (London) Limited as Security Trustee and Wilmington Trust SP Services (Frankfurt) GmbH as Process Agent.

32.3 The Issuer shall publish the appointment of a new Security Trustee in accordance with clause 30 (*Termination by the Security Trustee for Good Cause*) without delay or clause 31 (*Replacement of the Security Trustee*) shall be published without delay in accordance with the Conditions and the Subordinated Loan Agreement, or, if this is not possible, in any other appropriate way.

32.4 The Security Trustee shall provide the new Security Trustee with a report regarding its activities within the framework of this Agreement.

33. STANDARD OF CARE

The Security Trustee shall be liable for breach of its obligations under this Agreement only if and to the extent that it fails to meet the standard of care which it would exercise in its own affairs (*Sorgfalt in eigenen Angelegenheiten*).

34. EXCLUSION OF LIABILITY

34.1 The Security Trustee shall not be liable for: (i) any action or failure to act of the Issuer or of other parties to the Transaction Documents (including to the extent performed on behalf of the Security Trustee), (ii) the Notes, the Subordinated Loan, the Receivables, the Security and the Transaction Documents being or not being legal, valid, binding, or enforceable, or for the fairness of the provisions set forth in the Notes, the Subordinated Loan or in the aforementioned agreements, (iii) a loss of documents related to the Receivables unless attributable to a violation of the standard of care set out in clause 33 (*Standards of Care*) of the Security Trustee (iv) - without prejudice to the provisions of clause 14 (*Breach of Obligations by the Issuer*) - the Seller's failure to meet all or part of its contractual obligations to submit documents to the Security Trustee.

34.2 No shareholder, officer or director of the Security Trustee shall incur any personal liability as a result of the performance or non-performance by the Security Trustee of its obligations hereunder. Any recourse against such a person is excluded accordingly.

35. UNDERTAKINGS OF THE ISSUER IN RESPECT OF THE SECURITY

The Issuer undertakes *vis-à-vis* the Security Trustee:

(a) not to sell the Security and to refrain from all actions and failure to act (excluding the collection and enforcement of the Security in the ordinary course of business) which may result in a material decrease in the aggregate value or in a loss of the Security; to the extent that there are indications that a Transaction Creditor does not properly fulfil its obligations under a Transaction Document, the Issuer will in particular exercise the due care of a merchant (*die Sorgfalt eines ordentlichen Kaufmanns*) to take all necessary action to prevent the Security or their value from being jeopardised;

(b) to mark in its books and documents the transfer for security purposes and the pledges to the Security Trustee and to disclose to third parties having a legal interest in becoming aware of the transfer for security purposes and the pledges that the transfer for security purposes and the pledges have taken place;

(c) promptly to notify the Security Trustee if the rights of the Security Trustee in the Security are impaired or jeopardised by way of an attachment or other actions of third parties, by sending a copy of the attachment or transfer order or of any other document on which the enforcement of the third party is based, as well as all further documents which are required or useful to enable the Security Trustee to file proceedings and take other actions in defence of its rights. In addition, the Issuer shall promptly inform the attachment creditor and other third parties in writing of the rights of the Security Trustee in the Security;

(d) to permit the Security Trustee or its representatives to inspect its books and records at any time during usual business hours for purposes of verifying and enforcing the Security, to give any information necessary for such purpose, and to make the relevant records available for inspection; and

(e) to enter into alternative security arrangements pursuant to which the Security Trustee benefits from a valid, binding and enforceable security right over the assets assigned or pledged pursuant to clauses 5 (*Assignment for Security Purposes*) and 6 (*Pledge*) hereof in case that the arrangements under clauses 5 (*Assignment for Security Purposes*) and 6 (*Pledge*) are not regarded as valid under the laws of a jurisdiction other than Germany.

36. **OTHER UNDERTAKINGS OF THE ISSUER**

(a) The Issuer undertakes vis-à-vis the Security Trustee to:

(b) promptly notify the Security Trustee in writing if circumstances occur which constitute a Foreclosure Event pursuant to clause 16 (*Foreclosure on the Security; Foreclosure Event; Enforcement Event*);

(c) submit to the Security Trustee at least once a year and in any event not later than 120 days after the end of its fiscal year and at any time upon demand within five days a certificate signed by two directors of the Issuer in which such director, in good faith and to the best of his/her knowledge based on the information available represents, on behalf of the Issuer, that during the period between the date the preceding certificate was submitted (or, in the case of the first certificate, the date of this Agreement) and the date on which the relevant certificate is submitted, the Issuer has fulfilled its obligations under the Notes, the Subordinated Loan and the Transaction Documents or (if this is not the case) specifies the details of any breach;

(d) give the Security Trustee at any time such other information it may reasonably demand for the purpose of performing its duties under this Agreement;

(e) send to the Security Trustee one copy in the German or the English language of any balance sheet, any profit and loss accounts, any report or notice, or any other memorandum sent out by the Issuer to its shareholder either at the time of the mailing of those documents to the shareholder or as soon as possible thereafter;

(f) send or have sent to the Security Trustee a copy of any notice given in accordance with the Conditions of the Class A Notes and/or the Conditions of the Class B Notes and/or the

Subordinated Loan immediately, or at the latest on the day of the publication of such notice;

(g) ensure that the Principal Paying Agent notifies the Security Trustee immediately if it does not receive the moneys needed to discharge in full any obligation to repay the full or partial principal amount due to the Noteholders and/or the Subordinated Lender on any Payment Date;

(h) have at all times at least one director independent from the Seller and the Issuer's shareholders;

(i) correct any known misunderstanding regarding its separate identity;

(j) conduct its own business in its own name;

(k) at all times ensure that its central management and control is exercised in Luxembourg; and

(l) not to enter into any derivative contracts other than for the purposes of hedging the interest rate risk of the Purchased Receivables.

