

**VCL MULTI-COMPARTMENT S.A.**

acting for and on behalf of its Compartment VCL 34

(incorporated with limited liability in Luxembourg with registered number B 148436)

**EUR 941,100,000 Class A Asset Backed Floating Rate Notes of 2021/2027, Issue Price: 100.775 per cent.**

**(the "Class A Notes")**

**EUR 21,500,000 Class B Asset Backed Floating Rate Notes of 2021/2027, Issue Price: 100 per cent.**

**(the "Class B Notes")**

Each Class A Note and each simultaneously issued subordinated Class B Note (together the "**Notes**") 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 a Luxembourg law public limited liability company, VCL Multi-Compartment S.A., acting for and on behalf of its Compartment VCL 34 (the "**Issuer**") from Collections, from a Cash Collateral Account, from the enforcement of the Security and from the Swap Agreements. The sum of the nominal amount of the Notes plus the overcollateralisation amount plus the Subordinated Loan equals the present value of the Purchased Lease Receivables discounted to the Issue Date using the Discount Rate. Subject to the Available Distribution Amount and in accordance with the Order of Priority, each holder of a Class A Note is entitled to payment of the amount of EUR 100,000 plus interest equivalent to one month EURIBOR plus 0.70 per cent. *per annum* and each holder of a subordinated Class B Note, respectively, to payment of the amount EUR 100,000 plus interest equivalent to one month EURIBOR plus 0.80 per cent. *per annum*, calculated 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 11. Payments of principal and interest on each class of Notes will be made monthly in arrears on the 21<sup>st</sup> day of each calendar month in each year, or, in the event such date is not a Business Day, then payments shall be due on the next following Business Day, unless that day falls in the next calendar month, in which case payments shall be due on the first preceding day that is a Business Day. The first Payment Date shall be the Payment Date falling on 21 December 2021.

The Class A Notes and the Class B Notes of the Issuer are backed by a portfolio of receivables in a discounted aggregate amount of EUR 1,000,004,957.96 arising out of the lease of new, ex-demonstration and used cars and light commercial vehicles originated by Volkswagen Leasing GmbH in Germany.

This Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") of Luxembourg in its capacity as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the Luxembourg law dated 16 July 2019 on prospectuses for securities (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Prospectus Law**"). Such approval should not be considered as an endorsement of the quality of the Notes that are subject to this Prospectus or an endorsement of the Issuer that is subject to this Prospectus. Therefore the investors should make their own assessment as to the suitability of investing in the Notes. In the context of such approval, the CSSF neither assumes any responsibility nor gives any undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with Article 6(4) of the Luxembourg Prospectus Law. Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to be admitted to trade the Notes on the regulated market of the Luxembourg Stock Exchange on 25 November 2021 (the "**Issue Date**"). The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2014/65/EU. This Prospectus constitutes, a prospectus for the purpose of Article 6(3) of the Prospectus Regulation, and, will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The validity of this Prospectus will expire on 22 November 2022. After such date there is no obligation of the Issuer to issue supplements to this Prospectus in the event of significant new factors, material mistakes or material inaccuracies. This Prospectus is published on the website of Circumference FS (Luxembourg) S.A. (<https://circumferencefs-luxembourg.com>).

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

Each of the Notes in the denomination of EUR 100,000 will be governed by the laws of Germany and will be represented by a global registered note (each a "**Global Note**"), without interest coupons. The Global Notes will not be exchangeable for definitive Notes. The Class A Notes will be deposited on or around 25 November 2021 (the "**Closing Date**") with a Common Safekeeper for Clearstream Luxembourg and Euroclear to be held under the new safekeeping structure ("**NSS**") and which will be registered in the name of a nominee of the Common Safekeeper. The Class B Notes will, on or around the Closing Date, be deposited with a common depository for Clearstream Luxembourg and Euroclear. 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. 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 Notes by DBRS Ratings GmbH ("**DBRS**" or "**DBRS Morningstar**") and Fitch Ratings Ireland Limited ("**Fitch**"). 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 in accordance with the CRA3. Each of DBRS and Fitch has been registered in accordance with the CRA3 and is established in the European Union. Reference is made to the list of registered or certified credit rating agencies published by ESMA, as last updated on 7 May 2021, which can be found on the website <http://www.esma.europa.eu/supervision/credit-rating-agencies/risk>. 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.

CRA3 as it forms part of domestic law of the United Kingdom by virtue of the EUWA and as amended by the Credit Rating Agencies (Amendment, etc) (EU Exit) Regulations 2019 (the "**UK CRA Regulation**"). In accordance with the UK CRA Regulation, the credit ratings assigned to the Notes by DBRS and Fitch will be endorsed by DBRS Ratings Limited and Fitch Ratings Limited, as applicable, being rating agencies which are registered with the Financial Conduct Authority.

Following the expiry of a 12 month period which started at 11pm (London time) on 31 December 2020 pursuant to a standstill direction issued by the FCA under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the UK and registered or certified under the UK CRA Regulation. Prior to the expiry of the 12 month period referred to above, UK regulated entities may use a credit rating for regulatory purposes if it was issued or endorsed by an EU credit rating agency before 11pm (London time) on 31 December 2020 and was not withdrawn immediately before the 11pm (London time) on 31 December 2020.

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

#### *Securitisation Regulation*

The Seller will, whilst any of the Notes remain outstanding, retain for the life of the Transaction 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 Regulation (EU) 2017/2402 (the "**Securitisation Regulation**") and undertakes that it will not reduce, hedge or otherwise mitigate its credit exposure to the material net economic interest for the purposes of Article 6(1) of the Securitisation Regulation and Article 12 of 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 Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation. As at the Closing Date, such interest will, in accordance with 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, be comprised of an interest in randomly selected exposures equivalent to no less than 5 per cent. of the nominal value of the securitised exposures.

After the Issue Date, VWL, in its capacity as originator, as designated reporting entity will prepare monthly reports wherein relevant information with regard to the Purchased Lease 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 prospective investor 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 6 *et seq.* of the Securitisation Regulation. None of the Issuer, VWL (in its capacity as Seller and Servicer), the Joint Lead Managers, the Bookrunners, the Managers, the Arranger or any other Transaction Party makes any representation that the information described above is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with Article 5 of the Securitisation Regulation. 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.

None of the Bookrunners, the Joint Lead Managers, the Arranger, the Managers, their respective Affiliates nor any other person makes any representation, warranty or guarantee that the information provided by any party with respect to the transactions described in the Prospectus are compliant with the requirements of the Securitisation Regulation and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated by the Prospectus to satisfy or otherwise comply with the requirements of the Securitisation Regulation.

Pursuant to Article 27(1) of the Securitisation Regulation, the Seller intends to notify the European Securities Markets Authority ("**ESMA**") that the Transaction will meet the requirements of Articles 20 to 22 of the Securitisation Regulation (the "**STS Notification**"). The purpose of the STS Notification is to set out how in the opinion of the Seller each requirement of Articles 19 to 22 of the Securitisation Regulation has been complied with. Where the Transaction is classified STS, the STS Notification would then be available for download on the website of ESMA. The STS Notification will be made in accordance with the requirements of Commission Delegated Regulation (EU) 2020/1226. ESMA is obliged to maintain on its website a list of all securitisations which the originators and sponsors have notified as meeting the STS Requirements in accordance with Article 27(5) of the Securitisation Regulation. For this purpose, ESMA has set up a register on an interim basis under <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>. According to ESMA, a more established register is to be launched in due course and placed on the dedicated section of its website under <https://registers.esma.europa.eu/publication/>.

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

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

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits, as to which please see further the section of this Prospectus headed "BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH" and "ADMINISTRATION OF THE PURCHASED LEASE RECEIVABLES UNDER THE SERVICING AGREEMENT";
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures, as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Seller – please see further the section of this Prospectus headed "ADMINISTRATION OF THE PURCHASED LEASE RECEIVABLES UNDER THE SERVICING AGREEMENT";
- (c) diversification of credit portfolios given the Seller's target market and overall credit strategy, as to which, in relation to the Portfolio, please see the section of this Prospectus headed "DESCRIPTION OF THE PORTOFLIO";
- (d) policies and procedures in relation to risk mitigation techniques, as to which please see further the sections of this Prospectus headed "BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH" and "ADMINISTRATION OF THE PURCHASED LEASE 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 Prospectus and certain interpretation rules, see "THE MASTER DEFINITIONS SCHEDULE".

#### **BOOKRUNNERS**

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<b>BofA Securities</b>	<b>Landesbank Baden-Württemberg</b>	<b>MUFG Securities Europe N.V.</b>
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#### **ARRANGER**

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<b>BofA Securities</b>
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#### **JOINT LEAD MANAGERS**

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<b>BofA Securities</b>	<b>Landesbank Baden-Württemberg</b>	<b>MUFG Securities Europe N.V.</b>
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#### **MANAGERS**

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<b>ABN AMRO Bank N.V.</b>	<b>DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main</b>	<b>Landesbank Hessen-Thüringen Girozentrale</b>
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The Issuer accepts full responsibility for the information contained in this Prospectus and confirms that, where VWL (also as the Servicer), the Security Trustee, the Swap Counterparty, the Data Protection Trustee, the Account Bank or any other party has expressly accepted responsibility for its own description or information which it provides in this Prospectus, such information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has taken all reasonable care to ensure that the information given in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import and the Issuer has taken all reasonable care to ensure that the information stated herein is true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. VWL (also as the Servicer) only accepts full responsibility for information in this Prospectus relating to the Purchased Lease Receivables, the disclosure of servicing related risk factors, risk factors relating to the Purchased Lease Receivables, the information contained in "DESCRIPTION OF THE PORTFOLIO", "BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH", "ADMINISTRATION OF THE PURCHASED LEASE RECEIVABLES UNDER THE SERVICING AGREEMENT" and "BUSINESS AND ORGANISATION OF VOLKSWAGEN LEASING GMBH". The Arranger accepts full responsibility for the information contained in "*Weighted Average Lives of the Notes*", except to the extent there is any inaccuracy resulting from information provided by VWL to the Arranger, in which case VWL is solely responsible for such information.

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, VWL, the Security Trustee, the Servicer, the Data Protection Trustee or by the Joint Lead Managers, the Bookrunners, the Arranger or the Managers shown on the cover page, or any other parties described in this Prospectus.

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 sold on the Closing Date may not 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**"). "**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 whilst the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to the definition of "U.S. person" in 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. Each Purchaser of Notes, including beneficial interests therein will be deemed, and in certain circumstances will be required, to represent and agree that it (1) is not a Risk Retention U.S. Person (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note to a U.S. person; and (3) 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 (a) on or about the time of the announcement of the securitisation transaction involving the issuance of the Notes and (b) if such representations have not been previously made, as a condition to placing any offer to purchase the Notes. The Issuer, VWL and the Banks 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) in accordance with an exemption from the U.S. Risk Retention Rules.

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

The Notes are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive

2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRiIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRiIPs Regulation.

The Class A Notes and the Class B 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 United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

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

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

*UK MiFIR product governance / Professional investors and ECPs only target market*

Solely for the purposes of each manufacturer's product approval process, the target market assessment pursuant to the FCA Handbook Conduct of Business Sourcebook ("**COBS**") in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is only: (i) eligible counterparties, as defined in COBS; and (ii) professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA ("**UK MiFIR**"); and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, noting the responsibility of each manufacturer under COBS only. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") or, as the case may be, 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.

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

Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof, or (ii) that there has been no adverse change in the financial situation of the Issuer or with respect to VWL since the date of this Prospectus or the balance sheet date of the most recent relevant financial statements, or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated

in the document containing the same. This does not affect the obligation of the Issuer to file a supplement in accordance with Article 23 of the Prospectus Regulation. Any such supplement will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of Circumference FS (Luxembourg) S.A. (<https://circumferencefs-luxembourg.com>).

No action has been taken by the Issuer, the Arranger, the Bookrunners, the Joint Lead Managers or the Managers other than as set out in this Prospectus that would permit a public offering of the Notes, or possession or distribution of this Prospectus 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 Prospectus (nor any part hereof) nor any information memorandum, prospectus, form of application, 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 Arranger, the Bookrunners, the Joint Lead Managers and the Managers have represented that all offers and sales by them have been made on such terms.

This Prospectus does not 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 in any circumstances in which such offer or solicitation is unlawful. The distribution of this Prospectus (or of any part thereof) and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) comes are required by the Issuer, the Arranger, the Bookrunners, the Joint Lead Managers and the Managers to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not 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 Prospectus (or of any part thereof) see "SUBSCRIPTION AND SALE".

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 these Notes 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.

In connection with the Issue of the Notes, BofA Securities Europe SA as Stabilising Manager or any Person acting on behalf of the Stabilising Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any Persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Any stabilising action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any Persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

Neither the Arranger nor the Joint Lead Managers, nor the Bookrunners, nor the Managers have verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arranger or the Joint Lead Managers, or the Bookrunners, or the Managers as to the accuracy or completeness of the information contained in this Prospectus or in relation to any of the Transaction Documents. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved.

No person has been authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus. Nevertheless, if any such information is given by any broker, seller or any other person, it must not be relied upon as having been authorised by the Issuer, the Arranger, the Joint Lead Managers, the Bookrunners, the Managers or any other Transaction Party.

Neither the delivery of this Prospectus nor any offer, sale or solicitation made in connection herewith shall, in any circumstances, imply that the information contained herein is correct at any time subsequent to the date of this Prospectus.

Certain of the Arranger, the Joint Lead Managers, the Bookrunners, the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger, the Joint Lead Managers, the Bookrunners, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Arranger, the Joint Lead Managers, the Bookrunners, the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Arranger, Joint Lead Managers, Bookrunners, Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Arranger, the Joint Lead Managers, the Bookrunners, the Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.



## TABLE OF CONTENTS

<b>Clause</b>	<b>Page</b>
<b>RISK FACTORS</b>	<b>13</b>
<b>I. RISK FACTORS WHICH ARE SPECIFIC AND MATERIAL TO THE ISSUER</b>	<b>13</b>
<b>NO RECOURSE TO OTHER COMPARTMENTS AND NON-PETITION CLAUSE</b>	<b>13</b>
<b>RISK IN RESPECT OF PAYMENTS MADE AND SECURITY PROVIDED DURING THE "SUSPECT PERIOD"</b>	<b>14</b>
<b>II. RISKS RELATED TO THE NATURE OF THE NOTES</b>	<b>15</b>
<b>LIABILITY AND LIMITED RECOURSE UNDER THE NOTES</b>	<b>15</b>
<b>SUBORDINATION OF NOTES</b>	<b>15</b>
<b>NO GROSS UP OF PAYMENTS</b>	<b>15</b>
<b>CHANGE OF LAW</b>	<b>16</b>
<b>RISKS IN CONNECTION WITH THE APPLICATION OF THE GERMAN DEBENTURE ACT (GESETZ ÜBER SCHULDVERSCHREIBUNGEN AUS GESAMTEMISSIONEN (SCHULDVERSCHREIBUNGSGESETZ - SCHVG))</b>	<b>16</b>
<b>MODIFICATION OF CONDITIONS OF THE NOTES</b>	<b>16</b>
<b>RATINGS OF EACH CLASS OF NOTES</b>	<b>16</b>
<b>RESPONSIBILITY OF PROSPECTIVE INVESTORS</b>	<b>16</b>
<b>INTEREST RATE RISK / RISK OF SWAP COUNTERPARTY INSOLVENCY</b>	<b>16</b>
<b>MARKET AND LIQUIDITY RISK FOR THE NOTES</b>	<b>17</b>
<b>EUROSYSTEM ELIGIBILITY</b>	<b>18</b>
<b>III. RISKS RELATED TO THE PURCHASED LEASE RECEIVABLES</b>	<b>18</b>
<b>CREDIT RISK OF THE PARTIES</b>	<b>18</b>
<b>RISK OF LATE PAYMENT OF MONTHLY INSTALMENTS</b>	<b>18</b>
<b>THE COVID-19 PANDEMIC ("CORONA PANDEMIC") MAY HAVE A MATERIAL NEGATIVE IMPACT ON THE PERFORMANCE OF THE ISSUER UNDER THE NOTES</b>	<b>18</b>
<b>RISK OF LOSSES ON THE PURCHASED LEASE RECEIVABLES</b>	<b>19</b>
<b>RISKS RELATING TO THE INSOLVENCY OF THE SELLER OF THE PURCHASED LEASE RECEIVABLES</b>	<b>19</b>
<b>COMMINGLING RISK</b>	<b>19</b>
<b>RISK OF CHANGE OF SERVICER</b>	<b>20</b>
<b>RISK OF NON-EXISTENCE OF PURCHASED LEASE RECEIVABLES</b>	<b>20</b>
<b>RESTRICTION ON ASSIGNMENT</b>	<b>20</b>
<b>RISKS RESULTING FROM CONSUMER CREDIT LEGISLATION</b>	<b>20</b>
<b>RISK OF DEFENCES AND OTHER SET-OFF RIGHTS OF LESSEES AGAINST ASSIGNMENT</b>	<b>22</b>
<b>FURTHER GERMAN CIVIL LAW ASPECTS</b>	<b>23</b>
<b>TERMINATION FOR GOOD CAUSE (<i>KÜNDIGUNG AUS WICHTIGEM GRUND</i>)</b>	<b>23</b>
<b>RISK OF RE-CHARACTERISATION OF THE TRANSACTION AS LOAN SECURED BY PURCHASED LEASE RECEIVABLES</b>	<b>23</b>
<b>RELIANCE ON WARRANTIES</b>	<b>23</b>
<b>RELIANCE ON SERVICING AND COLLECTION PROCEDURES</b>	<b>24</b>
<b>CONFLICTS OF INTEREST</b>	<b>24</b>
<b>RISKS REGARDING THE SALE OF USED VEHICLES</b>	<b>24</b>