37. **ACTIONS OF THE ISSUER REQUIRING CONSENT**

As long as any of the Notes and the Subordinated Loan are outstanding, the Issuer is not authorised without prior written consent of the Security Trustee to:

37.1 engage in any business or activities other than:

(a) the performance of the obligations under this Agreement, the Notes, the Subordinated Loan and the other Transaction Documents and under any other agreements which have been entered or may be entered into in connection with the Funding;

(b) the enforcement of its rights;

(c) the performance of any acts which are necessary or useful in connection with (a) or (b) above; and

(d) the execution of all further documents and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Security Trustee, are necessary or desirable with respect to the reasonable interests of the Noteholders or the Subordinated Lender in order to ensure that the Conditions of the Class A Notes, the Conditions of the Class B Notes or the Subordinated Loan Agreement are always valid;

37.2 hold, permit to subsist any subsidiary nor form or acquire any subsidiary (unless in the case of a substitution of the Issuer pursuant to the Conditions of the Class A Notes, the Conditions of the Class B Notes and the Subordinated Loan);

37.3 dispose or pledge of any assets or any part thereof or interest therein and/or make, incur, assume or suffer to exist any loan, advance or guarantee to any person, unless otherwise provided in clause 37.1;

37.4 pay dividends or make any other distribution to its shareholders;

37.5 incur, create, assume or suffer to exists or otherwise become liable in respect of any indebtedness, whether present or future;

37.6 have any employees or own any real estate assets;

37.7 create or permit to subsist any mortgages, or - except as otherwise permitted by the Transaction Documents - any liens, pledges or similar rights;

37.8 consolidate or merge;

37.9 materially amend its Articles of Incorporation;

37.10 issue new shares and acquire shares;

37.11 open new accounts (other than contemplated in the Transaction Documents);

37.12 change its country of incorporation;

37.13 effect a substitution of the Issuer pursuant to the Conditions of the Class A Notes, the Conditions of the Class B Notes and the Subordinated Loan;

37.14 permit its assets to become commingled with those of any other party; or

37.15 acquire obligations or securities of its Affiliates;

37.16 take any action which would cause its central management and control to be located in any jurisdiction other than Luxembourg; and

37.17 if the Issuer requests that the Security Trustee grants its consent as required pursuant to this clause 37, the Security Trustee may grant or withhold the requested consent at its discretion, taking into account the reasonable interests of the Transaction Creditors in accordance with clause 3.1 (*Position of the Security Trustee in relation to the Transaction Creditors*) hereof.

38. NOTICES

All communication under this Agreement shall be delivered to the addresses set out in clause 4 (*Notices*) of the Incorporated Terms Memorandum.

39. SEVERABILITY CLAUSE; COORDINATION

Clause 5 (*Severability Clause, Coordination*) of the Incorporated Terms Memorandum shall apply *mutatis mutandis* to this Agreement as if set out in full herein.

40. AMENDMENTS

40.1 VWFS will be entitled to unilaterally amend any term or provision of this Agreement, including this clause 40.1 with the consent of the Issuer and the Security Trustee but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender, the Arranger, the Lead Manager and the Managers or any other Person; provided that such amendment shall only become valid:

(a) if (x) it is notified to the Security Trustee, the Rating Agencies and the Issuer and (y) VWFS has received a confirmation from the Security Trustee that in the sole professional judgment of the Security Trustee, such amendment will not be materially prejudicial to the interests of any such Transaction Creditor and the procedure in clauses 40.3 and 40.4 is followed;

(b) if, in respect of amendments relating to the amount, the currency or the timing of the cash flow received by the Issuer under the Purchased Receivables, the application of such cash flow by the Issuer, the ranking of the Swap Counterparties in the Order of Priority or following the posting of credit support by a Swap Counterparty to the Counterparty Downgrade Collateral Account, the consent of the relevant Swap Counterparties has been provided; and

(c) in case of amendments which materially and adversely affect the interests of the Issuer, the Security Trustee, the Swap Counterparties and/or the Subordinated Lender if such Transaction Parties that are materially and adversely affected have consented to such amendment.

40.2 This Agreement may also be amended from time to time with prior notification to the Rating Agencies, in accordance with the provisions set out in sections 5 to 21 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - Schuldverschreibungsgesetz SchVG*) with the unanimous consent of (a) the Issuer and (b) the Noteholders of each Series of

Notes for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement which materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor provided that (x) this Agreement may be amended without the consent of all the Noteholders of the relevant Series if the procedure in clauses 40.3 and 40.4 is followed and (y) provided further that if any of the amendments relate to the amount, the currency or the timing of the cash-flow received by the Issuer under the Purchased Receivables, the application of such cash-flow by the Issuer, or the ranking of the Swap Counterparty in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparty, then the consent of the Swap Counterparty will be required. The manner of obtaining such consents may be either a contractual agreement to be concluded between the Issuer and all Noteholders of the Relevant Series as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG*)) with a prior notification to the Rating Agencies or by a Noteholder's resolution adopted with unanimous consent of the Noteholders of such Series pursuant to Sections 5 to 22 of aforementioned act, in case of (y) only a contractual agreement between the Issuer, all Noteholders of all Series of Notes, the Security Trustee and each Swap Counterparty will be applicable. The manner of obtaining any other consents of the Noteholders provided for in this Agreement and of evidencing the authorisation of the execution thereof by Noteholders will be subject to such reasonable requirements as the Security Trustee may prescribe, including the establishment of record dates.

40.3 In the case of modifications to this Agreement which do not materially and adversely affect the interests of the Noteholders:

(a) if it is notified by the party requesting such amendment to the Security Trustee and the Rating Agencies in writing; and

(b)

(i) (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 (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 (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 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 40.4(a) or (b), the procedure in clause 40.5 has been followed; and

(d) other than in respect of clause 40.4(a)(i) 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.

40.4 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 this Agreement 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 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

(i) in the case of a modification to this Agreement 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 to the Issuer and the Security Trustee that such modification is necessary for the purposes described in paragraph (i)(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 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);

(b) subject to clause 40.3(b), for the purposes of ensuring that the terms of this Agreement, 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 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) and (b) above being a "**Modification Certificate**").

40.5 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) and (b) in clause 40.4 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 Counterparties, in connection with such modification.

40.6 This Agreement 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 Securitisation Regulation or a reputable international law firm that such amendments are required for the Transaction to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards authorised under the Securitisation Regulation. Any amendment subject to this clause 40.6 shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders and the Rating Agencies in writing, including by email.

41. APPLICABLE LAW; PLACE OF PERFORMANCE; JURISDICTION

Clause 7 (*Applicable Law, Place of Performance, Jurisdiction*) of the Incorporated Terms Memorandum shall apply *mutatis mutandis* to this Agreement as if set out in full herein.

42. CONDITION PRECEDENT

This Agreement and the rights and obligations hereunder will only become effective once the conditions precedent under the Note Purchase Agreement and the Receivables Purchase Agreement have been satisfied.

43. IDENTIFICATION AS A SECURED PARTY

It should be noted that HSBC Bank plc in its capacities of Account Bank, Cash Administrator, Principal Paying Agent, Calculation Agent; Custodian and Interest Determination Agent and HSBC France, Luxembourg Branch as Registrar is signing this Agreement for the purposes of identification as a secured party and will otherwise have no obligations under this Agreement.

44. **THIRD PARTY BENEFIT**

Unless expressly stipulated herein otherwise, a Person who is not a party to this Agreement has no right under section 328 (*echter Vertrag zugunsten Dritter*) of the German Civil Code to enforce or to enjoy the benefit of any term of this Agreement.

INCORPORATED TERMS MEMORANDUM

The following is an extract from the text of the Incorporated Terms Memorandum. The text is attached as Annex B to the Conditions of the Notes and constitutes an integral part of the Conditions of the Notes. In case of any overlap or inconsistency in the definitions of a term or expression in the Incorporated Terms Memorandum and elsewhere in the Base Prospectus, the definitions of the Incorporated Terms Memorandum will prevail.

1. MASTER DEFINITIONS SCHEDULE

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 Assignation in Security and any further documents entered into pursuant to any of them.

"**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, the Cash Collateral Account Bank and the Monthly 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, the Cash Collateral Account and the Monthly 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 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 third Business Day prior to a Payment Date unless the Payment Date is a Payment Date on which Further Notes will be issued, in which case the Additional Offer Date shall fall on the fifth 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 Overcollateralisation Percentage**" means 3.80 per cent.

"**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)

(a) the Additional Discounted Receivables Balance of the Additional Receivables to be purchased under the Receivables Purchase Agreement less the Replenished Additional Discounted Receivables Balance, multiplied by

(b) one (1) minus 2.83 per cent., less, (where applicable)

(c) (A) amounts required for the endowment of the Cash Collateral Account with the Cash Collateral Amount and (B) certain costs related to the issue of the Further Notes; and

(ii)

(a) the Replenished Additional Discounted Receivables Balance, multiplied by

(b) one (1) minus the Additional 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. For the avoidance of doubt, no Additional Receivables Purchase Price shall be paid by the Purchaser for Additional Receivables which are transferred to the Purchaser for overcollateralisation purposes.

"**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 Regulation (EU) No 231/2013 of 19 December 2012.

"**Alternative Benchmark Rate**" has the meaning given to it in Condition 15 (*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 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);

(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 plc.

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

"**Assignation in Security**" means any assignation 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 (*Assignation 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) o*f 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; plus

(c) payments from the Cash Collateral Account as provided for in clause 19.3 (*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 the relevant 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, and (iii) where the relevant Swap Agreement has been terminated amounts allocated in accordance with clause 19.12 of the Trust 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) 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

(h) the Interest Compensation Order of Priority Amount; less

(i) 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 and clause 19.12 (*Distribution Account, Cash Collateral Account, Counterparty Downgrade Collateral Account, Swap Provisions*) of the Trust Agreement), the Cash Collateral Account and the Monthly 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 Agreement; (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/or VWFS in accordance with the priority of payment set out in Clause 19.13 (*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 (iv) in the case of interest accruing on the Monthly Collateral Account, be netted against the Servicer's obligation to pay the Monthly Collateral Part 1 and the Monthly Collateral Part 2 and be paid to the Seller following the exercise of the Clean-Up Call Option or once the Notes and the Subordinated Loan have been fully redeemed.