<b>PRESENT VALUE OF PURCHASED LEASE RECEIVABLES</b>	<b>24</b>
<b>MARKET FOR LEASED VEHICLES</b>	<b>25</b>
<b>RISKS RESULTING FROM DATA PROTECTION RULES</b>	<b>25</b>
<b>HISTORICAL AND OTHER INFORMATION</b>	<b>26</b>
<b>IV. RISKS RELATED TO REGULATORY CHANGES</b>	<b>26</b>
<b>RISK RETENTION AND DUE DILIGENCE REQUIREMENTS</b>	<b>26</b>
<b>SECURITISATION REGULATION AND SIMPLE, TRANSPARENT AND STANDARDISED SECURITISATION</b>	<b>27</b>
<b>INVESTOR COMPLIANCE WITH DUE DILIGENCE REQUIREMENTS UNDER THE UK SECURITISATION REGULATION</b>	<b>27</b>
<b>U.S. RISK RETENTION</b>	<b>28</b>
<b>REFORM OF EURIBOR DETERMINATIONS</b>	<b>29</b>
<b>BASEL CAPITAL ACCORD AND REGULATORY CAPITAL REQUIREMENTS</b>	<b>30</b>
<b>V. RISKS RELATED TO TAXATION</b>	<b>30</b>
<b>THE COMMON REPORTING STANDARD</b>	<b>30</b>
<b>INCOME TAX</b>	<b>31</b>
<b>TRADE TAX</b>	<b>31</b>
<b>VALUE ADDED TAX</b>	<b>32</b>
<b>U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT</b>	<b>32</b>
<b>OVERVIEW</b>	<b>34</b>
<b>STRUCTURE DIAGRAM</b>	<b>36</b>
<b>TRANSACTION OVERVIEW</b>	<b>37</b>
<b>ARTICLE 7 AND ARTICLE 22 OF THE SECURITISATION REGULATION</b>	<b>50</b>
<b>USE OF PROCEEDS</b>	<b>52</b>
<b>OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES</b>	<b>53</b>
<b>DENOMINATION</b>	<b>53</b>
<b>GLOBAL NOTES</b>	<b>53</b>
<b>PAYMENTS OF PRINCIPAL AND INTEREST</b>	<b>53</b>
<b>PRINCIPAL PAYMENT AMOUNTS</b>	<b>54</b>
<b>ORDER OF PRIORITY OF DISTRIBUTIONS</b>	<b>55</b>
<b>CASH COLLATERAL ACCOUNT</b>	<b>57</b>
<b>DUTIES OF THE ISSUER</b>	<b>57</b>
<b>DUTIES OF VWL</b>	<b>58</b>
<b>REALISATION OF SECURITY</b>	<b>58</b>
<b>CLEAN-UP CALL</b>	<b>58</b>
<b>PAYING AGENT, REGISTRAR</b>	<b>59</b>
<b>SECURITY, SECURITY TRUSTEE AND ENFORCEMENT</b>	<b>59</b>
<b>SERVICER</b>	<b>60</b>
<b>DISMISSAL AND REPLACEMENT OF THE SERVICER</b>	<b>61</b>
<b>REPLACEMENT OF ISSUER</b>	<b>61</b>
<b>NOTICES</b>	<b>61</b>

<b>APPLICABLE LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION, PRESCRIPTION</b>	<b>61</b>
<b>SWAP AGREEMENTS AND SWAP COUNTERPARTY</b>	<b>63</b>
<b>TAXATION</b>	<b>66</b>
<b>TAXATION IN GERMANY</b>	<b>66</b>
<b>TAXATION IN LUXEMBOURG</b>	<b>68</b>
<b>THE COMMON REPORTING STANDARD</b>	<b>71</b>
<b>VERIFICATION BY PCS</b>	<b>72</b>
<b>DESCRIPTION OF THE PORTFOLIO</b>	<b>74</b>
<b>THE PURCHASED LEASE RECEIVABLES UNDER THE RECEIVABLES PURCHASE AGREEMENT</b>	<b>74</b>
<b>WARRANTIES AND GUARANTEES IN RELATION TO THE SALE OF THE PURCHASED LEASE RECEIVABLES</b>	<b>75</b>
<b>DESCRIPTION OF THE LEASE CONTRACTS, LEASE RECEIVABLES, LEASED VEHICLES AND LESSEES AS AT THE CUT-OFF DATE</b>	<b>79</b>
<b>WEIGHTED AVERAGE LIVES OF THE NOTES / ASSUMED AMORTISATION OF THE PURCHASED LEASE RECEIVABLES AND NOTES</b>	<b>117</b>
<b>WEIGHTED AVERAGE LIVES OF THE NOTES</b>	<b>117</b>
<b>ADDITIONAL RIGHTS</b>	<b>120</b>
<b>SETTLEMENT AND REDUCTION</b>	<b>120</b>
<b>REALISATION OF LEASED VEHICLES</b>	<b>121</b>
<b>SECURITY</b>	<b>122</b>
<b>AMENDMENTS TO THE RECEIVABLES PURCHASE AGREEMENT</b>	<b>122</b>
<b>BUSINESS AND ORGANISATION OF VOLKSWAGEN LEASING GMBH</b>	<b>124</b>
<b>INCORPORATION, REGISTERED OFFICE AND PURPOSE</b>	<b>124</b>
<b>ORIGINATION, SERVICING AND SECURITISATION EXPERTISE</b>	<b>125</b>
<b>NEGOTIATION OF THE LEASE CONTRACT AND APPRAISAL OF THE CREDITWORTHINESS OF THE PROSPECTIVE LESSEE</b>	<b>126</b>
<b>DEBTS MANAGEMENT</b>	<b>126</b>
<b>TERMINATION OF LEASE CONTRACTS</b>	<b>127</b>
<b>ENFORCEMENT</b>	<b>129</b>
<b>WRITE-OFF</b>	<b>129</b>
<b>INTERNAL AUDIT</b>	<b>130</b>
<b>AUDITORS</b>	<b>130</b>
<b>ADMINISTRATION OF THE PURCHASED LEASE RECEIVABLES UNDER THE SERVICING AGREEMENT</b>	<b>132</b>
<b>DISTRIBUTION DUTIES OF THE SERVICER</b>	<b>135</b>
<b>DISTRIBUTION PROCEDURE</b>	<b>135</b>
<b>ADMINISTRATION OF INSURANCE BENEFITS AND REALISATION OF SECURITY</b>	<b>135</b>
<b>AMENDMENTS TO THE SERVICING AGREEMENT</b>	<b>136</b>
<b>DISMISSAL AND REPLACEMENT OF THE SERVICER</b>	<b>136</b>
<b>AUDIT OF ACTIVITIES OF THE SERVICER</b>	<b>136</b>
<b>SECURITY TRUSTEE</b>	<b>137</b>
<b>DATA PROTECTION TRUSTEE</b>	<b>139</b>

<b>RATINGS</b>	<b>140</b>
<b>THE ISSUER</b>	<b>142</b>
<b>CORPORATE ADMINISTRATION AND ACCOUNTS</b>	<b>147</b>
<b>CORPORATE ADMINISTRATION</b>	<b>147</b>
<b>ACCOUNT BANK, CASH ADMINISTRATOR, CALCULATION AGENT, PAYING AGENT, INTEREST DETERMINATION AGENT AND REGISTRAR</b>	<b>148</b>
<b>REGISTRAR</b>	<b>149</b>
<b>TERMS AND CONDITIONS OF THE CLASS A NOTES</b>	<b>150</b>
<b>TERMS AND CONDITIONS OF THE CLASS B NOTES</b>	<b>157</b>
<b>TRUST AGREEMENT</b>	<b>164</b>
<b>SUBSCRIPTION AND SALE</b>	<b>186</b>
<b>SUBSCRIPTION OF THE NOTES</b>	<b>186</b>
<b>SELLING RESTRICTIONS</b>	<b>187</b>
<b>GENERAL INFORMATION</b>	<b>190</b>
<b>NOTES ISSUE</b>	<b>190</b>
<b>GOVERNMENTAL, LEGAL AND ARBITRATION PROCEEDINGS</b>	<b>190</b>
<b>MATERIAL ADVERSE CHANGE</b>	<b>190</b>
<b>PAYMENT INFORMATION AND POST-ISSUANCE TRANSACTION INFORMATION</b>	<b>190</b>
<b>LISTING AND ADMISSION TO TRADING</b>	<b>190</b>
<b>ICSDs</b>	<b>191</b>
<b>CLEARING CODES</b>	<b>191</b>
<b>INSPECTION OF DOCUMENTS</b>	<b>191</b>
<b>DOCUMENTS INCORPORATED BY REFERENCE</b>	<b>193</b>
<b>MASTER DEFINITIONS SCHEDULE</b>	<b>195</b>

## 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 PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE INVESTORS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, EITHER OF THE BOOKRUNNERS; THE JOINT LEAD MANAGERS, THE MANAGERS, OR THE ARRANGER.

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

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

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

#### **No Recourse to other Compartments and Non-Petition Clause**

The Notes are limited recourse contractual obligations of the Issuer solely in respect of Compartment VCL 34 within the meaning of the Luxembourg Securitisation Law. Pursuant to Article 62(2) 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. Hence, recourse of the Noteholders in respect of claims against the Issuer under or in relation to the Notes will be strictly limited to the net assets allocated to Compartment VCL 34 (the "**VCL 34 Assets**") and shall not extend to the remainder of the Issuer's estate. Furthermore, the other parties to the Transaction Documents are not liable for the obligations of the Issuer and no third party guarantees have been granted for the fulfilment of the Issuer's obligations under the Notes. Hence, recourse against any other party than the Issuer is excluded.

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

Consequently, in case of enforcement of the claims under the Notes, to the extent that the proceeds from the liquidation of the VCL 34 Assets prove insufficient to make all payments due in respect of the Notes (the "**Shortfall**"), any claims arising against the Issuer due to such Shortfall shall be extinguished and neither the Noteholders nor any person on their behalf shall have the right to petition for the winding up of the Issuer to recover the Shortfall amount.

Finally, shall the Issuer be declared bankrupt, the Luxembourg court will appoint a bankruptcy trustee ("*curateur*") who shall be the sole legal representative of VCL Multi-Compartment S.A. and obliged to take such action as he deems to be in the best interests of VCL Multi-Compartment S.A. and of all creditors of VCL Multi-Compartment S.A. The conditions for opening bankruptcy proceedings are the cessation of payments ("*cessation des paiements*") and the loss of commercial creditworthiness ("*ébranlement du crédit commercial*"). The failure of controlled management proceedings may also constitute grounds for the opening of bankruptcy proceedings. Certain preferred creditors of VCL Multi-Compartment S.A. (including the Luxembourg tax authorities) may have a privilege that ranks senior to the rights of the Noteholders in such circumstances. This may further reduce the available VCL 34 Assets, therefore increasing the risk of the Issuer not being able to meet in full its payment obligations against the Noteholders under Luxembourg law.

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

Furthermore, the enforcement of the payment obligations under the Notes shall solely be effected by the Security Trustee in accordance with the Trust Agreement. By subscribing the Notes and in accordance with Article 64 of the Luxembourg Securitisation Law, the Noteholders agree to a non-petition clause. This means that none of the Noteholders or other parties entitled to any claims against the Issuer shall take any action or other steps or legal proceedings for the winding-up, dissolution or reorganization or for the appointment of a receiver, administrator, administrative receiver, agent, liquidator or similar officer of the Issuer or of any or all of the revenues and assets of the Issuer, or have any right to take any steps, except in accordance with the provisions of this Prospectus, for the purpose of recovering any debts whatsoever owing to it by the Issuer.

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

VCL Multi-Compartment S.A. is a public limited liability company (*Société Anonyme*) incorporated under the laws of Luxembourg, has its registered office in Luxembourg and is managed by its Board of Directors, professionally residing in Luxembourg. Accordingly, bankruptcy proceedings with respect to VCL Multi-Compartment S.A. would likely proceed under, and be governed by, the bankruptcy laws of Luxembourg. VCL Multi-Compartment S.A. can be declared bankrupt upon petition by a creditor of VCL Multi-Compartment S.A. or at the initiative of the court or at the request of VCL Multi-Compartment S.A. in accordance with the relevant provisions of Luxembourg insolvency law. Under Luxembourg law, a company is bankrupt ("*en faillite*") when it is unable to meet its current liabilities and when its creditworthiness is impaired ("*ébranlement de crédit*"). The conditions for opening bankruptcy proceedings are, indicatively, the cessation of payments ("*cessation des paiements*") and the loss of commercial creditworthiness ("*ébranlement du crédit commercial*"). The failure of controlled management proceedings may also constitute grounds for the opening of bankruptcy proceedings. 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 proceedings ("*liquidation judiciaire*").

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

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

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

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

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

In addition, in case of bankruptcy, the entry into any of the Transaction Documents, including without limitation those relating to the transfer of the Collateral Ownership Interest in the Leased Vehicles to the Security

Trustee and, more generally, the entry into the Security could also be held unenforceable and ineffective if effected during the "suspect period" or ten days preceding the "suspect period", in application of Article 445 of the Luxembourg Code of Commerce. However, according to Article 61(4) second paragraph of the Luxembourg Securitisation Law 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 even if granted by the company during the "suspect period" or ten days preceding the "suspect period", if (i) the articles of incorporation of the company granting the security interests are governed by the Luxembourg Securitisation Law and (ii) the company granted the respective security interest no later than the issue date of the securities or at the conclusion of the agreements secured by such security interest. In other words, security entered into in accordance with Article 61(4) second paragraph of the of the Luxembourg Securitisation Law and hence no later than the date of the issue of the Notes or the conclusion of the agreements secured by the security could not be challenged by a bankruptcy receiver even if granted by the Issuer during the "suspect period" or ten days preceding such "suspect period".

## **II. Risks related to the nature of the Notes**

### **Liability and Limited Recourse under the Notes**

All payment obligations of the Issuer under the Notes and the Subordinated Loan Agreement constitute limited recourse obligations to pay only the respective Available Distribution Amount which includes, *inter alia*, amounts received by the Issuer from the Purchased Lease Receivables and under the Transaction Documents. The Available Distribution Amount may not be sufficient to pay amounts accrued under the Notes, which may result in an Interest Shortfall, however, only an Interest Shortfall on the most senior Class of Notes when the same becomes due and payable, and only if such default continues for a period of five (5) Business Days will constitute a Foreclosure Event. The Notes shall not give rise to any payment obligation in addition to the foregoing. A Foreclosure Event results in the enforcement of the collateral held by the Security Trustee. If the Security Trustee enforces the claims under the Notes, such enforcement will be limited to the assets which were transferred to the Security Trustee for security purposes. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all respective Noteholders 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.

For the avoidance of doubt, the recourse of the Transaction Creditors is limited to the assets of the Issuer allocated to its Compartment VCL 34.

### **Subordination of Notes**

Holders of Class B Notes will bear more credit risk with respect to the Issuer than holders of Class A Notes and will incur losses, if any, prior to holders of the Class A Notes because of the subordination of the Class B Notes in relation to the Class A Notes.

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

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

### **No gross up of payments**

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

## **Change of Law**

The structure of the issue of the Notes and this Transaction is based on German and Luxembourg law (including tax law) in effect as at the date of this 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 Prospectus.

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

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

## **Modification of Conditions of the Notes**

The Conditions of the Notes which are governed by German law may be modified through contractual agreement to be concluded between the Issuer and all Noteholders as provided for in section 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG)*) or by a Noteholder's resolution adopted pursuant to sections 5 to 22 of aforementioned act.

## **Ratings of each Class of Notes**

The Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies. Rating organisations other than the Rating Agencies may seek to rate any 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.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to any 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.

## **Responsibility of Prospective Investors**

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

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

## **Interest Rate Risk / Risk of Swap Counterparty Insolvency**

During those periods in which the floating rates payable by the 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 Notes. If the Swap Counterparty fails to pay any amounts when due under a Swap Agreement, the Collections from Purchased Lease Receivables and the 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.

During periods in which the floating rates payable by the Swap Counterparty under a Swap Agreement are less than the fixed rate payable by the Issuer under such Swap Agreement, the Issuer will be obliged to make a payment to such Swap Counterparty. The Swap Counterparty's claims for payment (including certain termination payments required to be made by the Issuer upon a termination of a Swap Agreement) under the Swap Agreement will be higher in priority than all payments on the Notes. If a payment under the Swap Agreement is due to the Swap Counterparty on any Payment Date, the Purchased Lease 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.