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

"**Benchmark Rate Modification**" has the meaning given to it in Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*).

"**Benchmark Rate Modification Certificate**" has the meaning given to it in Condition 15 (*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 an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under the Swap Agreements) theoretically needed to swap the floating rate interest payments under the Subordinated Loan, less (iii) the Servicer Fee at a rate of 1 per cent. per annum, less (iv) 0.03 per cent. for any administrative cost 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 outstanding nominal amount of the Further Notes 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 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 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 Additional 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 the amount, rounded down to the nearest hundred thousand pounds, calculated multiplying (i) one (1) minus 0.278, by (ii) (a) the Additional Discounted Receivables Balance, less (b) the Replenished Additional Discounted Receivables Balance.

"**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) 30.7 per cent. during the Revolving Period until a Credit Enhancement Increase Condition shall be in effect;

(b) 33.7 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 lessor 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 at the end of the Monthly Period to the Class B Targeted Aggregate Discounted Receivables Balance.

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

"**Class B Notes Increase Amount**" means, with respect to the Closing Date and any Further Issue Date the amount, rounded down to the nearest hundred thousand pounds, calculated multiplying (i) (a) one (1) minus 0.193, by (b)(x) the Additional Discounted Receivables Balance minus (y) the Replenished Additional Discounted Receivables Balance, minus (ii) the Class A Notes Increase Amount.

"**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 Amoun**t" 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) 21.2 per cent. during the Revolving Period until a Credit Enhancement Increase Condition shall be in effect;

(b) 24.2 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 an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under both Swap Agreements) theoretically needed

to swap the floating rate interest payments under the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. per annum, and plus (iii) 0.03 per cent. for administrative costs and fees. It shall be calculated 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 28 May 2019.

"**Collection Agent**" means an entity appointed by VWFS to, among other things, purchase the Written-Off Purchased Receivables.

"**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 (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;

(d) any payments received by the Servicer by way of recoveries in respect of any such Purchased Receivable that has become a Defaulted 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.

"**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.

"**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.

"**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 513/2011and 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:

(a) 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) 0.45 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

(b) the Cumulative Net Loss Ratio exceeds (i) 1.85 per cent. during the Revolving Period or (ii) 4 per cent. after the end of the Revolving Period; or

(c) the Late Delinquency Ratio exceeds 0.7 per cent. on any Payment Date on or before 25 May 2020, 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

(d) a Servicer Replacement Event occurs and is continuing; or

(e) an Insolvency Event occurs with respect to VWFS; or

(f) the amount standing to the credit of the Cash Collateral Account is less than the Specified General Cash Collateral Account Balance.

"**CRR**" means Regulation (EU) No 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.

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

"**Cumulative Net Loss Ratio**" means for any Payment Date a fraction expressed as a percentage:

(a) the numerator of which is the aggregate Charged-Off Amount of all Receivables (including Receivables which were not received on time, and Receivables remaining to be paid in the future and any Redelivery Purchased Receivables which became Charged Off Receivables after being repurchased by VWFS) incurred in the 24 month period prior to the last day of the Monthly Period ending in the calendar month prior to such Payment Date less any recoveries made in relation to such Charged-Off Receivables with effect from the Initial Cut-Off Date (including any Receivables that were sold in accordance with clause 11 (*Sale of Receivables to other Secured Vehicles*) of the Receivables Purchase Agreement and had later become Charged-Off Receivables) within such 24 month period; and

(b) the denominator of which is the sum of:

(i) the initial Discounted Receivables Balance (as at the Cut-Off Date prior to the Purchase Date upon which such Receivables were purchased by the Issuer) of all Initial Receivables and Additional Receivables outstanding as at the last day of the Monthly Period ending in the calendar month prior to such Payment Date; plus

(ii) to the extent not included in paragraph (b)(i), the initial Discounted Receivables Balance of any Initial Receivables and Additional Receivables (as at the Cut-Off Date prior to the Purchase Date upon which such Receivables were purchased by the Issuer) which have matured, terminated or been repurchased by VWFS in the 24 month period prior to the last day of the Monthly Period ending in the calendar month prior to such Payment Date.

For the avoidance of doubt, Redelivery Purchased Receivables which have been repurchased by VWFS are not included in the Portfolio and any Charged-Off Amounts in respect of such repurchased Receivables are referred to for the purposes of this calculation only.

"**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 Obligors) 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 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.

"**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 fifth Business Day prior to the first day of an Interest Accrual 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(e) (*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.

"**Driver UK 2011 and CCJ Receivables Repurchase Agreement**" means the repurchase agreement dated the Closing Date entered into between the Issuer, VWFS and the Security Trustee relating to the repurchase of the Driver UK 2011 Receivables and CCJ Receivables on the Closing Date.

"**Driver UK 2011 Receivable**" means a Receivable sold by VWFS to Driver UK Master S.A., acting with respect to its Compartment 1 under the 2011 Receivables Purchase Agreement. No Driver UK 2011 Receivables will be included in the Portfolio from the Closing Date.

"**Dynamic Net Loss Ratio**" means for any Payment Date, a fraction expressed as a percentage rate, the numerator of which is the sum of the 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;

(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 28.7 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.

"**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.

"**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, the Driver UK 2011 and CCJ Receivables 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.

"**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.

"**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 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 option to purchase fee specified in the Financing Contract; and (f) any cashflows from maintenance contracts.