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

The enforceability of a contractual provision which alters the priorities of payments to subordinate the claim of a Swap Counterparty (to the claims of other creditors of its counterparty) upon the occurrence of an insolvency of or other default by a Swap Counterparty has been challenged in the English and U.S. courts. However this is an aspect of cross border insolvency law which remains untested. Whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and U.S. courts will diverge in their approach which, in the case of an unfavourable decision in the U.S., may adversely affect the Issuer's ability to make payments on the Notes. If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the 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 there is a risk that such subordination provisions would not be upheld under U.S. 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 U.S. established entities and certain non-U.S. established entities with assets or operations in the U.S. (although the scope of any such proceedings may be limited if the relevant non-U.S. entity is a bank with a licensed branch in a U.S. 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, such actions may adversely affect the rights of the Noteholders, the rating and/or the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

### **Market and Liquidity Risk for the Notes**

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

### **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), which applies since 1 May 2015, as amended by Guideline (EU) 2019/1032 of the ECB of 10 May 2019 (ECB/2019/11) and Guideline (EU) 2020/1690 of 25 September 2020 (ECB/2020/45).

If the Class A Notes do not satisfy the criteria specified by the ECB, then the Class A Notes will not qualify as Eurosystem eligible collateral. As a consequence Noteholders will not be permitted to use the Class A Notes as collateral for monetary policy transactions of the Eurosystem and may sell the Notes into the secondary market at a reduced price only.

### **III. Risks related to the Purchased Lease Receivables**

#### **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 collect the Purchased Lease Receivables and on the maintenance of the level of interest rate protection offered by the Swap Agreements.

#### **Risk of Late Payment of Monthly Instalments**

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

#### **The COVID-19 pandemic ("Corona Pandemic") may have a material negative impact on the performance of the Issuer under the Notes**

In December 2019, a novel strain of coronavirus ("**COVID-19**") was reported in Wuhan, China. The World Health Organization has declared COVID-19 to constitute a global pandemic. Governments worldwide have implemented measures to contain the spread of the virus. The effects of the Corona Pandemic can be diverse, including but not limited to the following aspects.

The Corona Pandemic may pose a risk to the operational business of VWL. For example, due to company workplaces being no longer usable, only limited services might be available for customers or even no services at all. Possible bottlenecks in IT permissions, missing or inadequate hardware and / or software in the home office workplace could develop into an IT risk for VWL. During a pandemic situation, customer care intensity could increase, because due to the existing uncertainty, significantly more inquiries could occur at the back office / service area compared to the usual operation. This could exacerbate the situation with possibly restricted IT permissions. A loss of key personnel could cause that essential business processes are not carried out or being significantly delayed. All of this could have a negative impact on VWL's ability to perform its obligations as Servicer and, thus may have an adverse impact on the amount of Collections received from the Purchased Lease Receivables and thereby on the ability of the Issuer to make payments under the Notes.

### **Risk of Losses on the Purchased Lease Receivables**

Due to the risk of losses on the Purchased Lease Receivables, there is no assurance that the Noteholders will receive for each Note the total nominal amount of such Note plus the respective interest rate nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Lease Contracts.

### **Risks Relating to the Insolvency of the Seller of the Purchased Lease Receivables**

In case insolvency proceedings are commenced in relation to VWL as German seller of the Purchased Lease Receivables, the expected cash flows of the Purchased Lease Receivables could be adversely affected as laid out below.

The legal existence of the Purchased Lease Receivables assigned under the Receivables Purchase Agreement would generally survive the institution of insolvency proceedings against VWL pursuant to section 108 (1) sentence 2 of the German Insolvency Code (*Insolvenzordnung*) under the condition that (i) the Leased Vehicles were financed by a third party and (ii) the title to the Purchased Leased Vehicles were transferred to such third party as security for such financing.

The transaction relies on the interpretation of section 108 (1) sentence 2 of the German Insolvency Code (*Insolvenzordnung*) that, if applied to the transaction, the insolvency administrator of VWL will not have the right to discontinue Lease Contracts on the grounds that the acquisition finance of the Leased Vehicles has been refinanced through securitisation. Hence, it should be noted that there is no case law on this point. However should a court come to the conclusion that section 108 (1) sentence 2 of the German Insolvency Code (*Insolvenzordnung*) does not apply this would have, under section 103 of the German Insolvency Code (*Insolvenzordnung*), the following consequences:

Section 103 of the German Insolvency Code (*Insolvenzordnung*) grants VWL's insolvency administrator for mutual contracts which have not been (or have not been completely) performed by VWL and the Lessees at the date when insolvency proceedings were opened against VWL the right to opt whether or not such contracts will be continued.

If VWL's insolvency administrator chooses not to continue any Lease Contracts with the Lessees, then the Purchased Lease Receivables arising from such Lease Contracts will be extinguished. If the insolvency administrator chooses to continue a Lease Contract, the payment obligation of the Lessee will be continued and such obligation will remain. In such event, the payment obligation of the Lessee will be reinstated and such reinstated payment obligation would not be subject to any assignment under the Receivables Purchase Agreement which came into effect prior to the commencement of insolvency proceedings against VWL. However, the Issuer's shortfall would be covered by the security title (*Sicherungseigentum*) of the Issuer in the Leased Vehicle which would entitle the Issuer to the realisation of the Leased Vehicle. In this case, VWL's insolvency administrator may, however, deduct his fees from such proceeds; such fees may amount up to 9 per cent. of the enforcement proceeds plus applicable VAT (section 166 (2) of the German Insolvency Code (*Insolvenzordnung*)).

### **Commingling Risk**

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

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

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

### **Risk of Change of Servicer**

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

### **Risk of Non-Existence of Purchased Lease Receivables**

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

### **Restriction on Assignment**

VWL standard vehicle leasing conditions for the leasing of business vehicles and the standard vehicle leasing conditions for private customers do not prohibit VWL from assigning claims arising from such Leasing Contracts. In case VWL should have agreed or will agree with any Lessee that it is restricted from assigning the Purchased Lease Receivables arising under the respective Lease Contract, such Purchased Lease Receivable could generally not be validly assigned to the Issuer under the Receivables Purchase Agreement. Any assignment of a Purchased Lease Receivable which contravenes such assignment restriction will be invalid. However, under an exception contained in section 354a (1) of the German Commercial Code (*Handelsgesetzbuch*), the assignment of monetary claims (i.e. claims for the payment of money) governed by German law cannot effectively be contractually excluded if the underlying agreement between the contracting parties constitutes a commercial transaction for both parties (*beiderseitiges Handelsgeschäft*). In such circumstances, monetary claims to which such restriction applies can be validly assigned notwithstanding a contractual restriction on assignment in the underlying contract *provided that* the debtor under such claim is a merchant (*Kaufmann*). Notwithstanding that German courts would not enforce restrictions on the assignment of monetary claims to the extent to which section 354a (1) of the German Commercial Code (*Handelsgesetzbuch*) provides that they are not enforceable, section 354a (1) nonetheless allows the Lessee of an assigned claim to discharge its obligations by payment to the original creditor (i.e. VWL) even if it is notified of the assignment of its debt obligation. In the event that some of the Lessees would not be merchants (*Kaufleute*) in the meaning of the German Commercial Code (*Handelsgesetzbuch*), contractually stipulated restrictions on assignment would render any assignment in violation of such restrictions to be invalid.

### **Risks Resulting from Consumer Credit Legislation**

Some of the Lessees qualify as consumers (*Verbraucher*) within the meaning of section 13 of the German Civil Code or enter into the Lease Contracts to take up a trade or self-employed occupation (*Existenzgründer*). In each of these cases, additional rules for the protection of these types of Lessees may apply in accordance with the following principles:

1. Financial lease contracts (*Finanzierungsleasingverträge*) / contracts providing for financial accommodation against consideration (*entgeltliche Finanzierungshilfe*)

Some of the Open End Lease Contracts include a residual value guarantee of the Lessee (*Restwert-Abrechnung*) aiming at a full amortisation (*Vollamortisation*) of the Seller's costs and expenses. By means of an *argumentum e contrario* the German Federal Court of Justice (*Bundesgerichtshof*) indicated that such lease contracts qualify as financial lease contracts (*Finanzierungsleasingverträge*), if the lessee is obliged to compensate the lessor for a reduced value of the leased vehicle (*Fahrzeugminderwert*) at the time the leased vehicle is returned to the lessor (BGH, 24 February 2021, VIII ZR 36/20). Accordingly, the Open End Lease Contracts including a residual value guarantee of the Lessee (*Restwert-Abrechnung*) are likely to constitute contracts providing for financial accommodation against consideration (*entgeltliche Finanzierungshilfe*) within

the meaning of section 506 of the German Civil Code. For Closed End Lease Contracts, however, the German Federal Court of Justice (*Bundesgerichtshof*) decided that such contracts do not qualify as a contract which provides for financial accommodation against consideration (*entgeltliche Finanzierungshilfe*) within the meaning of section 506 of the German Civil Code (BGH, 24 February 2021, VIII ZR 36/20). Therefore, in general a Lessee of such Closed End Lease Contract will not be able to exercise any of the rights set out in limbs (a) to (f) below. However, it should be noted that it still remains a case by case assessment whether a Lessee of a Closed End Lease Contract indeed has the legal ability to raise any similar rights as set out in limbs (a) to (f) below, as there are various facts which might lead to an assessment that some similar rights to the below rights indeed apply, e.g. if the respective Lease Contract qualifies as a contract of distance marketing (*Fernabsatzvertrag*) or if a court comes to the decision that the lessor granted the lessee a contractual right of revocation (*vertragliches Wiederrufsrecht*).

If a court of law qualified the Open End Lease Contracts with the above-described types of Lessees as contracts providing for financial accommodation against consideration (*entgeltliche Finanzierungshilfe*) within the meaning of section 506 of the German Civil Code, based on the provisions in sections 491 *et seqq.* of the German Civil Code and Article 247 of the Introductory Act to the German Civil Code (*Einführungsgesetz zum Bürgerlichen Gesetzbuch*), as amended from time to time, the following rules would apply to such Open End Lease Contracts, among others:

- (a) The Seller would have to provide substantial information on the lease to the Lessee prior to the conclusion of the Lease Contract (including a standardised information memorandum and reasonable additional information enabling the Lessee to decide on whether to conclude the Lease Contract) as well as further information during the term of the Lease Contract. Any breach by the Seller of the respective obligations may give rise to claims for damages on the part of the Lessee.
- (b) The Lessee also has a right to withdraw from the Lease Contract for a period of 14 days or a longer period if a court would determine that the withdrawal information set out in such Lease Contract is inconsistent with the statutory model and the Lessee's withdrawal would not be abusive under the given circumstances; in case of such withdrawal the Purchased Lease Receivables would become void.
- (c) The Lease Contracts would generally have to be signed by both parties and contain further substantial information, including information on the Lessee's right of withdrawal. If a Lease Contract does not comply with the relevant form and information requirements, the Lease Contract would generally be ineffective with the consequence that the Lessee could refuse to perform the Lessee's obligations, including the obligation to pay the Lease Receivables. An exception to this rule is likely to apply when the following conditions have been met (it is arguable whether all conditions must be met at the same time): the Seller has entered into the purchase contract for the Leased Vehicle or has assumed such purchase contract from the Lessee, the Seller has paid the purchase price for the Leased Vehicle and the Leased Vehicle has been delivered to the Lessee. If these conditions are met, the Lease Contract could become valid, however, depending on which information was missing, with modified terms. Such modifications could affect the enforceability of the Purchased Lease Receivables as the case may be, e.g. by a reduction of the payable lease instalments, or with additional rights of the Lessee to early terminate the Lease Contract as well as with an extension of the withdrawal period with respect to the Lessee's right of withdrawal mentioned above.
- (d) If a Lessee defaults with respect to the Lessee's payment obligations under a Lease Contract, there are special requirements for an acceleration of the Purchased Lease Receivables of such Lease Contract, including, *inter alia*, that the Seller must grant a grace period of two weeks following notification to the Lessee of its intention to accelerate the contract.
- (e) The Lessee is entitled to raise the same objections and defences with respect to the payment obligations under the Lease Contract against the Issuer that the Lessee has against the seller of the Leased Vehicle. However, the Lessee's warranty claims against the Seller under the Lease Contract are replaced by an assignment of warranty claims the Seller has against

the seller of the Leased Vehicle (i.e. the dealer or Volkswagen AG or its affiliates) under the respective purchase contract. The Lessee may refuse payment of lease instalments only if all of the following occurs: (A) there is a defect in the Leased Vehicle, (B) the Lessee makes a claim for rectification against the seller of the Leased Vehicle and the seller of the Leased Vehicle either does not accept the Lessee's claim for rectification or is unable to repair the defect, following which the Lessee may choose to reduce the purchase price or, in case of a material defect, rescind the sales contract and (C) if the seller of the Leased Vehicle does not accept reduction of the purchase price or rescission from the purchase contract, the Lessee brings action against the seller of the Leased Vehicle within six weeks following the seller's denial.

- (f) The Seller would be obliged to conduct a mandatory credit assessment of each Lessee and the Seller will only be entitled to enter into a Lease Contract if the outcome of such credit assessment is that the Lessee will be able to perform its duties under such Lease Contract. If the Seller did not conduct such credit assessment of the Lessee the respective interest rate of the Lease Contract will be reduced to the market interest rate (*marktüblicher Zinssatz*) and the Lessee has a right for early termination (*vorzeitige Kündigung*). Furthermore, if the Lessee is not able to perform its duties under the Lease Contract, the Seller will not be entitled to assert any claims subject to such breach of duty, if the Seller would not have entered into the Lease Contract after conducting a credit assessment.

Any breach by the Seller of the above rules may result in the respective Lessee not being obliged to pay his lease instalments which may result in the Issuer not receiving sufficient Collections to redeem part or all of the Notes.

## 2. Instalment payment transactions (*Teilzahlungsgeschäft*)

Although rather unlikely for Closed End Lease Contracts in the light of the latest case law, Lease Contracts with the above-described types of Lessees could also be regarded as instalment payment transactions (*Teilzahlungsgeschäft*) within the meaning of section 506 (3) of the German Civil Code, under which the consumer credit legislation would also apply. This would require that under the Lease Contract the Lessee is granted an option to purchase the Leased Vehicle which is binding for the Issuer. Such qualification may vest Lessees with the above defences in case the Seller breaches the above consumer protection rules, which may result in the Issuer not receiving sufficient Collections to redeem part or all of the Notes.

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

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

### **Further German Civil Law Aspects**

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

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

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

### **Risk of Re-characterisation of the Transaction as Loan Secured by Purchased Lease Receivables**

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

The insolvency administrator of VWL would have possession of Lease Receivables or other movable objects assigned as security and the Issuer is barred from enforcing the security. The insolvency administrator of VWL as transferor of the Purchased Lease Receivables which have been assigned for security purposes is authorised by German law to enforce and realise the assigned Purchased Lease Receivables (on behalf of the assignee) and the Issuer is barred from enforcing the Purchased Lease Receivables assigned to it itself or through an agent. The insolvency administrator is obliged to transfer the proceeds from such realisation of the Purchased Lease Receivables to the Issuer. He may, however, deduct from the enforcement proceeds his fees which amount to 4 per cent. of the enforcement proceeds for assessing his preferential rights plus up to 5 per cent. of the enforcement proceeds as compensation for the costs of enforcement. In case the enforcement costs are considerably higher than 5 per cent. of the enforcement proceeds, the compensation for the enforcement costs may be higher. Where applicable, the insolvency administrator may also withhold VAT on such amounts (section 166 (2) of the German Insolvency Code (*Insolvenzordnung*)).

### **Reliance on Warranties**

If the Purchased Lease Receivables should partially or totally fail to conform, at the Closing Date, with the warranties given by VWL in the Receivables Purchase Agreement and such failure materially and adversely affects the interests of the Issuer or the Noteholders, VWL shall have until the end of the Monthly Period which includes the 60<sup>th</sup> day (or, if VWL elects, an earlier date) after the date that VWL became aware or was notified of such failure to cure or correct such failure. Any such breach or failure will be deemed not to have a material and adverse effect if such breach or failure does not affect the ability of the Purchaser to receive and retain timely payment in full on any related Lease Receivable. The Issuer's sole remedy will be to require VWL 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 time period provided above is not practicable, VWL may remedy such breach by the last day of the following Monthly Period; or

- (b) replace the relevant Purchased Lease Receivable by taking into account the warranties and guaranties set out in clauses 4.1 of the Receivables Purchase Agreement, with a Lease Receivable the present value of which shall be at least the Settlement Amount of such Purchased Lease Receivable as at the Monthly Period immediately preceding such replacement, provided that, if a remedy within the time period specified above is not practicable, VWL may replace such Purchased Lease Receivable by the last day of the following Monthly Period; or
- (c) repurchase the relevant Purchased Lease Receivable and all related Lease Collateral at a price equal to the Settlement Amount of such Purchased Lease Receivable as of the Monthly Period immediately preceding such repurchase *provided that*, if it is not practicable to repurchase such Purchased Lease Receivable within the time period provided above, VWL may repurchase such Purchased Lease Receivable on the Payment Date immediately following the last day of the following Monthly Period.

### **Reliance on Servicing and Collection Procedures**

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

### **Conflicts of Interest**

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

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

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

### **Risks regarding the Sale of Used Vehicles**

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

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

### **Present Value of Purchased Lease Receivables**

There is no assurance that the present value of the Purchased Lease Receivables will at any time be equal to or greater than the principal amount outstanding of the Notes.



### **Market for Leased Vehicles**

To the extent the Leased Vehicles are sold in the open market there is no guarantee that there will be a market for the sale of such Leased Vehicles, which will be in a used condition, or that such market will not deteriorate due to whatever reason.

Further, any deterioration in the economic condition of the areas in which the final customers are located, or any deterioration in the economic conditions of other areas, may have an adverse effect on the ability to sell the Leased Vehicles.

If and to the extent Leased Vehicles are sold by the Servicer in its own name but for the account of the Issuer in the open market, the sale agreements entered into with individuals (*Privatpersonen*) as final customers may be within the applicability of the law of sale regarding consumer products (*Verbrauchsgüterkaufrecht*). Pursuant to such statutory mandatory law, the prescription period for claims resulting from the fact that the sold used vehicle had defects cannot be shortened to less than a year (section 475 (2) of the German Civil Code). The burden of proof that there was no such defect at the time the used vehicle was surrendered to the individual (*Gefahrübergang*) is, generally, to be borne by the seller for a period of six months (section 476 of the German Civil Code). Depending on the intensity of the defect it can happen that the entire previous realisation proceeds are consumed or even exceeded by costs of repair. Further, sale agreements concluded via internet portals, communications by electronic systems, telemarketing, letters etc. are contracts of distance marketing (*Fernabsatzverträge*). The individual final customer in such case is entitled to revoke the sales agreement within a period of two weeks after conclusion of the agreement without giving reasons. Such period begins on the later of the date on which: (i) the sale contract has been concluded; (ii) the consumer has been duly notified of his right of revocation in a form that meets the requirements set forth in section 355(2) of the German Civil Code; (iii) the consumer received a copy of the contract document (*Vertragsurkunde*); (iv) the consumer has received the purchased vehicle; or (v) the consumer has received the information required pursuant to section 312c (2) of the German Civil Code. In this case the Servicer (on behalf of the Issuer and the relevant Expectancy Rights Purchaser) has to refund the purchase price and additionally pay the whole rescission of contract, which would decrease the realisation proceeds, although the vehicle can be sold again afterwards.

### **Risks Resulting from Data Protection Rules**

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

Pursuant to the General Data Protection Regulation, a transfer of personal data is permitted, *inter alia*, if (i) the data subject has given consent to the processing of his or her personal data for one or more specific purposes or (ii) processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data. In order to take these principles into account, the Seller has appointed the Data Protection Trustee in accordance with the BaFin Circular 4/97.

There is no jurisprudence or publication from a court or other competent authority available confirming the traditional view on the manner and procedures for an assignment of receivables (i.e. structuring in line with BaFin Circular 4/97) to be in compliance with, or the consequences of a violation of, the General Data Protection Regulation or the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*) which implements Directive (EU) 2016/680 of the European Parliament and the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data. Therefore, at this point there remains some uncertainty to predict the potential impact on the Transaction. If the Issuer was considered to be in breach of the General Data Protection Regulation or the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*) despite the Transaction being structured in line with BaFin Circular 4/97, it could be fined and in case of such fines being substantial, this could have an impact on the ability of the Issuer to make payments on the Notes ultimately leading to a risk of the Noteholders to incur a loss.

## **Historical and other Information**

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

### ***IV. Risks related to regulatory changes***

#### **Risk retention and due diligence requirements**

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

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

With respect to the commitment of the Seller, in its capacity as originator, to retain a material net economic interest with respect to the Transaction, following the issuance of Notes as contemplated by Article 6(3)(c) of the Securitisation Regulation, the Seller, in its capacity as originator, will retain, for the life of the Transaction, such net economic interest through an interest in randomly selected exposures. Such interest in randomly selected exposures has been and will be equivalent to no less than 5 per cent. of the nominal value of the securitised exposures on an ongoing basis *provided that* the level of retention may reduce over time in compliance with Article 10(2) of the Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation.

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 Lease Receivables. The Monthly Reports will also set out monthly confirmation as to the Seller 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 Prospectus will constitute explicit disclosure (on the part of the Seller) or adequate due diligence (on the part of the Noteholders) for the purposes of Article 5 of the Securitisation Regulation.

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

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

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

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

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

### **Securitisation Regulation and simple, transparent and standardised securitisation**

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 the Transaction will be verified by Prime Collateralised Securities (PCS) EU on the Closing Date, there can be no guarantee that it maintains this status throughout its lifetime. Noteholders and potential investors should verify the current status of the Transaction on the website of ESMA. Non-compliance with such status may result in higher capital requirements for investors as an investment in the Notes would not benefit from Articles 243, 260, 262 and 264 of the CRR. Furthermore, following STS classification, any non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer which may be payable or reimbursable by the Issuer. As the Order of Priority does not foresee a reimbursement of the Issuer for the payment of any of such administrative sanctions and/or remedial measures the repayment of the Notes may be adversely affected.

Under Regulation (EU) 2017/2401 amending Regulation (EU) 575/2013 (the "**CRR Amendment Regulation**") the risk weights applicable to securitisation exposures for credit institutions and investment firms have been substantially increased, 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, depending on the particular exposure. These effects may include, but are not limited to, a decrease in demand for the Notes in the secondary market, which may lead to a decreased price for the Notes. It may also lead to decreased liquidity and increased volatility in the secondary market. Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements.

### **Investor compliance with due diligence requirements under the UK Securitisation Regulation**

Pursuant to the EUWA, from 11pm (GMT) on 31 December 2020, EU regulations (including the Securitisation Regulation) which previously had direct effect in the UK by virtue of the European Communities Act 1972 were transposed into domestic law in the UK.

In order to smooth the transition from the Securitisation Regulation regime to that under Regulation (EU) No. 2017/2402 dated 12 December 2017, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom in relation to the Securitisation Regulation or amending the Securitisation Regulation as it applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the FCA and the PRA of the United Kingdom) (the "**UK Securitisation Regulation**"), the UK regulators have put various transitional provisions in place until 31 March 2022 or such later date as specified by the FCA under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (the "**Standstill Period**"). In certain cases, UK regulated entities can continue to comply with the previous requirements under the Securitisation Regulation instead of the UK Securitisation Regulation. In particular, UK originators, sponsors and SPEs may use the standardised reporting templates developed by ESMA for the purpose of Article 7 of the Securitisation Regulation, rather than the standardised reporting templates adopted by the FCA for the purpose of Article 7 of the UK Securitisation Regulation, during the Standstill Period.

The UK Securitisation Regulation includes in Article 5 due diligence requirements which are applicable to UK institutional investors in a securitisation.

If the due diligence requirements under Article 5 of the UK Securitisation Regulation are not satisfied then, depending on the regulatory requirements applicable to such UK institutional investors, an additional risk weight, regulatory capital charge and/or other regulatory sanction may be applied to such securitisation investment and/or imposed on the UK institutional investor.

In respect of the due diligence requirements under Article 5 of the UK Securitisation Regulation, potential UK institutional investors (as defined in the UK Securitisation Regulation) should note in particular that:

- in respect of the risk retention requirements set out in Article 6 of the UK Securitisation Regulation, VWL commits to retain a material net economic interest with respect to this Transaction in compliance with Article 6(3)(c) of the Securitisation Regulation and Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation only and not in compliance with Article 6 of the UK Securitisation Regulation, and
- in respect of the transparency requirements set out in Article 7 of the UK Securitisation Regulation, the Servicer in its capacity as designated reporting entity under Article 7 of the Securitisation Regulation will make use of the standardised templates developed by ESMA in respect of the Securitisation Regulation Disclosure Requirements for the purposes of this Transaction and will not make use of the standardised templates adopted by the FCA.

UK institutional investors (as defined in the UK Securitisation Regulation) should be aware that whilst, at the date of this Prospectus, the Securitisation Regulation Disclosure Requirements and the transparency requirements of Article 7 of the UK Securitisation Regulation are very similar, and the FCA has also issued a standstill direction under its temporary transitional powers under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 allowing for reporting on the basis of Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 until the expiry of the Standstill period, the Securitisation Regulation and UK Securitisation Regulation (including but not limited to the Securitisation Regulation Disclosure Requirements and the transparency requirements of Article 7 of the UK Securitisation Regulation) may diverge. No assurance can be given that the information included in this Prospectus or provided in accordance with the Securitisation Regulation Disclosure Requirements will be sufficient for the purposes of assisting such UK institutional investors in complying with their due diligence obligations under Article 5 of the UK Securitisation Regulation.

Therefore, relevant UK institutional investors are required to independently assess and determine the sufficiency of the information described in this prospectus for the purposes of complying with Article 5 of the UK Securitisation Regulation, and any corresponding national measures which may be relevant to investors, and no assurance can be given that this is the case. None of the Issuer, the Arranger, the Joint Lead Managers, the Managers, the Security Trustee, the Servicer, the Seller or any of the other Transaction Parties makes any representation that any such information described in this Prospectus is sufficient in all circumstances for such purposes.

This Transaction is not intended to be designated as a simple, transparent and standardised securitisation for the purposes of the UK Securitisation Regulation. However, under the UK Securitisation Regulation, securitisation transactions which have been notified to ESMA prior to 1 January 2023 as meeting the requirements to qualify as a simple, transparent and standardised securitisation under the Securitisation Regulation can also qualify as a simple, transparent and standardised securitisation under the UK Securitisation Regulation, provided that the securitisation transaction remains on the ESMA register and continues to meet the requirements for simple, transparent and standardised securitisations under the Securitisation Regulation.

#### **U.S. Risk Retention**

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 Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

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

### **Reform of EURIBOR Determinations**

EURIBOR qualifies as a benchmark (a "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**"), which is applicable since 1 January 2018. Currently, EURIBOR has been identified as a "critical benchmark" within the meaning of the Benchmark Regulation. The Benchmark Regulation applies to "contributors", "administrators" and "users" of benchmarks (such as EURIBOR) in the EU, and among other things, (i) requires benchmark administrators to be authorised and to comply with extensive requirements in relation to the administration of benchmarks and (ii) ban the use of benchmarks of unauthorised administrators. EURIBOR is administered by European Money Markets Institute which is registered in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") as of the date of this Prospectus. Should the European Money Markets Institute become de-registered from ESMA's register of administrators and benchmarks, there is a risk that the use of EURIBOR might be banned in accordance with the Benchmark Regulation.

Furthermore, it is not possible to ascertain as at the date of this Prospectus (i) what the impact of these initiatives and the reforms will be on the determination of EURIBOR in the future, which could adversely affect the value of the Notes, (ii) how such changes may impact the determination of EURIBOR 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 EURIBOR 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.

The Benchmarks Regulation as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Benchmarks Regulation**") contains similar requirements with respect to the UK, in particular the requirement for benchmark administrators to be authorised or registered (or, if non-UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and prevent certain uses by UK-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-UK based, deemed equivalent or recognised or endorsed). The UK treasury is proposing to further extend the transitional period for third country benchmarks from 31 December 2022 to 31 December 2025.

Any consequential changes to EURIBOR as a result of the European Union, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the value of and return on the Notes. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules of methodologies used in certain Benchmarks, adversely affect the performance of a Benchmark or lead to the disappearance of certain Benchmarks. Upon the occurrence of several predetermined events, the Servicer, on behalf of the Issuer, shall have the right to determine a Substitute Reference Rate in its due discretion, but subject to a prior coordination with the Security Trustee, to replace EURIBOR. There can be no assurance, however, that an appropriate Substitute Reference Rate will be available in such a situation and, if available, that the Substitute Reference Rate will generate interest payments under the Notes resulting in the Noteholders receiving the

same yield that he would have received had EURIBOR been applied for the remaining life of the Notes. Should the Servicer, on behalf of the Issuer, substitute EURIBOR for a Substitute Reference Rate, this could negatively affect the yield and the market value of the Notes. If the Servicer, on behalf of the Issuer, does not make use of its right to determine a Substitute Reference Rate, interest payable on the Notes will be determined in reliance on the ordinary fallback mechanism set forth in the Conditions, pursuant to which the Interest Determination Agent will initially determine EURIBOR by averaging quotes obtained from reference banks. In a situation where EURIBOR has definitely ceased to exist, no such quotes might be provided, in which event interest payable under the Notes would be determined on the basis of the rate(s) shown on the relevant screen page of the relevant information vendor on last day on which such screen rate was available, effectively turning floating rate notes into Notes with fixed interest payments. The application of this fallback mechanism could have significant negative effects on the yield and the market value of the Notes, particularly because EURIBOR immediately prior to its definite disappearance might be subject to high volatility.

### **Basel Capital Accord and regulatory capital requirements**

The European authorities have 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 Directive 2006/48/EC and 2006/49/EC (Capital Requirements Directive – "**CRD**"), as amended by Directive (EU) 2019/878 of 20 May 2019 (the "**CRD V**"), and the CRR, as amended by Regulation (EU) 2019/876 of 20 May 2019 (the "**CRR II**"). The CRD V and the CRR II which recently entered into force 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, Regulation (EU) No 2015/61 of 10 October 2014 (the "**LCR Regulation**") sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. On 19 November 2018, Delegated Regulation (EU) 2018/1620 amending the LCR Regulation (the "**Delegated Regulation**") entered into force, pursuant to which, *inter alia*, (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 applies since 30 April 2020.

The CRD V, the CRR II, the LCR Regulation and the Delegated Regulation may have negative implications on the cost of regulatory capital for certain investors and thereby on the overall return from an investment of the Notes and the liquidity of the Notes. Therefore, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them by the CRD V, the CRR II, the LCR Regulation and the Delegated Regulation. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future implementation of and changes to the CRD V, or other regulatory or accounting changes.

### ***V. Risks related to taxation***

#### **The Common Reporting Standard**

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

For the purposes of complying with its obligations under CRS and DAC II, if any, the Issuer shall be entitled to require Noteholders to provide any information regarding their and, in certain circumstances, their controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which the Issuer may have as a result of CRS and DAC II and Noteholders will be deemed, by their holding, to have

authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to the relevant tax authorities who will exchange the information with the tax authorities of other participating jurisdictions, as applicable. Failure by the Issuer to comply with its CRS and DAC II obligations, if any, may result in the Issuer being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed as a result under applicable law. Such monetary penalties may lead to an inability of the Issuer to pay fully or partially interest on the Notes and or to redeem part or all of the Notes.

### **Income tax**

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

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

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

### **Trade tax**

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

In addition, on the Issue Date VWL will pay the VWL Risk Reserve into the Cash Collateral Account, which includes the German Trade Tax Risk Reserve and which is available if VWL fails to indemnify the Issuer. However, if such precautionary measures do not cover a German trade tax burden to the full amount, the Issuer might become liable with respect to any remaining German trade tax burden. Any German trade tax amounts paid by the Issuer to the German tax authorities would reduce the amounts available for payments under the Notes.

## **Value Added Tax**

The VAT position of a foreign Issuer in an ABS-transaction with a German originator was not subject to a decision of the German fiscal courts yet. If the German tax authorities and the German fiscal courts came to the conclusion that the transaction qualifies as a taxable factoring supplied by the Issuer to VWL, the difference between the nominal value of the sold receivables and the purchase price would be subject to German VAT. The person liable for such German VAT would be VWL unless the Issuer would be treated as maintaining its effective place of management and control or a permanent establishment in Germany; please refer to the preceding paragraph "Income Tax" for such risk factor. Should the Issuer be treated as maintaining its effective place of management and control or a permanent establishment in Germany, the Issuer would be the person liable for such German VAT at a VAT rate of 19% calculated on the difference between the nominal value of the sold receivables and the purchase price. Any VAT amounts paid by the Issuer to the German tax authorities not being recoverable from VWL would reduce the amounts available for payments under the Notes.

Under German VAT law the assignor and assignee of a receivable for German VAT are jointly liable for any German VAT not remitted to the German tax authorities unless and to the extent the assignor receives a payment in cash for his free disposal as consideration for the assigned receivables. In case of a consideration the secondary liability of the assignee would be limited to an amount equal to the VAT component of the difference between the nominal value of the assigned receivable and any effectively available amount of cash paid to the assignor as consideration. The contractual arrangements foresee precautionary measures which should enable the Issuer to settle any secondary liability for German VAT. These arrangements are backed-up by indemnification obligations by VWL. Any amounts nevertheless to be paid by the Issuer to the German tax authorities would reduce the amounts available for payments under the Notes.