"**Expected Collections**" means an amount, as determined by the Servicer and as set out in each Monthly Investor Report, equal to the sum of (i) the expected monthly instalments to be received in relation to the Financing Contracts underlying the Purchased Receivables and (ii) the expected monthly prepayments calculated on the basis of a 12 month annualised constant prepayment rate which will be determined by the Servicer on the first Business Day on which the Monthly Remittance Condition is no longer satisfied and which will be re-determined by the Servicer on 25 November (or the next following Business Day) in each calendar year.

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

"**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 the 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 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.

"**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.

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

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

"**German 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 Documents 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 and the Initial VCL Receivables.

"**Initial Receivables Purchase Price**" means the purchase price in respect of Initial Receivables being an amount of GBP 2,204,907,726.93 as defined in the Issuer Receivables Purchase Agreement, plus an amount of GBP 603,705,469.38, less (i) an amount of GBP 28,086,131.96 for overcollateralisation purposes, less (ii) an amount of GBP 28,621,200 for the endowment of the Cash Collateral Account and less (iii) certain costs related to the issue of the Initial Notes (Nil). For the purchase of GBP 532,564,970.45 of Additional Receivables on the Additional Purchase date of 20th November 2013, where the final Aggregate Discounted Receivables balance on 20 November 2013 will be GBP 2,808,613,196.31.

"**Initial VCL Receivables**" means the Receivables purchased by the Issuer from Private VCL S.A., acting with respect and on behalf of its Compartment Private VCL 2013-1 on 20 November 2013 in accordance with the Issuer Receivables Purchase Agreement. Initial VCL Receivables sold to the Issuer by Private VCL S.A. will be repurchased by VWFS on the Closing Date pursuant to the Driver UK 2011 and CCJ Receivables Repurchase Agreement and will no longer included in the Portfolio.

"**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 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 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 Depositary**" 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 third Business Day prior to each Payment Date.

"**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).

"**Issuer Receivables Purchase Agreement**" means the receivables purchase agreement dated on or about 20 November 2013, as amended from time to time, entered into between Private VCL S.A., acting with respect and on behalf of its Compartment Private VCL 2013-1, the Issuer and VWFS. Initial VCL Receivables sold to the Issuer by Private VCL S.A. are no longer included in the Portfolio.

"**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 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.

"**LIBOR**" has the meaning given to it in Condition 8 (*Payments of Interest*). LIBOR as defined in the Conditions and used in the Transaction Documents may be amended by the Servicer on behalf of the Issuer subject to and in accordance with the procedure set forth in the Condition 15 (*Amendments to the Conditions and Benchmark Rate Modification*).

"**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.

"**Manager**" means each of NatWest Markets Plc, Barclays Bank PLC, Barclays Bank Ireland PLC, Scotiabank (Ireland) Designated Activity Company, Citibank Europe PLC, UK Branch, HSBC Bank plc, Lloyds Bank plc, MUFG Bank, Ltd, Crédit Agricole Corporate and Investment Bank, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, BNP Paribas, Santander Corporate & Investment Banking, Standard Chartered Bank, Wells Fargo Bank, National Association (London Branch), Bank of America N.A., London Branch Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch, DBS Bank Ltd., Mizuho Bank Ltd. 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 which the Issuer may offer Notes to the relevant Note Purchaser.

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

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

"**Monthly Collateral Account**" means the account to be established by the Monthly Collateral Account Bank following the occurrence of a Monthly Remittance Condition.

"**Monthly Collateral Account Bank**" means HSBC Bank plc.

"**Monthly Collateral Part 1**" means in respect of a Monthly Period an amount equal to the Expected Collections for the period from (and including) the first until (and including) the fifteenth calendar day of such Monthly Period as determined by the Servicer on the eleventh Business Day prior to the start of that Monthly Period.

"**Monthly Collateral Part 2**" means in respect of a Monthly Period an amount equal to the Expected Collections for the period from (and including) the sixteenth calendar day of the relevant Monthly Period until (and including) the last day of such Monthly Period, as determined by the Servicer on the eleventh Business Day prior to the sixteenth calendar day of such Monthly Period.

"Monthly Collections Part 1" means, in respect of a Monthly Period, the Collections for the period from (and including) the first calendar day of such Monthly Period until (and including) the fifteenth calendar day of such Monthly Period, as determined by the Servicer on the fifth Business Day following the fifteenth calendar day of such Monthly Period.

"**Monthly Collections Part 2**" means, in respect of a Monthly Period, the Collections for the period from (and including) the sixteenth calendar day of such Monthly Period until (and including) the last day of the relevant Monthly Period, as determined by the Servicer on the fifth Business Day following the last calendar day of such Monthly Period.

"**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 (or any of its successors within the Volkswagen Group as parent of the Servicer) (i) no longer has a short-term rating for unsecured and unguaranteed 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 (or any of its successors within the Volkswagen Group as parent of the Servicer) 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. Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) holds less than 100 per cent. of the shares of VWFS; or

(b) Volkswagen Financial Services AG (or any of its successors within the Volkswagen Group as parent of the Servicer) 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 (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 (or any of its successors within the Volkswagen Group as parent of the Servicer) ceases to be in effect or (iii) Volkswagen Financial Services AG (or any of its successors within the Volkswagen 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.

"**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 the ratio of the nominal amount of each Series of Notes then outstanding to the nominal amount of such Series of Notes.

"**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 or 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.

"**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 27 December 2013 and thereafter until the final payment the 25th day of each month or in the event such day is not a Business Day, then the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

"**Payment Instruction**" shall have the meaning it is given in clause 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**" means the base prospectus for the issuance of Notes under the Programme as supplemented by a supplement dated 22 May 2019.

"**Prospectus Directive**" means Directive 2003/71/EC, as amended by Directive 2010/73/EU, including, where the context requires, Commission Regulation (EC) No. 809/2004, as amended by Commission Delegated Regulation (EU) No. 486/2012, Commission Delegated Regulation (EU) No. 862/2012 and Commission Delegated Regulation (EU) No. 759/2013 and any relevant implementing measure in each relevant Member State of the European Economic Area.

"**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 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).

"**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.

"**Reference Banks**" has the meaning as set forth in Condition 8(c)(ii) of the Conditions.

"**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 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 France, Luxembourg Branch.

"**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 Additional Receivables Overcollateralisation Percentage, all as determined with respect to such Additional Purchase Date.

"**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.

"**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.

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

"**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 Europe 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.

"**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**" means the Regulation (EU) 2017/2402 of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/38EC, 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012.

"**Securitisation Regulation Disclosure Requirements**" means the disclosure requirements set out in Articles 7 and 43(8) of the Securitisation Regulation and the related regulatory technical standards adopted by the EU Commission.

"**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 Assignation in Security and the Trust Agreement.

"**Security Documents**" means the Trust Agreement, the Deed of Charge and Assignment, any Assignation 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 assignation 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 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 (g) below:

(a) the Servicer fails to make any payment or deposit to be made by it to the Distribution Account within five Business Days of when due;

(b) the Servicer fails on two separate occasions within any continuous period of twelve months to deliver a copy of the Monthly Investor Report to the Noteholders within five (5) Business Days of the date upon which it is required so to do pursuant to the terms of the Servicing Agreement;

(c) the Servicer shall fail 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) or (b) above) and such failure shall remain unremedied for 60 (sixty) 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);

(d) 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 60 (sixty) 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);

(e) the Servicer becomes subject to an Insolvency Event;

(f) 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; or

(g) there is a going concern qualification in the annual audited financial statements of the Servicer,

provided, however, that if a Servicer Replacement Event referred to under paragraph (a), or (b) 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 ninety days, 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.

"**SFIs Website**" means the website to be set up by the ESMA in accordance with Article 8b(4) of Regulation (EC) no. 1060/2009 of the European Parliament.

"**SFTR**" means the European Regulation 2015/2365 of 25 November 2015, known as the Securities Financing Transactions Regulation.

"**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 May 2019.

"**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.

"**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.

"**Subordinated Lender**" means the subordinated lender under the Subordinated Loan Agreement, being Volkswagen International Luxemburg S.A.

"**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 955,629,682.45 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 sum of (a) the product of (i) 16.47 per cent. and (ii) the difference between (A) the Additional Discounted Receivables Balance and (B) the Replenished Additional Discounted Receivables Balance, all as determined with respect to such Further Issue Date and (b) the amount by which the Class B Notes Increase Amount as of such Further Issue Date exceeds the actual balance of Class B Notes issued on such Further Issue as notified by the Issuer.

"**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 1992 ISDA Master Agreement or the 2002 ISDA Master Agreement, as applicable, (ii) the associated schedule, (iii) the credit support annex and (iv) a confirmation dated on or about the Closing Date 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) 72.2 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) 8.5 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.

"**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 Assignation 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.

"**TSI**" means True Sale International GmbH.

"**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.

"**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, America Samoa, Wake Island and the Northern Mariana Islands).

"**U.S. Person**" means a U.S. person within the meaning of Regulation S and the U.S. Risk Retention Rules (as applicable).

"**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**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 amount of each payment made in respect of a 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 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.

SUBSCRIPTION AND SALE

SUBSCRIPTION OF THE NOTES

Subscription and Sale

Each of the Note Purchasers has entered into the Note Purchase Agreement with the Issuer. Each Note Purchaser has agreed to comply with the selling restrictions set out below.

The issuance of the Notes is not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section _.20 of the U.S. Risk Retention Rules. "U.S. Risk Retention Rules" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Notes at all times may not, without the prior consent of the Seller, be purchased by any person except for persons that are not “U.S. persons” as defined in the U.S. Risk Retention Rules (“**Risk Retention U.S. Persons**”). Prospective investors should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of “U.S. person” in Regulation S.

Each purchaser of Notes, including beneficial interests therein, will be deemed, and in certain circumstances will be required, to represent and agree that: (1) it is not a Risk Retention U.S. Person (2) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) it is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

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

Selling Restrictions

General

All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered, to the best of each Note Purchaser's' knowledge and belief (subject that each Note Purchaser shall have no liability to the Issuer or VWFS in respect of any non-observance of the U.S. Risk Retention Rules by the Issuer or VWFS or any other person). Each Note Purchaser has agreed that it will not, directly or indirectly, offer, sell or deliver any of the Notes or distribute the Base Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations of such jurisdiction, to the best of each Note Purchaser's knowledge and belief, and that it will not impose any obligations on the Issuer except as set out in the Note Purchase Agreement.

Notwithstanding the foregoing, the Note Purchasers will not have any liability to the Issuer or the Seller for compliance with the U.S. Risk Retention Rules by the Issuer or the Seller or any other person except to the extent as set out in the Note Purchase Agreement.