## **U.S. Foreign Account Tax Compliance Act**

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

## **ATAD Laws**

The Issuer is liable to Luxembourg corporate income tax on its worldwide net profits. The Luxembourg laws of 21 December 2018, which implements the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (commonly known as "**ATAD**") and the Luxembourg law of 20 December 2019 implementing the Council Directive (EU) 2017/952 of 29 May 2019 regarding hybrid mismatches with third countries (commonly known as ATAD 2), together known as the "**ATAD Laws**", introduced new tax measures into Luxembourg law, including among others a limitation as regards so-called "exceeding borrowing costs" and hybrid mismatch rules. Whilst certain exemptions and safe harbor provisions (for example, exceeding borrowing costs up to 3 million euro will always remain deductible) exist in relation to the limitation of exceeding borrowing costs, these new rules may in certain situations result in the limitation respectively the denial of the deduction of payments to investors for Luxembourg tax purposes, which may adversely affect the income tax position of the Issuer and as such affect generally its ability to make payments to the holders of the Notes. On 14 May 2020, the European Commission sent a letter of formal notice to Luxembourg asking them to amend its implementation of ATAD into local laws as regards the treatment of securitisation vehicles, to the extend such comply with the Securitisation Regulation. The outcome of such request, and the impacts on the Issuer, if any, remain at this date uncertain and may as such negatively impact or alter the tax position of the Issuer.

In any case, clarifications as regards the ATAD Laws and their interpretation may be enacted after the date of this Prospectus, possibly with retroactive effect, and could alter the tax position of the Issuer. In addition, the Issuer may take positions with respect to certain tax issues resulting from the ATAD Laws which may



depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the applicable tax authority, there could be a materially adverse effect on the Issuer and its ability to make payments to the holders of the Notes.

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

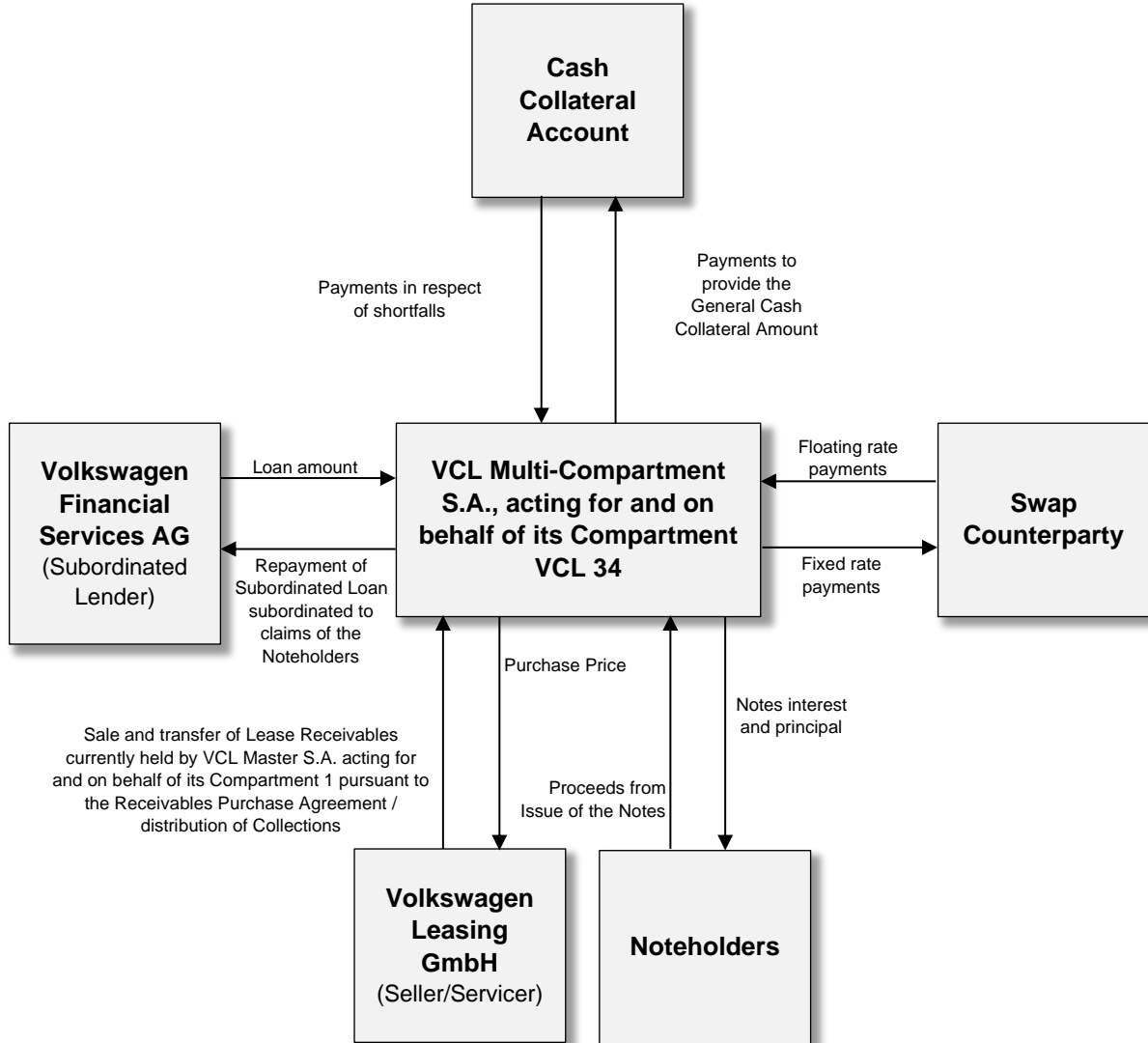
**OVERVIEW**

	<b>Class A Notes</b>	<b>Class B Notes</b>
<i>Nominal Amount</i>	EUR 941,100,000	EUR 21,500,000
<i>Interest Rate</i>	EURIBOR-rate for one month deposits plus 0.70 per cent. <i>per annum</i> , subject to a floor of zero	EURIBOR-rate for one month deposits plus 0.80 per cent. <i>per annum</i> , subject to a floor of zero
<i>Issue Price</i>	100.775 per cent.	100 per cent.
<i>Scheduled Repayment Date</i>	Payment Date falling in August 2026	Payment Date falling in August 2026
<i>Legal Maturity Date</i>	Payment Date falling in September 2027	Payment Date falling in September 2027
<i>Expected Ratings on Issue</i>	AAA(sf) by DBRS AAA(sf) by Fitch	AA(low)(sf) by DBRS AA(sf) by Fitch
<i>Form</i>	Global registered notes held under the NSS	Global registered notes held by a common depository for Euroclear and Clearstream Luxembourg
<i>Listing</i>	Application for listing on the official list of the Luxembourg Stock Exchange	Application for listing on the official list of the Luxembourg Stock Exchange
<i>Clearing</i>	Clearstream Luxembourg/ Euroclear	Clearstream Luxembourg/ Euroclear
<i>ISIN</i>	XS2398654702	XS2398654967
<i>Common Code</i>	239865470	239865496
<i>WKN</i>	A3KXGD	A3KXGE
<i>CFI</i>	DAVNFR	DAVXFR
<i>FISN</i>	VCL MULTI-COMPA/VARASST BKD 2027090	VCL MULTI-COMPA/VARASST BKD 2027090

**KEY MINIMUM REQUIRED RATING OR RISK ASSESSMENT  
DURING THE TERM OF THE TRANSACTION**

	<b>Short-term ratings</b>	<b>Long-term ratings</b>
<b>Account Bank Required Rating</b>		"A" from DBRS <i>or</i> DBRS Critical Obligations Rating of "A (high)" <i>and</i>
	"F1" from Fitch <i>or</i>	"A" from Fitch
<b>Account Bank Required Guarantee</b>		"A" from DBRS <i>or</i> DBRS Critical Obligations Rating of "A (high)" <i>and</i>
	"F1" from Fitch <i>or</i>	"A" from Fitch
<b>Eligible Swap Counterparty (without collateral)</b>		"A" from DBRS <i>or</i> DBRS Critical Obligations Rating of "A"; and
	"F1" from Fitch <i>or</i>	"A" from Fitch

**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 herein. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole. Capitalised terms not specifically defined in this TRANSACTION OVERVIEW shall have the respective meanings set out in clause 1 of the MASTER DEFINITIONS SCHEDULE dated on or about the Issue Date and signed for identification purposes by the Transaction Parties.

### THE PARTIES (INCLUDING DIRECT OR INDIRECT OWNERSHIP)

Issuer	<p>VCL Multi-Compartment S.A., acting for and on behalf of its Compartment VCL 34, a securitisation company within the meaning of the Luxembourg law of 22 March 2004 on securitisation ("<b>Luxembourg Securitisation Law</b>") incorporated in the form of a public limited liability company (<i>société anonyme</i>), with its registered office at 22-24 boulevard Royal, L-2449 Luxembourg, registered with the Luxembourg trade and companies register under number B 148436. VCL Multi-Compartment S.A. has expressly elected in its Articles of Incorporation (<i>Statuts</i>) to be governed by the Luxembourg Securitisation Law. The exclusive purpose of VCL Multi-Compartment S.A. is to enter into several securitisation transactions, each via a separate compartment ("<b>Compartment</b>") within the meaning of the Luxembourg Securitisation Law. The Notes will be funding the twenty-fourth securitisation transaction (the "<b>Transaction</b>") of VCL Multi-Compartment S.A., acting for and on behalf of its twenty-fifth compartment ("<b>VCL 34</b>") as described further herein.</p> <p>VCL 34 will be liquidated in due course after the final payment of any payment due to the holders of Class A Notes and Class B Notes (the "<b>Noteholders</b>") and to any Transaction Creditors.</p> <p>The Legal Entity Identifier (LEI) of the Issuer is: 5299008QAF8H66V19L59.</p>
Foundation	<p>Stichting CarLux, a foundation duly incorporated and validly existing under the laws of The Netherlands, having its registered office at Barbara Strozilaan 101, 1083HN Amsterdam, The Netherlands and registered with the trade register of the Chamber of Commerce in Amsterdam under number 34283304 (the "<b>Foundation</b>"). The Foundation owns all of the issued shares representing one hundred per cent. (100%) of the Issuer's share capital. The Foundation does not have shareholders and would distribute profits received from the Issuer (if any) to charitable organizations.</p>
VCL 34	<p>The twenty-fifth compartment of VCL Multi-Compartment S.A., relating to the Transaction and the issue of the Notes and created by a decision of the Board of Directors taken on 18 August 2021.</p>
Seller	<p>Volkswagen Leasing GmbH, Gifhorner Straße 57, 38112 Braunschweig, Federal Republic of Germany, a direct wholly owned subsidiary of Volkswagen Financial Services AG.</p>
Servicer	<p>Volkswagen Leasing GmbH, Gifhorner Straße 57, 38112 Braunschweig, Federal Republic of Germany, a direct wholly owned subsidiary of Volkswagen Financial Services AG.</p>

VCL Master, Compartment 1	VCL Master S.A., a public limited liability company ( <i>société anonyme</i> ) incorporated with limited liability under the laws of Luxembourg, a securitisation company within the meaning of the Luxembourg Securitisation Law and registered with the Luxembourg register of commerce and companies under registration number B 149052 and having its registered office at 22-24 boulevard Royal, L-2449 Luxembourg (" <b>VCL Master</b> ") acting for and on behalf of its Compartment 1.
VCL Master Residual Value	VCL Master Residual Value S.A., a public company ( <i>société anonyme</i> ) incorporated with limited liability under the laws of Luxembourg and registered with the Luxembourg register of commerce and companies under registration number B 184029 and having its registered office at 22-24 boulevard Royal, L-2449 Luxembourg (" <b>VCL Master Residual Value</b> ").
Arranger	BofA Securities Europe SA, 51 Rue la Boétie, Paris, 75008, Republic of France.
Joint Lead Managers and Bookrunners	BofA Securities Europe SA, 51 Rue la Boétie, Paris, 75008, Republic of France, Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart, Germany and MUFG Securities Europe N.V., World Trade Center, Tower H Zuidplein 98 Amsterdam 1077 XV, the Netherlands.
Managers	ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082PP Amsterdam, the Netherlands, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany and Landesbank Hessen-Thüringen Girozentrale, Neue Mainzer Straße 52 – 58, 60311 Frankfurt am Main, Germany.
Swap Counterparty	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60325 Frankfurt am Main, Federal Republic of Germany.
Subordinated Lender	Volkswagen Financial Services AG, Gifhorner Straße 57, 38112 Braunschweig, Germany (the " <b>Subordinated Lender</b> ") will provide the Subordinated Loan to the Issuer.
Cash Collateral Account Bank	The Bank of New York Mellon, Frankfurt Branch, Messe Turm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.
Distribution Account Bank	The Bank of New York Mellon, Frankfurt Branch, Messe Turm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.
Cash Administrator	The Bank of New York Mellon, Frankfurt Branch, Messe Turm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.
Counterparty Downgrade Collateral Account Bank	The Bank of New York Mellon, Frankfurt Branch, Messe Turm, Friedrich-Ebert-Anlage 49, 60327 Frankfurt am Main, Germany.
Custodian	The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom.
Security Trustee	Intertrust Trustees GmbH, Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany.
VCL Master Security Trustee	Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany.

Expectancy Rights Trustee	Wilmington Trust (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom, a directly wholly owned subsidiary of Wilmington Trust Corporation.
Data Protection Trustee	Data Custody Agent Services B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.
Paying Agent, Calculation Agent and Interest Determination Agent	The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom.
Registrar	The Bank of New York Mellon SA/NV, Luxembourg Branch, Vertigo Building - Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg.
Corporate Services Provider	Circumference FS (Luxembourg) S.A., 22-24 boulevard Royal, L-2449 Luxembourg.
Rating Agencies	DBRS and Fitch.
Process Agent	Intertrust (Deutschland) GmbH, Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany.
Clearing Systems	Clearstream Banking S.A. (CBL), a company incorporated as a <i>société anonyme</i> under the laws of the Grand Duchy of Luxembourg, having its registered office at 42, avenue J.F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-9248 and Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

## THE NOTES

Class A Notes	Total Nominal Amount: EUR 941,100,000 consisting of 9,411 Class A Notes each in the nominal amount of EUR 100,000. Before an Enforcement Event occurs, interest payments on the Class A Notes rank senior to interest payments on Class B Notes and principal payments on the Class A Notes rank senior to principal payments on the Class B Notes. Upon the occurrence of an Enforcement Event, the Class A Notes rank senior to the Class B Notes with respect to the payment of interest and principal.
Class B Notes	Total Nominal Amount: EUR 21,500,000 consisting of 215 Class B Notes each in the nominal amount of EUR 100,000. Before an Enforcement Event occurs, interest payments on the Class B Notes rank junior to interest payment on the Class A Notes and principal payments on the Class B Notes rank junior to principal payments on the Class A Notes. Upon the occurrence of an Enforcement Event, the Class B Notes rank junior to the Class A Notes with respect to the payment of interest and principal, but senior to the Subordinated Loan.
Closing Date/Issue Date	25 November 2021.
Interest and Principal	Each Class A Note entitles the Class A Noteholder thereof to receive from the Available Distribution Amount on each Payment Date interest at the rate equivalent to one-month EURIBOR for euro deposits plus 0.70 per cent. <i>per annum</i> , subject to a floor of zero, (the " <b>Class A Notes Interest Rate</b> ") on the nominal amount of each Class A Note outstanding immediately prior to such Payment Date and, thereafter from the remaining Available Distribution Amount on each Payment Date, <i>provided that</i> the payment of interest due and payable on the Class B Notes has been paid on that Payment Date

(*provided that* no Enforcement Event has occurred), payment of principal in an amount equal to the Class A Principal Payment Amount. The calculation of the interest and principal payment of each Class A Note is based on the nominal amount of a single Class A Note outstanding immediately prior to such Payment Date.

Each Class B Note entitles the Class B Noteholder thereof to receive on each Payment Date, out of the amount remaining from the Available Distribution Amount on each Payment Date after payment of interest due and payable on the Class A Notes, interest at the rate equivalent to one-month EURIBOR for euro deposits plus 0.80 per cent. *per annum*, subject to a floor of zero, (the "**Class B Notes Interest Rate**") on the nominal amount of each Class B Note outstanding immediately prior to such Payment Date; and thereafter from the remaining Available Distribution Amount on each Payment Date, *provided that* the payment of interest due and payable on the Class A Notes and Class B Notes as well as principal due on such date on the Class A Notes has been paid on that Payment Date, payment of principal in an amount equal to the Class B Principal Payment Amount. The calculation of the interest and principal payment of each Class B Note is based on the nominal amount of a single Class B Note outstanding immediately prior to such Payment Date.

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

#### Ratings

The Class A Notes are expected to be rated AAA(sf) by DBRS and AAA (sf) by Fitch. The Class B Notes are expected to be rated AA(low)(sf) by DBRS and AA sf by Fitch. The ratings should not be regarded as a recommendation by the Issuer, the Seller (also as the Servicer), the Bookrunners, the Joint Lead Managers, the Arranger, the Managers, the Security Trustee, the VCL Master Security Trustee, the Expectancy Rights Trustee, VCL Master, acting with respect to its Compartment 1, VCL Master Residual Value, the Paying Agent, the Registrar, the Data Protection Trustee, the Interest Determination Agent, the Account Bank, the Swap Counterparty or the Rating Agencies to buy, sell or hold the Notes; the ratings are subject to revision or withdrawal at any time.

In accordance with the UK CRA Regulation, the credit ratings assigned to the Notes by DBRS and Fitch Ratings Ireland Limited will be endorsed by DBRS Ratings Limited and Fitch Ratings Limited, as applicable, being rating agencies which are registered with the Financial Conduct Authority.

#### Discount Rate

The Discount Rate means 5.7016 per cent. *per annum* and is used for the calculation of the present value of the Lease Receivables.

#### Discounted Receivables Balance

The Discounted Receivables Balance means as of the end of any Monthly Period the present value of a single Lease Receivable or the relevant Lease Receivables remaining to be paid in the future, calculated using a discount rate equal to the Discount Rate.



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".
Payment Dates	Payment Date means, in respect of the first Payment Date, 21 December 2021, and thereafter until the final payment each 21 <sup>st</sup> day of a calendar month or, in the event such day is not a Business Day, then the next following Business Day, unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each a " <b>Payment Date</b> ").
Business Day	Business Day means any day on which TARGET2 or the successor system to TARGET2 is open for business, <i>provided that</i> this day is also a day on which banks are open for business in London and Luxembourg.
Available Distribution Amount	<p>The "<b>Available Distribution Amount</b>" on each Payment Date shall equal the sum of the following amounts:</p> <ul style="list-style-type: none"><li>– the Collections received or collected by the Servicer in relation to the preceding Monthly Period, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus</li><li>– the Issuer's portion in the proceeds from the realisation of Leased Vehicles pursuant to clause 18 (<i>Realisation of the Leased Vehicles</i>) of the Trust Agreement; plus</li><li>– payments from the Cash Collateral Account as provided for in clause 23.1 (<i>Cash Collateral Account</i>) of the Trust Agreement to cover any shortfalls which result from a failure by VWL to pay the VWL Secured Obligations; plus</li><li>– the Net Swap Receipts under the Class A Swap Agreement and the Class B Swap Agreement and certain other amounts; plus</li><li>– any investment earnings from the Distribution Account; plus</li><li>– any repurchase price received from VWL pursuant to clause 4.3(c) of the Receivables Purchase Agreement; plus</li><li>– any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Notes in accordance with Condition 8(3); plus</li><li>– payments from the Cash Collateral Account as provided for in clause 23.2 (<i>Cash Collateral Account</i>) of the Trust Agreement and the German Trade Tax Risk Reserve Decrease Amount (if any) as defined in the Master Definitions Schedule; less</li><li>– the Buffer Release Amount to be paid to VWL <i>provided that</i> no Insolvency Event with respect to VWL has occurred.</li></ul>
Distribution Account	The Distribution Account of the Issuer will be maintained with the Distribution Account Bank, into which the Servicer will remit Collections.

Buffer Release Amount	On any Payment Date, the product of (a) the Buffer Release Rate and (b) the Future Discounted Receivables Balance.
Buffer Release Rate	On any Payment Date, (a) a percentage rate <i>per annum</i> calculated as (i) the Discount Rate, less (ii) the weighted average (calculated based on the outstanding principal amount of Notes and the outstanding principal amount of the Subordinated Loan as of the end of the Monthly Period) of the Class A Swap Fixed Rate, the Class B Swap Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under both Swap Agreements) theoretically needed to swap the floating rate interest payments under the Subordinated Loan, less (iii) the Servicer Fee at a rate of 1 per cent. <i>per annum</i> , less (iv) 0.03 per cent. for administrative costs and fees, divided by (b) 12, <i>provided that</i> the rate so calculated may in no event be less than zero.
Scheduled Repayment Date	Payment Date falling in August 2026.
Legal Maturity Date	Payment Date falling in September 2027.
Applicable Law	The Notes are governed by the laws of Germany.
Tax Status of the Notes	See "TAXATION".
Selling Restrictions	See "SUBSCRIPTION AND SALE - Selling Restrictions".
Clearing Codes	<b><u>Class A Notes</u></b> ISIN: XS2398654702 Common Code: 239865470 WKN: A3KXGD CFI: DAVNFR FISN: MULTI-COMPA/VARASST BKD 2027090  <b><u>Class B Notes</u></b> ISIN: XS2398654967 Common Code: 239865496 WKN: A3KXGE CFI: DAVXFR FISN: VCL MULTI-COMPA/VARASST BKD 2027090
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.
Listing and Admission to Trading	Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to be admitted to trade the Notes on the regulated market of the Luxembourg Stock Exchange.

## ASSETS AND COLLATERAL

The assets and collateral backing payments under the Class A Notes, the Class B Notes and the Subordinated Loan (together the "**Funding**") consist of the following:

### Lease Receivables

Under the Receivables Purchase Agreement, the Issuer has purchased from VWL on the Issue Date the Purchased Lease Receivables together with the Lease Collateral. The Purchased Lease Receivables consist of Lease Receivables originally purchased by VCL Master, acting for and on behalf of its Compartment 1 from VWL and on-transferred for security purposes to the VCL Master Security Trustee, with respect of which VWL has been authorised (*ermächtigt*) by the VCL Master Security Trustee and by VCL Master, acting for and on behalf of its Compartment 1 to assign such Lease Receivables to the Issuer. Such authority is granted subject to the conditions precedent that VCL Master, acting for and on behalf of its Compartment 1 has received an amount of EUR 990,798,482.96 which is the sum of EUR 1,000,004,957.96 (equal to the sum of the Purchased Lease Receivables discounted by the Discount Rate (whereas discounting shall take place on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days)), less (i) an amount of EUR 4,500,000 for overcollateralisation purposes (*zusätzliche Absicherung von Portfoliorisiken*), less (ii) an amount of EUR 12,000,000 for the endowment of the Cash Collateral Account, and plus (iii) EUR 7,293,525. being an amount equal to the amount of the issue price of the Class A Notes in excess of 100 per cent (representing the Purchase Price for the Purchased Lease Receivables). The Purchased Lease Receivables will include payments by Lessees for the use of the vehicles from Lease Contracts originated by Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge dealers as agents and to a lesser extent also by certain other third parties. Under the Lease Receivables, the Lessees make monthly payments to amortise, over the life of the Lease Contract, the difference between the purchase price of the vehicle and such vehicle's predetermined calculation of value at the expiration of the Lease Contract. The Issuer has not purchased portions of the Lease Receivables which reflect value-added tax and the residual value in the Leased Vehicles.

VWL has transferred title for security purposes (*Sicherungseigentum*) to the Leased Vehicles relating to the Purchased Lease Receivables to VCL Master, acting for and on behalf of its Compartment 1, subject to the resolatory condition (*auf lösende Bedingung*) of the occurrence of a Lease Contract Termination Event, thereby creating expectancy rights (*Eigentumsanwartschaftsrechte*) with respect to such Leased Vehicles in favour of VWL. VWL has then sold and transferred such expectancy rights to VCL Master Residual Value. VCL Master Residual Value has further transferred for security purposes such expectancy rights to the Expectancy Rights Trustee. Such expectancy rights shall not be affected by the transfer of title for security purposes from the VCL Master Security Trustee to the Issuer under the Receivables Purchase Agreement and further from the Issuer to the Security Trustee under the Trust Agreement. If the Lease Receivables should partially or totally fail to conform as at the Cut-Off Date or the Closing Date (as applicable) to the warranties given by VWL in the Receivables Purchase Agreement (for a detailed description of the warranties (eligibility criteria) which apply to the Lease Receivables see "DESCRIPTION OF THE PORTFOLIO – The Purchased Lease Receivables under the Receivables Purchase Agreement" and "Warranties and Guarantees in relation to the Sale of the Purchased Lease

Receivables") and such failure materially and adversely affects the interests of the Issuer or the Noteholders, VWL shall have until the end of the Monthly Period which includes the 60<sup>th</sup> day (or, if VWL elects, an earlier date) after the date that VWL became aware or was notified of such failure to cure or correct such failure (whichever is earlier). The Issuer's sole remedy will be to require VWL 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 time period provided above is not practicable, VWL may remedy such breach by the last day of the following Monthly Period; or (b) replace the relevant Purchased Lease Receivable by taking into account the warranties and guaranties set out in clauses 4.1 of the Receivables Purchase Agreement, with a Lease Receivable the present value of which shall be at least the Settlement Amount of such Purchased Lease Receivable as at the Monthly Period immediately preceding such replacement, provided that, if a remedy within the time period specified above is not practicable, VWL may replace such Purchased Lease Receivable by the last day of the following Monthly Period; or (c) repurchase the relevant Purchased Lease Receivable and all related Lease Collateral at a price equal to the Settlement Amount of such Purchased Lease Receivable as of the Monthly Period immediately preceding such repurchase *provided that*, if it is not practicable to repurchase such Purchased Lease Receivable within the time period provided above, VWL may repurchase such Purchased Lease Receivable on the Payment Date immediately following the last day of the following Monthly Period.

Cut-Off Date	31 October 2021.
Additional Rights	Under the Receivables Purchase Agreement the Issuer has purchased certain rights associated with the premature termination of the Lease Contracts or with the transfer of Lease Receivables.
Cash Collateral Account	On the Issue Date, the Issuer will deposit EUR 12,000,000 in the Cash Collateral Account of the Issuer with the Account Bank. This amount consists of EUR 12,000,000 (1.2 per cent. of the Aggregate Cut-Off Date Discounted Receivables Balance) in respect of the General Cash Collateral Amount.
VWL Risk Reserve	On the Issue Date, VWL will pay an additional amount of EUR 11,000,000 as VWL Risk Reserve into the Cash Collateral Account. The VWL Risk Reserve shall exclusively secure the VWL Secured Obligations. On the earlier of the exercise of a Clean-up Call or the Legal Maturity Date, all remaining amounts standing to the credit of the VWL Risk Reserve will be released to VWL.
German Trade Tax Risk Reserve	The VWL Risk Reserve includes an amount required to cover potential trade tax risk exposure of the Issuer. Such amount constitutes the German Trade Tax Risk Reserve. The German Trade Tax Risk Reserve shall be used to cover the potential tax risk exposure upon the occurrence of a German Trade Tax Event in case VWL breaches its obligation to indemnify the Issuer against such trade tax risk.
Subordinated Loan	The Subordinated Lender will grant the Subordinated Loan in a total nominal amount of EUR 32,904,957.96 to the Issuer on the Issue Date. The Subordinated Loan serves as credit enhancement and ranks below the Notes with respect to payment of interest and principal and will provide credit

enhancement in the form of subordination for the Class A Notes and the Class B Notes.

Overcollateralisation

As at the Closing Date, the Aggregate Discounted Receivables Balance will exceed the sum of the Nominal Amount of the Notes and the nominal amount of the Subordinated Loan by EUR 4,500,000.

Title to the Leased Vehicles

In order to secure the existence and validity of the Purchased Lease Receivables outstanding at any time, of all claims of the Issuer against VWL under the Receivables Purchase Agreement and the Servicing Agreement as well as the claims of the Issuer in the event of invalidity of the assignment of the Purchased Lease Receivables and the respective claims of the Issuer against VWL for participation in realisation proceeds in the event of early termination of the respective Lease Contracts as well as any present and future claims arising from the cancellation of the Receivables Purchase Agreement, VWL will no later than on the Issue Date transfer title to the Leased Vehicles relating to the Purchased Lease Receivables to the Issuer by way of security (*Sicherungseigentum*).

VWL has transferred title for security purposes (*Sicherungseigentum*) to the Leased Vehicles relating to the Purchased Lease Receivables to VCL Master, acting for and on behalf of its Compartment 1, subject to the resolutive condition (*auflösende Bedingung*) of the occurrence of a Lease Contract Termination Event, thereby creating expectancy rights (*Eigentumsanwartschaftsrechte*) with respect to such Leased Vehicles in favour of VWL. VWL has then sold and transferred such expectancy rights to VCL Master Residual Value. VCL Master Residual Value has further transferred such expectancy rights to the Expectancy Rights Trustee. Such expectancy rights shall not be affected by the transfer of title for security purposes from the VCL Master Security Trustee to the Issuer (or the further transfer from the Issuer to the Security Trustee).

## IMPORTANT TRANSACTION DOCUMENTS AND TRANSACTION FEATURES

### Receivables Purchase Agreement

Pursuant to the provisions of the agreement for the purchase of Lease Receivables entered into by VWL and the Issuer (the "**Receivables Purchase Agreement**"), the Issuer acquires from VWL the Purchased Lease Receivables.

Under the Receivables Purchase Agreement the VCL Master Security Trustee and VCL Master, acting for and on behalf of its Compartment 1 have authorised (*ermächtigt*) VWL in the meaning of section 185 of the German Civil Code (i) to assign the Purchased Lease Receivables together with the related Lease Collateral held by the VCL Master Security Trustee to the Issuer, and (ii) to transfer for security purposes (*Sicherungsübereignung*) to the Issuer title to the relevant Leased Vehicles relating to the Purchased Lease Receivables.

The Expectancy Rights Trustee has explicitly consented to such authorisation. The parties to the Receivables Purchase Agreement have agreed that the transfer of title to the Leased Vehicles for security purposes to the Issuer and to the Security Trustee shall not affect the expectancy rights to the Leased Vehicles which VWL transferred to VCL Master Residual Value and which VCL Master Residual Value further transferred to the Expectancy Rights Trustee for security purposes.

### Early Settlement

Pursuant to the provisions of the Receivables Purchase Agreement, the Issuer is, in certain circumstances, entitled to demand from VWL the retransfer of the Lease Receivables under a contract against payment of the Settlement Amount. These circumstances include, inter alia, the assertion of invalidity of the Lease Contract or of rights to refuse to perform by the Lessee. The Settlement Amount to be paid by VWL to the Issuer equals the present value of such Purchased Lease Receivable that would have become due during the remaining term of the relevant Lease Contract, calculated using the Discount Rate.

In case of a reduction of the Purchased Lease Receivables, e.g., due to any amendment to the relevant Lease Contract, the Settlement Amount shall be equal to the difference of the present value of the Purchased Lease Receivable that would have become due under that relevant Lease Contract had such reduction not occurred and the present value of the Purchased Lease Receivable that will be due under the relevant Lease Contract with such reduction, calculated using the Discount Rate.

Each Early Settlement may lead to earlier payments of the Notes than would be the case in the event of Collection of the Purchased Lease Receivables in accordance with the relevant Receivables Purchase Agreement as set forth in more detail in "**RISK FACTORS - Risk of Early Repayment**".

### Clean-up Call

VWL will have the right at its option to exercise a clean-up call (the "**Clean-up Call**") and to repurchase the Lease Receivables from the Issuer at any time when the sum of the Discounted Receivables Balances for all Lease Contracts (the "**Aggregate Discounted Receivables Balance**") is less than 10 per cent. of the sum of the Discounted Receivables Balances for all Lease Contracts as of the Cut-Off Date (the "**Aggregate Cut-Off Date Discounted Receivables Balance**"), *provided that* all payment obligations under the Notes and the other Secured

Creditors ranking senior to the Notes will be thereby fulfilled according to the Order of Priority. The exercise of the Clean-up Call will lead to early final repayment of interest and principal on the Notes.

#### Servicing Agreement

Under the Servicing Agreement between, *inter alios*, the Issuer, the Security Trustee, the Expectancy Rights Trustee and VWL, VWL agrees to:

- administer the Lease Contracts and in particular to collect the Purchased Lease Receivables in accordance with its usual business practices as they exist from time to time;
- repossess the respective Leased Vehicles on behalf of VCL Master Residual Value upon termination of a Lease Contract and consistent with its customary practices as they exist from time to time;
- transfer to the Issuer Collections made in a Monthly Period on each relevant Payment Date;
- advance the Monthly Collateral if the Monthly Remittance Condition is not satisfied; and
- perform other tasks incidental to the above.

#### Trust Agreement

The Issuer entered into the Trust Agreement with, *inter alios*, the Security Trustee and VWL, under which the Issuer has instructed the Security Trustee to act as trustee (*Treuhänder*) for the Transaction Creditors and has undertaken to the Security Trustee to duly make all payments owed under and in accordance with the Transaction Documents to the holders of the Notes, to the Subordinated Lender and the other Transaction Creditors or, in case of non-performance, to the Security Trustee for purposes of transfer of the respective amounts to the relevant Transaction Creditors (the "**Trustee Claim**").