European Economic Area

(a) In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Note Purchaser has represented and agreed in the Note Purchase Agreement that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, (the "**Relevant Implementation Date**"), none of them has made and none of them will make an offer of notes to the public in that Relevant Member State other than the offers contemplated in the prospectus from the time the prospectus has been approved by the relevant competent authority and published and notified to the relevant competent authority in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State:

(b) to any legal entity which is a qualified investor as defined in the Prospectus Directive,

(c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Note Purchasers, or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes will require the Issuer or any Note Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of notes to the public" with respect to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United States of America and its Territories

Each Note Purchaser represents and agrees in the Note Purchase Agreement that:

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities law and may not be offered, or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws and under circumstances designed to preclude the Issuer from having to register under the Investment Company Act. Each of the Note Purchasers represents and agrees that it has not offered or sold or delivered the Notes, and will not offer or sell the Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Further Issue Date, except, in either case, only in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act. Neither the Note Purchasers nor their respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) nor any Persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Notes, the respective Note Purchaser or any other person acting as distributor will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Closing Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section have the meaning given to them in Regulation S under the Securities Act and as used in this paragraph "U.S. Person" means a U.S. person within the meaning of Regulation S.

The Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act.

United Kingdom

Each Note Purchaser represents and agrees in the Note Purchase Agreement that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by

it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Republic of France

Each of the Note Purchasers represents and agrees in the Note Purchase Agreement that:

(a) the Base Prospectus is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French *Autorité des Marchés financiers* ("**AMF**");

(b) the Notes have not been offered, sold or distributed and will not be offered, sold or distributed, directly or indirectly, to the public in France. Such offers, sales and distributions have been and shall only be made in France (i) to qualified investors (*investisseurs qualifiés*) acting for their own account and/or (ii) to persons providing portfolio management investment service for third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), each as defined in and in accordance with Articles L. 411-2-II, D. 411-1, D. 321-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and any implementing regulation and/or (iii) in a transaction that, in accordance with Article L. 411-2-I of the French Monetary and Financial Code and Article 211-2 of the General Regulation of the AMF, does not constitute a public offering of financial securities;

(c) pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the subsequent direct or indirect retransfer of the Notes to the public in France can only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French Monetary and Financial Code; and

(d) the Base Prospectus and any other offering material relating to the Notes have not been and will not be submitted to the AMF for approval and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Prohibition of Sales to EEA Retail Investors

Each Note Purchaser has represented and agreed, and each further Note Purchaser appointed under the Programme will be required to represent and agree, that it will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"); and

(b) the expression “offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

GENERAL INFORMATION

Authorisation of Note Issuance

The issuance of the Notes were authorised by the board of directors of the Issuer on 18 November 2013, on 20 November 2014, on 20 November 2015, on 17 June 2016, 21 October 2016, 16 May 2017, 15 May 2018 and 14 May 2019.

Governmental, Legal and Arbitration Proceedings

During the period covering the 12 months prior to the date of this Base Prospectus, the Issuer has not been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had in the recent past significant effects on the Issuer's financial position or profitability.

Material Adverse Change

There has been no material adverse change in the financial position or prospects of the Issuer since the date of its last financial statements dated 30 June 2018.

Payment Information and Post-Issuance Transaction Information

The Issuer acting for and on behalf of its Compartment 2 intends to provide post-issuance transaction information regarding the Notes to be admitted to trading and the performance of the underlying assets. The Servicer will provide the investors with monthly investor reports regarding the Notes and the performance of the underlying assets. Such investor reports will be provided on a monthly basis and sent directly to the relevant investors.

For as long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, the Issuer acting for and on behalf of its Compartment 2 will notify the Luxembourg Stock Exchange of the Interest Amounts, Interest Accrual Periods and the Interest Rates and the payments of principal, in each case without delay after their determination pursuant to the Conditions of the Notes. This information will be communicated to the Luxembourg Stock Exchange at the latest on the first day of each interest period.

All information to be given to the Noteholders pursuant to Condition 7 of the Notes will be available and may be obtained (free of charge) at the specified office of the Issuer.

The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear as operator of the Euroclear system.

All notices to the Noteholders regarding the Notes shall be (i) published on the website of the Luxembourg Stock Exchange (www.bourse.lu) as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require and (ii) be delivered to the applicable clearing systems for communication by them to the Noteholders. Any notice referred to under (ii) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was delivered to the respective clearing system. Any notice referred to under (i) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Listing and Admission to Trading

The Issuer is expected to make application for the Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading at the regulated market of the Luxembourg Stock Exchange.

ICSDs

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
1210 Brussels
Belgium

Clearstream Banking, société anonyme, Luxembourg
42 Avenue JF Kennedy
L-1885 Luxembourg
Clearing Codes of Notes

As set out in the Final Terms prepared for the relevant Series of Class A Notes or the relevant Series of Class B Notes, as applicable.

Inspection of Documents

Physical or electronic copies of the following documents may be inspected during customary business hours on any working day from the date hereof (or the date of publication of such document, as relevant) as long as the Notes remain outstanding at the registered office of the Issuer and the Principal Paying Agent and as long as the Notes are listed on official list of the Luxembourg Stock Exchange they will also be available at the specified offices of the Principal Paying Agent, (i) this Base Prospectus and any Final Terms, (ii) the Trust Agreement, (iii) the Deed of Charge and Assignment, (iv) the Agency Agreement, (v) the Articles of Incorporation of the Issuer and (vi) the audited financial statements of the Issuer dated 30 June 2017 and 30 June 2018 and all future financial reports of the Issuer. A copy of this Base Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Servicer will publish monthly investor reports regarding the Notes and the performance of the underlying assets. Monthly investor reports may be published by the Servicer three days prior to the Payment Date of a calendar month available on www.vwfs.co.uk.