To provide collateral for the Trustee Claim, the Issuer assigns and/or pledges, as applicable, to the Security Trustee the Purchased Lease Receivables, the claims to the Cash Collateral Account, the claims to the Distribution Account, the claims from obligations of VWL in case of breach of warranties, the claims arising from the comprehensive insurance policies concluded for the Leased Vehicles, the rights to unilaterally alter the Lease Contracts (*Gestaltungsrechte*), the rights under the Swap Agreements (other than in relation to credit support provided thereunder), and all other surrender claims to which the Issuer is entitled under the Receivables Purchase Agreement as well as the Issuer's ownership interest in the Leased Vehicles. VWL has transferred the title to the Leased Vehicles to the Issuer for security purposes (*Sicherungseigentum*) and the Issuer has transferred the title to the Leased Vehicles for security purposes (*Sicherungseigentum*) to the Security Trustee. The Security Trustee has agreed to realise the ownership in the Leased Vehicles for security purposes (*Sicherungseigentum*) or have the ownership for security purposes (*Sicherungseigentum*) realised and to distribute the proceeds from such realisation between the Issuer, VWL and VCL Master Residual Value in accordance with the provisions of the Trust Agreement. The Issuer has also pledged to the Security Trustee its claims for disbursement of its portion of the realisation proceeds.

Data Protection Trust Agreement

No later than the Closing Date, VWL appoints Data Custody Agent Services B.V., as Data Protection Trustee under the provisions of the Data Protection Trust Agreement and makes the Portfolio Decryption Key (which is for the identification of the names and addresses of the Lessees in respect of the Purchased Lease Receivables) available to the Data Protection Trustee. The Data Protection Trustee will keep the Portfolio Decryption Key in safe custody and protect it against unauthorised access by any third party. Delivery of the data list is permissible only to a replacement Servicer or the Qualified Replacement Data Protection Trustee upon request of VWL, the Issuer or the Security Trustee and subject to applicable data protection laws and banking secrecy provisions (*Bankgeheimnis*). The Data Protection Trustee will notify the Lessees of the assignment of the Purchased Lease Receivables to the Issuer and instruct the Lessees to make all payments in respect of the Purchased Lease Receivables to the Distribution Account of the Issuer upon the occurrence of a Lessee Notification Event (i.e. the earlier of (i) the institution of Insolvency Proceedings in respect of VWL and/or (ii) non-compliance by VWL with its statutory obligation to transfer any VAT (*Umsatzsteuer*) on the Lease Receivables to the tax office when such VAT becomes due and/or (iii) any notification in connection with a Servicer Replacement Event).

Account Agreement

Under the terms of the Account Agreement, the Issuer will hold the Cash Collateral Account with the Cash Collateral Account Bank and maintain the Distribution Account with the Distribution Account Bank. Should the Cash Collateral Account Bank or the Distribution Account Bank (together the "**Account Bank**") cease to have the Account Bank Required Ratings or fail to maintain an Account Bank Required Guarantee, the Account Bank shall within thirty (30) days, at its own cost, do one of the following: (i) procure transfer of the accounts held with it to an Eligible Collateral Bank, or (ii) provide an Account Bank Required Guarantee, or (iii) take any other action in order to maintain the rating of the Notes or to restore the rating of the Notes or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes.

Swap Agreements

The Issuer will enter into the Class A Swap Agreement and the Class B Swap Agreement, each with the Swap Counterparty. Each Swap Agreement will hedge the interest rate risk deriving from fixed rate interest payments owed by the Lessees to the Issuer under the Purchased Lease Receivables and floating rate interest payments owed by the Issuer under the Notes.

Corporate Services Agreement

VCL Multi-Compartment S.A. has entered into the Corporate Services Agreement with, *inter alios*, Circumference FS (Luxembourg) S.A. as Corporate Services Provider, pursuant to which the Corporate Services Provider shall perform certain services for VCL Multi-Compartment S.A., particularly taking over the accounting for VCL Multi-Compartment S.A. and providing the directors of VCL Multi-Compartment S.A. in any company law matters and providing the registered office of VCL Multi-Compartment S.A.

Risk Factors

Prospective investors in the Notes should consider, among other things, certain risk factors in connection with the purchase of the Notes. Such risk factors as described above may influence the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes. The risks in connection with the investment in the Notes include, *inter alia*,



risks relating to the assets and the 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.

**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 Prospectus.
- (b) For the purpose of compliance with Article 22(2) of the Securitisation Regulation, the Servicer confirms that a sample of Lease Contracts has been externally verified by an appropriate and independent party prior to the date of this Prospectus (see also the section "Description of the Lease Contracts, Lease Receivables, Leased Vehicles and Lessees as at the Cut-Off Date") (as well as an agreed upon procedures review, amongst other things, of the conformity of the Lease Contracts in the Portfolio with certain of the Warranties and Guarantees in relation to the Sale of the Purchased Lease Receivables (where applicable)). 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 "Description of the Lease Contracts, Lease Receivables, Leased Vehicles and Lessees as at the Cut-Off Date" in order to verify that the stratification tables are accurate. 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 accurate and 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 Moody's Analytics <https://www.sfportal.com/deal/cashflows/YBI.VCL34> which precisely represents the contractual relationship between the Purchased Lease Receivables and the payments flowing between the Seller and investors in the Notes. 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, so far as it is aware, information on environmental performance of the Vehicles relating to the Purchased Lease 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 Lease 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 Prospectus. It is not possible to make final documentation available before pricing of the Notes and so the Servicer has made available the Prospectus and drafts of the Trust Agreement, Security Assignment Deed, Agency Agreement, Account Agreement, Receivables Purchase Agreement, Servicing Agreement, Data Protection Trust Agreement, Subordinated Loan Agreement and template Swap Agreements via the Securitisation Repository.
- (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 a STS notification referred to in Article 27 of the Securitisation Regulation via the Securitisation Repository.
- (g) For the purposes of Article 7(1)(a) and (e) of the Securitisation Regulation, information on the Purchased Lease Receivables will be made available before pricing of the Notes and on a monthly basis the Servicer will make available information on the Purchased Lease Receivables and an investor report (such information to be provided simultaneously) in accordance with the Securitisation Regulation Disclosure Requirements via the Securitisation Repository.

- (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 Lease 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.

### **USE OF PROCEEDS**

The aggregate net proceeds from the issuance of the Notes and the borrowings under the Subordinated Loan amount to approximately EUR 1,002,798,482.96 and will be used in full to purchase the Portfolio from VWL (acting under the authority granted by VCL Master, acting for and on behalf of its Compartment 1 and by the VCL Master Security Trustee), to pay costs related to the Issue of the Notes and to credit the Cash Collateral Account with EUR 12,000,000 which is equal to the initial General Cash Collateral Amount. On the date of the issue of the Notes and receipt of the Subordinated Loan, the discounted value of the Purchased Lease Receivables will be EUR 1,000,004,957.96.

## OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

### General Conditions of the Notes

No obligation of Volkswagen Leasing GmbH whatsoever will arise from the Notes.

### Denomination

The issue in the aggregate nominal amount of EUR 962,600,000 consists of 9,411 registered Class A Notes with a nominal amount of EUR 100,000 each, ranking equally among themselves and senior to the Class B Notes, and of 215 registered Class B Notes with a nominal amount of EUR 100,000 each, ranking equally among themselves but subordinated to the Class A Notes and senior to the Subordinated Loan.

### Global Notes

The Notes of each Class are, each, issued in registered form and represented by a global note (each a "**Global Note**") without coupons. The Global Note representing the Class A Notes will be deposited with a Common Safekeeper for Clearstream Luxembourg and Euroclear to be held under the new safekeeping structure (NSS); thereafter, the Global Note will be held in book-entry form only. The Global Note representing the Class B Notes will be deposited with a common depository for Clearstream Luxembourg and Euroclear and thereafter, the Global Note will be held in book-entry form only. Each Global Note will bear the personal signature(s) of at least one (1) duly authorised director of VCL Multi-Compartment S.A. and will be authenticated by one or more employees of the Registrar. The Global Note representing the Class A Notes will be effectuated by the Common Safekeeper.

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

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

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

### Payments of Principal and Interest

Payments of principal and interest, if any, on the Notes shall be made by the Paying Agent on the Issuer's behalf for further payment to Clearstream Luxembourg and Euroclear. 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 first payment shall take place on 21 December 2021. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date which is the last day on which a lease payment on outstanding Purchased Lease Receivables becomes due, falling in August 2026 (the "**Class A Scheduled Repayment Date**") for the Class A Notes and the Payment Date falling in August 2026 (the "**Class B Scheduled Repayment Date**") for the Class B Notes. All payments of interest on and principal of each Class of Notes will be due and payable at the latest in full on the legal final maturity date of such Class of Notes (a "**Legal Maturity Date**"), which shall be at least 12 months after the Scheduled Repayment Date and which shall be the Payment Date falling in September 2027 for the Class A Notes (the

"Class A Legal Maturity Date") and the Payment Date falling in September 2027 for the Class B Notes (the "Class B Legal Maturity Date").

On 21 December 2021 and thereafter until the Class A Legal Maturity Date, on the 21<sup>st</sup> day of each 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 4(3), pay to each Class A Noteholder interest on the principal amount of such Class A Notes immediately prior to the respective Payment Date at the Class A Notes Interest Rate, and shall make repayments of the principal amount of such Class A Notes by paying to the Class A Noteholders the Class A Principal Payment Amount thereof from any amounts remaining from the Available Distribution Amount after payment of interest due on such Payment Date on the Class B Notes, provided that no Enforcement Event has occurred. The calculation of the interest and principal payment of each Class A Note is based on the outstanding nominal amount of each Class A Note outstanding immediately prior to such Payment Date.

On 21 December 2021 and thereafter until the Class B Legal Maturity Date, on each Payment Date the Issuer shall, subject to Condition 4(3), pay to each Class B Noteholder interest on the principal amount of such Class B Note immediately prior to the respective Payment Date at the Class B Notes Interest Rate, and shall make repayments of the principal amount of such Class B Notes by paying to the Class B Noteholders the Class B Principal Payment Amount thereof from any amounts remaining from the Available Distribution Amount after payment of interest due on such Payment Date on the Class A Notes, the Class B Notes and the payment of the Class A Principal Payment Amount. The calculation of the interest and principal payment of each Class B Note is based on the outstanding nominal amount of each Class B Note outstanding immediately prior to such Payment Date.

Such Available Distribution Amount consists of (i) the Collections received or collected by the Servicer in relation to the preceding Monthly Period, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting), plus (ii) the Issuer's portion in the proceeds from the realisation of Leased Vehicles pursuant to clause 18 (*Realisation of the Leased Vehicles*) of the Trust Agreement, plus (iii) payments from the Cash Collateral Account as provided for in clause 23.1 (*Cash Collateral Account*) of the Trust Agreement to cover any shortfalls which result from a failure by VWL to pay the VWL Secured Obligations; plus (iv) the Net Swap Receipts under the Class A Swap Agreement and the Class B Swap Agreement and certain other amounts; plus (v) any investment earnings from the Distribution Account; plus (vi) any repurchase price received from VWL pursuant to clause 4.3(c) of the Receivables Purchase Agreement; plus (vii) any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Notes in accordance with Condition 8(3); plus (viii) payments from the Cash Collateral Account as provided for in clause 23.2 (*Cash Collateral Account*) of the Trust Agreement and the German Trade Tax Risk Reserve Decrease Amount (if any) as defined in the Master Definitions Schedule; less (ix) the Buffer Release Amount to be paid to VWL *provided that* no Insolvency Event with respect to VWL has occurred.

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 (other than interest on the most senior Class of Notes outstanding) will not be due on any Payment Date prior to the Legal Maturity Date except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority. Payments to the holders of Class A Notes of principal will be effected only after the payment to the holders of Class B Notes of interest on the relevant Payment Date. All payment obligations of the Issuer are limited recourse and constitute solely obligations of the Issuer to distribute amounts out of the Available Distribution Amount according to the Order of Priority.

### **Principal Payment Amounts**

On each Payment Date, to the extent the Available Distribution Amount is sufficient and in accordance with the Order of Priority of distributions set forth below, the Issuer will pay to the holders of the Class A Notes an aggregate amount in respect of principal up to the Class A Principal Payment Amount and out of the amounts remaining from the Available Distribution Amount to the holders of the Class B Notes an aggregate amount in respect of principal up to the Class B Principal Payment Amount. The Class A Principal Payment Amount is the amount necessary to reduce the outstanding principal amount of the Class A Notes to the Class A Targeted Note Balance. The Class B Principal Payment Amount for any Payment Date is equal to the amount necessary to reduce the outstanding principal amount of the Class B Notes to the Class B Targeted Note Balance respectively. The Class A Principal Payment Amount and the Class B Principal Payment Amount

are intended to reduce the aggregate outstanding principal amounts of the Class A Notes and of the Class B Notes to amounts which would leave an amount of overcollateralisation constant as a percentage of the Aggregate Discounted Receivables Balance subject to certain specified increases in those percentages in case a Credit Enhancement Increase Condition is in effect because the Cumulative Net Loss Ratio for a Payment Date exceeds specified thresholds.

### **Order of Priority of Distributions**

Prior to the occurrence of an Enforcement Event, distributions (other than repayments due to VWL in accordance with clause 10.2 (*Payments, repayment claims*) of the Receivables Purchase Agreement) will be made on each Payment Date from the Available Distribution Amount according to the following order of priority (the "**Order of Priority**"):

*first*, amounts payable in respect of taxes (if any) by VCL Multi-Compartment S.A. other than any tax filing fees and any annual return or exempt company status fees;

*second*, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clauses 31 and 32 of the Trust Agreement or under any agreement replacing the Trust Agreement;

*third*, to the Servicer the Servicer Fee;

*fourth*, of equal rank amounts payable (i) to the directors of VCL Multi-Compartment S.A.; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iv) to each Agent and the Registrar under the Agency Agreement; (v) to the Account Bank and the Cash Administrator under the Account Agreement and the Custodian under the Custody Agreement, if any; (vi) to the Rating Agencies the fees for the monitoring of the Issue; (vii) to the Banks under the Note Purchase Agreement and (viii) 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;

*fifth*, amounts payable by the Issuer to the Swap Counterparty in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreements (if any and *provided that* the Swap Counterparty is not the defaulting party (as defined in the relevant Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade); if the amounts paid by the Issuer to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

*sixth*, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on the Class A Notes;

*seventh*, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on the Class B Notes;

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

*ninth*, after a German Trade Tax Increase Event, to the Cash Collateral Account, until the amount of funds in the Cash Collateral Account is equal to the sum of the Specified Cash Collateral Account Balance plus the Increased German Trade Tax Risk Reserve Amount plus the unused amount of the VWL Risk Reserve;

*tenth*, to the holders of the Class A Notes, an aggregate amount equal to the Class A Principal Payment Amount for such Payment Date;

*eleventh*, to the holders of the Class B Notes, an aggregate amount equal to the Class B Principal Payment Amount for such Payment Date;

*twelfth*, by the Issuer to the Swap Counterparty, any payments under the Swap Agreements other than those made under item *fifth* above; if the amounts paid by the Issuer to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

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

*fourteenth*, to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and

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

Following the occurrence of an Enforcement Event, distributions (other than repayments due to VWL in accordance with clause 10.2 (*Payments, repayment claims*) of the Receivables Purchase Agreement) will be made by the Security Trustee from the Available Distribution Amount according to the following Order of Priority:

*first*, amounts payable in respect of taxes (if any) by VCL Multi-Compartment S.A. other than any tax filing fees and any annual return or exempt company status fees;

*second*, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clauses 31 and 32 of the Trust Agreement or under any agreement replacing the Trust Agreement;

*third*, to the Servicer the Servicer Fee;

*fourth*, of equal rank amounts payable (i) to the directors of VCL Multi-Compartment S.A.; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iv) to each Agent and the Registrar under the Agency Agreement; (v) to the Account Bank and the Cash Administrator under the Account Agreement and the Custodian under the Custody Agreement, if any; (vi) to the Rating Agencies the fees for the monitoring of the Issue; (vii) to the Banks under the Note Purchase Agreement and (viii) 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;

*fifth*, amounts payable by the Issuer to the Swap Counterparty in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreements (if any and provided that the Swap Counterparty is not the defaulting party (as defined in the relevant Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade); if the amounts paid by the Issuer to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

*sixth*, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on the Class A Notes;

*seventh*, to the holders of the Class A Notes in respect of principal until the Class A Notes are redeemed in full;

*eighth*, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on the Class B Notes;

*ninth*, to the holders of the Class B Notes in respect of principal until the Class B Notes are redeemed in full;

*tenth*, by the Issuer to the Swap Counterparty, any payments under the Swap Agreements other than those made under item *fifth* above; if the amounts paid by the Issuer to the Swap Counterparty are insufficient to



meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

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

*twelfth*, to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and

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

### **Cash Collateral Account**

On the Issue Date, the Issuer will deposit EUR 12,000,000 in the Cash Collateral Account at the Account Bank and has agreed to keep this 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 Account Bank Required Ratings or fails to maintain an Account Bank Required Guarantee, the Account Bank shall within 30 days of the occurrence of such downgrade or failure, do one of the following: (i) procure the transfer of all rights and obligations to an Eligible Collateral Bank, or (ii) provide an Account Bank Required Guarantee.

An amount of EUR 12,000,000 (1.2 per cent. of the Aggregate Cut-Off Date Discounted Receivables Balance) serves as the initial General Cash Collateral Amount. In addition, VWL will pay an amount of EUR 11,000,000 as VWL Risk Reserve into the Cash Collateral Account on the Issue Date. The VWL Risk Reserve shall exclusively secure the VWL Secured Obligations.