To the extent no securitisation repository is registered in accordance with Article 10 of the Securitisation Regulation, the Servicer will also make the above information available on the website of the European Data Warehouse (www.eurodw.eu) which, for the avoidance of doubt, will comply with the requirements set out in Article 7(2) of the Securitisation Regulation. If a securitisation repository should be registered in accordance with Article 10 of the Securitisation Regulation, the Servicer on behalf of the Issuer will make the information available to such securitisation repository.

Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

Article 7 and Article 22 of the Securitisation Regulation

For the purposes of Article 7 and Article 22 of the Securitisation Regulation the Servicer (on behalf of the Seller as the originator for the purposes of the Securitisation Regulation) confirms and (where applicable) will make available the following information:

(a) Before pricing of the Notes, for the purpose of compliance with Article 22(1) of the Securitisation Regulation, the Servicer will make available to investors and potential investors information on static and dynamic historical default and loss performance, for a period of at least 5 years. In this regard, see the section "*HISTORICAL PERFORMANCE DATA*" of this Base Prospectus.

(b) For the purpose of compliance with Article 22(2) of the Securitisation Regulation, the Servicer confirms that a sample of Financing Contracts has been externally verified by an appropriate and independent party prior to the date of this Base Prospectus (see also the section "*THE PURCHASED RECEIVABLES POOL")*. For the purposes of the verification a confidence level of at least 95% was applied. The Servicer confirms no significant adverse findings have been found. The independent party has also performed agreed upon procedures on the data included in the stratification tables in the section "*THE PURCHASED RECEIVABLES*". The Servicer confirms no significant adverse findings have been found. Based on the review by the independent party, the Servicer confirms that to the best of its knowledge such information is in accordance with the facts and does not omit anything likely to affect its import.

(c) Before pricing of the Notes, for the purpose of compliance with Article 22(3) of the Securitisation Regulation, the Servicer will make available a cashflow liability model of the Transaction on the website of EuroABS (https://www.euroabs.com). Such cashflow model will be available after the Closing Date to investors on an ongoing basis and to potential investors on request.

(d) For the purpose of compliance with Article 22(4) of the Securitisation Regulation, the Servicer confirms that Annexes I to VIII of the CRA3 RTS do not allow for reporting on the environmental performance of the Vehicles relating to the Purchased Receivables and the Servicer confirms that, so far as it is aware, information on environmental performance of the Vehicles relating to the Purchased Receivables is not available to be reported pursuant to Article 22(4). The Servicer confirms that once information on environmental performance of the Vehicles relating to the Purchased Receivables is available and able to be reported, it will make such information available to investors on an ongoing basis in order to comply with the requirements of Article 22(4) of the Securitisation Regulation.

(e) Before pricing of the Notes and within 15 days of the Closing Date, for the purposes of compliance with Article 22(5) and Article 7(1)(b) of the Securitisation Regulation, the Servicer will make available certain Transaction Documents and the Base Prospectus. It is not possible to make final documentation available before pricing of the Notes and so the Servicer has made the Base Prospectus and draft Receivables Purchase Agreement, Redelivery Repurchase Agreement, Servicing Agreement, Agency Agreement, Account Agreement, Subordinated Loan Agreement, Trust Agreement, Incorporated Terms Memorandum, Deed of Charge and Assignment and template Swap Agreements on the website of the European Data Warehouse (www.eurodw.eu). Such Transaction Documents in final form will be available after the Closing Date to investors on an ongoing basis and to potential investors on request.

(f) Before pricing of the Notes in initial form and on or around the Closing Date in final form, for the purposes of compliance with Article 7(1)(d) of the Securitisation Regulation, the Servicer will make available the STS notification referred to in Article 27 of the Securitisation Regulation on the website of the European Data Warehouse (www.eurodw.eu).

(g) For the purposes of Article 7(1)(a) and (e) of the Securitisation Regulation, information on the Purchased Receivables will be made available before pricing of the Notes and on a monthly basis the Servicer will make available information on the Purchased Receivables and an investor report in accordance with Annexes I to VIII of the CRA3 RTS and the Transparency RTS once it applies.

(h) For the purposes of Article 7(1)(f) of the Securitisation Regulation the Issuer will, without delay, publish any inside information relating to the Transaction. The Servicer is not required to comply with Article 7(1)(f).

(i) For the purposes of Article 7(1)(g) of the Securitisation Regulation and pursuant to its obligation to comply with the Securitisation Regulation Disclosure Requirements, the Servicer will, without delay, publish information in respect of any significant event such as (i) a material breach of the obligations laid down in the Transaction Documents, (ii) a change in the structural features that can materially impact the performance of the securitisation, (iii) a change in the risk characteristics of the Transaction or the Purchased Receivables that can materially impact the performance of the securitisation, (iv) if the Transaction ceases to meet the STS requirements or if competent authorities have taken remedial or administrative actions and (v) any material amendments to the Transaction Documents.

REGISTERED ADDRESS OF THE ISSUER

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