The VWL Risk Reserve includes an amount required to cover potential trade tax risk exposure of the Issuer. Such amount constitutes the German Trade Tax Risk Reserve. The German Trade Tax Risk Reserve shall be used to cover the potential tax risk exposure upon the occurrence of a German Trade Tax Event in case VWL breaches its obligation under the Receivables Purchase Agreement to indemnify the Issuer against any liabilities, costs, claims and expenses resulting from such trade tax claims (except those penalties and interest surcharges that are due to the gross negligence or wilful misconduct of the Issuer). In addition, VWL has undertaken to pay any shortfalls of amounts payable under item *ninth* of the Order of Priority with respect to the Increased German Trade Tax Risk Reserve Amount on the third (3<sup>rd</sup>) Payment Date following a German Trade Tax Increase Event.

On each Payment Date prior to the occurrence of an Enforcement Event, after the payment of interest on the Notes and certain other amounts payable by the Issuer, the Available Distribution Amount remaining after item *seventh* of the Order of Priority will be credited to the Cash Collateral Account pursuant to item *eighth* of the Order of Priority until the General Cash Collateral Amount is equal to the Specified Cash Collateral Account Balance. On each such Payment Date the General Cash Collateral Amount shall be used (a) to cover any shortfalls in the amounts payable under items *first* through *seventh* according to the applicable Order of Priority and (b), on the earlier of (i) the Legal Maturity Date or (ii) the date on which the Aggregate Discounted Receivables Balance has been reduced to zero, for amounts payable under items *tenth*, *eleventh*, *thirteenth* and *fourteenth* of the applicable Order of Priority.

On any Payment Date on which the General Cash Collateral Amount exceeds the Specified Cash Collateral Account Balance provided that no Credit Enhancement Increase Condition is in effect, such excess will be released for payment to the Subordinated Lender (until all amounts payable in respect of accrued and unpaid interest have been made and the principal of the Subordinated Loan has been reduced to zero) and thereafter to VWL as provided for under the terms of the Trust Agreement.

### **Duties of the Issuer**

In addition to its obligation to make payments to the holders of the Notes as set out in the Conditions of the Notes, the Issuer undertakes to hold, administer and collect or realise in accordance with the Conditions of the Notes, the Receivables Purchase Agreement, the Servicing Agreement and all other Transaction Documents to which it is a party, the Purchased Lease Receivables (including damage claims in case of default of the respective Lessee) and ancillary rights arising from Lease Contracts which VWL has concluded with private individual and commercial Lessees, claims against the insurer pursuant to loss insurance policies

covering the respective Leased Vehicles, damage claims arising from a breach of contract or in tort against a respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage or loss of the Leased Vehicles and the right to require VWL to repurchase the Lease Receivables purchased by the Issuer under the Receivables Purchase Agreement and further described below under "DESCRIPTION OF THE PORTFOLIO", the General Cash Collateral Amount, the rights arising from the Swap Agreements and the Security, as well as any further rights arising from the Receivables Purchase Agreement, particularly the right to payment of the amount provided for in the event of a settlement.

#### **Duties of VWL**

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

- (1) the certificates of receipt signed by the Lessee concerning the acceptance of the Leased Vehicles;
- (2) the documents concerning the execution of the Lease Contract;
- (3) the respective original vehicle registration certificate (*Fahrzeugbrief* or *Zulassungsbescheinigung Teil II*);
- (4) to the extent that VWL is entitled to a disclosure, any information concerning the Lessee, especially regarding financial standing, which is available to VWL;
- (5) proof of VWL's unrestricted title to the Leased Vehicles through presentation of the invoice with the provision for passage of title and the proof of payment; and
- (6) any further information or documents which are of substantial importance to the Lease Contracts, including, for instance, the commitment of a third party to acquire the Leased Vehicles upon the expiration of the respective Lease Contract.

In accordance with the Data Protection Trust Agreement, VWL promptly after the execution of the Receivables Purchase Agreement is obliged to deposit or cause to be deposited, with the Data Protection Trustee the Portfolio Decryption Key. Furthermore, VWL shall provide the Issuer with the Data File B, i.e. an encrypted list containing the Lease Contract numbers listed in Data File A together with the names and addresses of the Lessees to such Lease Contracts and which, in order to identify such Lessees, can be decrypted only with the Portfolio Decryption Key. The Issuer shall treat as confidential all information on the Lessees and on the business operations of VWL acquired in connection with the performance of the Receivables Purchase Agreement. The foregoing shall not apply (i) to information which is generally known or becomes generally known without the Issuer being responsible for such disclosure, (ii) to information the disclosure of which VWL has expressly or tacitly permitted, (iii) if the Issuer is legally obliged to disclose information, and (iv) if the disclosure of information by the Issuer is necessary for asserting rights arising from the Issue or the agreements concluded in connection with the Issue.

#### **Realisation of Security**

Upon the occurrence of a Foreclosure Event, the Security Trustee is authorised and obliged to adequately realise the ownership interest given in the form of a directly enforceable security interest in the Leased Vehicles by selling the Leased Vehicles or having the Leased Vehicles sold by third parties commissioned by the Security Trustee. The proceeds of realisation thus gained shall be divided between the Issuer, VWL and VCL Master Residual Value as provided in clause 18 of the Trust Agreement.

#### **Clean-up Call**

VWL will have the right at its option to exercise a Clean-Up Call and to repurchase the Purchased Lease Receivables from the Issuer at any time when the then outstanding Aggregate Discounted Receivables Balance is less than 10 per cent. of the Aggregate Cut-Off Date Discounted Receivables Balance, *provided that* all payment obligations under the Notes and the other Secured Creditors ranking senior to the Notes will be thereby fulfilled. If VWL repurchases the Purchased Lease Receivables, the outstanding Notes, if any, will

be redeemed at a price equal to their outstanding principal balance, plus accrued and unpaid interest on the Notes.

### **Paying Agent, Registrar**

The Issuer will make payments to the Noteholders through the Paying Agent. Payments shall be made from the Issuer's accounts with the Account Bank, The Bank of New York Mellon, London Branch as Paying Agent does not need to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the distribution takes place. The Bank of New York Mellon, London Branch is an independent credit institution and is not affiliated to VWL or the Issuer and may be substituted as provided for in Condition 8(6) of the Conditions of the Notes.

The Issuer has appointed The Bank of New York Mellon SA/NV, Luxembourg Branch as Registrar to keep the Register. The Bank of New York Mellon SA/NV, Luxembourg Branch is an independent credit institution and is not affiliated to VWL or the Issuer and may be substituted as provided for in Condition 8(6) of the Conditions of the Notes.

### **Security, Security Trustee and Enforcement**

For the benefit of the Transaction Creditors, the Issuer has appointed the Security Trustee pursuant to the Trust Agreement and has assigned for security purposes (*Sicherungseigentum*) and pledged to the Security Trustee as security under German law, the Purchased Lease Receivables and Lease Collateral and all its rights under the Transaction Documents and has transferred for security purposes (*Sicherungseigentum*) to the Security Trustee the title to the Leased Vehicles acquired from VWL for these purposes (including title to newly fitted parts and accessories), whereby the act of delivery has been substituted by the assignment of its delivery claims (*Herausgabeansprüche*) (collectively the "**Security**"). The Security serves to secure the respective obligations of the Issuer arising from the Notes and the Subordinated Loan.

VWL has transferred title for security purposes (*Sicherungseigentum*) to the Leased Vehicles relating to the Purchased Lease Receivables to VCL Master, acting for and on behalf of its Compartment 1, subject to the resolutive condition (*aufflösende Bedingung*) of the occurrence of a Lease Contract Termination Event, thereby creating expectancy rights (*Eigentumsanwartschaftsrechte*) with respect to such Leased Vehicles in favour of VWL. VWL has then sold and transferred such expectancy rights to VCL Master Residual Value. VCL Master Residual Value has further transferred for security purposes such expectancy rights to the Expectancy Rights Trustee. Such expectancy rights shall not be affected by the transfer of the title for security purposes from the VCL Master Security Trustee to the Issuer under the Receivables Purchase Agreement and further from the Issuer to the Security Trustee under the Trust Agreement.

The Trust Agreement establishes the right and duty of the Security Trustee – to the extent necessary – to hold, administer or realise the Security for the benefit of the Transaction Creditors and to perform only those other duties which are necessarily incidental thereto. The Transaction Creditors are entitled, subject to the provisions of clauses 17 to 19 of the Trust Agreement, to demand from the Security Trustee the fulfilment of its duties as specified under the Conditions of the Notes. The Security Trustee is not obliged to monitor the fulfilment 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.

The Security can be realised pursuant to clause 17 of the Trust Agreement if (i) with respect to VCL Multi-Compartment S.A., an Insolvency Event occurs; (ii) the Issuer defaults in the payment of any interest on the most senior Class of Notes when the same becomes due and payable, and such default continues for a period of five (5) Business Days; or (iii) the Issuer defaults in the payment of principal of any Note on the Legal Maturity Date. It is understood that 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 Legal Maturity Date, except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority.

VWL shall undertake all steps necessary to protect the Security Trustee's security interest in the Lease Collateral and to hold the Leased Vehicles harmless or free from attachments or secured rights of third parties.

## **Servicer**

Subject to revocation by the Issuer after a Servicer Replacement Event, VWL is commissioned pursuant to the Servicing Agreement as Servicer to collect the Purchased Lease Receivables in accordance with the Servicer's customary practices in effect from time to time using the same degree of skill and attention that the Servicer exercises with respect to comparable vehicle Lease Contracts that the Servicer collects for itself or others. The Servicer is entitled to repossess the respective Leased Vehicles on behalf of the Issuer upon termination of a Lease Contract and consistent with its customary practice as they exist from time to time.

The Servicer has also been empowered to administer the Security for and on behalf of the Issuer. The Servicer has undertaken to transfer to the Distribution Account maintained by the Issuer with the Account Bank amounts received from Purchased Lease Receivables collected, drawn from the Cash Collateral Account or realised from the Leased Vehicles, as the case may be.

Subject to the terms of the Servicing Agreement, if:

- (a) for the first time the Monthly Remittance Condition is not satisfied, VWL shall within fourteen (14) calendar days from the date on which the Monthly Remittance Condition was not satisfied for the first time advance the Monthly Collateral in respect of the then prevailing Monthly Period plus, if the advance payment has to be made prior to the Payment Date falling in such Monthly Period, the Monthly Collateral in respect of the preceding Monthly Period to the Distribution Account; and
- (b) for any subsequent Monthly Period in which the Monthly Remittance Condition continues to not be satisfied, VWL shall on the fifteenth (15th) calendar day of the month preceding the first day of such Monthly Period, or, if this is not a Business Day, on the next following Business Day, advance the Monthly Collateral to the Distribution Account to be retained until the Payment Date relating to such Monthly Period.

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

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

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

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

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

The Servicer is permitted to delegate 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 the Servicer Fee on each Payment Date for the preceding Monthly Period. The Servicer Fee for any Payment Date will be an amount equal to the product of (1) one-twelfth, (2) 1.0 per cent. *per annum* and (3) the Aggregate Discounted Receivables Balance as of the first day of the preceding Monthly Period (or as of the Closing Date, in the case of the first Monthly Period). As additional compensation, the Servicer will be entitled to retain all late fees, fees for cheques with insufficient funds, other administrative fees and a final success fee. The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses except for auction, painting, repair or refurbishment expenses and similar expenses with respect to the Leased Vehicles. The Servicer will have no responsibility, however, to pay any credit losses with respect to the Purchased Lease Receivables.

### **Dismissal and Replacement of the Servicer**

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

### **Replacement of Issuer**

Subject to certain preconditions the Issuer is entitled to appoint another company (the "**New Issuer**") in place of itself as debtor for all obligations arising from and in connection with the Notes. For further information, see Condition 10 of the Notes.

### **Notices**

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

As long as the 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 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](http://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](http://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, Prescription**

The form and content of the Notes and all of the rights and privileges of the Noteholders, the Paying Agent, the Registrar and the Servicer under the Notes shall be subject in all respects to the laws of Germany. The provisions of articles 470-1 to 470-19 of the Luxembourg Companies Act relating to the noteholders' representations and the noteholder register are expressly excluded.

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

For any litigation in connection with the Conditions of the Notes, which will be initiated against the Issuer in a court of Germany, the Issuer has appointed Intertrust (Deutschland) GmbH, 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.

## SWAP AGREEMENTS AND SWAP COUNTERPARTY

### The Swap Counterparty

The Issuer will enter into a Class A Swap Agreement with DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main (the "**Class A Swap Counterparty**") and a Class B Swap Agreement with DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main (the "**Class B Swap Counterparty**") and together with the Class A Swap Counterparty, the "**Swap Counterparty**"). Each Swap Agreement will hedge the floating interest rate risk on the applicable Class of Notes. The Swap Counterparty will be any entity which is an Eligible Swap Counterparty.

DZ BANK ("**DZ BANK**" or "**DZ BANK AG**") is a company of the cooperative tradition. As central credit institution, it is responsible for the liquidity balancing for the affiliated cooperative banks and the institutions of the Volksbanken Raiffeisenbanken cooperative financial network.

DZ BANK may engage in all types of banking transactions that constitute the business of banking and in transactions complementary thereto, including the acquisition of equity investments. DZ BANK may also attain its objectives indirectly.

In exceptional cases DZ BANK may, for the purpose of furthering the cooperative system and the cooperative housing sector, deviate from ordinary banking practices in extending credit. In evaluating whether any extension of credit is justified, the liability of cooperative members may be taken into account to the extent appropriate.

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 around 800 cooperative banks and is one of Germany's largest financial services organisations measured in terms of total assets.

As a central institution, DZ BANK is strictly 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 - from the Issuer's point of view - a leading market position. In addition, DZ BANK is in its function as central bank for all cooperative banks in Germany responsible for the 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.

DZ BANK Group's business activities include the four strategic business units Retail Banking, Corporate Banking, Capital Markets and Transaction Banking.

The information in the preceding seven paragraphs has been provided by DZ BANK, for use in this Prospectus and DZ BANK is solely responsible for the accuracy of the preceding seven paragraphs. Except for the preceding seven paragraphs, DZ 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 Prospectus.

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

### The Swap Agreements

Under the Class A Swap Agreement the Issuer will undertake to pay to the Class A Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class A Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 0.38 per cent. *per annum* on the basis of 30/360. The Class A 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

Class A Notes, calculated on the basis of EURIBOR plus 0.70 per cent. *per annum* on the basis of the actual number of days elapsed in an Interest Period divided by 360, and subject to a floor of zero.

Under the Class B Swap Agreement the Issuer will undertake to pay to the Class B Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class B Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 0.5250 per cent. *per annum* on the basis of 30/360. The Class B 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 Class B Notes, calculated on the basis of EURIBOR plus 0.80 per cent. *per annum* on the basis of the actual number of days elapsed in an Interest Period divided by 360, and subject to a floor of zero.

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

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

- (1) failure to make a payment under the Swap Agreements when due, if such failure is not remedied within three Business Days of notice of such failure being given; or
- (2) the occurrence of certain bankruptcy and insolvency events.

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

- (1) illegality of the transactions contemplated by the Swap Agreements; or
- (2) an Enforcement Event under the Trust Agreement occurs or any Clean-Up Call or prepayment in full, but not in part, of the Notes occurs; or
- (3) 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 set forth in the Swap Agreement; or
  - (ii) obtains a guarantee from an institution with an acceptable rating; or
  - (iii) transfers its rights and obligations under the Swap Agreement to an Eligible Swap Counterparty.

Upon the occurrence of any event of default or termination event specified in a Swap Agreement, the non-defaulting party, an affected party or the party which is not the affected party (as the case may be, depending on the termination event) may, after a period of time set forth in the Swap Agreement, elect to terminate such Swap Agreement. If a Swap Agreement is terminated due to an event of default or a termination event, a Swap Termination Payment may be due to the Swap Counterparty by the Issuer out of its available funds. The amount of any such Swap Termination Payment may be based on the actual cost or market quotations of the cost of entering into a similar swap transaction or such other methods as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement. Any such Swap Termination Payment could, if market rates or other conditions have changed materially, be substantial. Under certain circumstances, Swap Termination Payments required to be made by the Issuer to a Swap Counterparty will rank higher in priority than all payments on the Notes. In such event, the Purchased



Lease 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 paid directly to such Swap Counterparty causing the event of default or termination event without regard to the Order of Priority as specified in the relevant Swap Agreement.

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

### **Governing law**

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

### **The Security Assignment Deed**

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

## TAXATION

The following information 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 of the Notes. It should be read in conjunction with the section entitled "RISK FACTORS". Potential investors of the Notes are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Notes and, therefore, to consult their professional tax advisors.

### Taxation in Germany

#### *Interest - Resident Noteholders*

A Noteholder, who is tax resident in Germany (i.e., persons whose residence, habitual abode, statutory seat, or effective place of management is located in Germany) and receives interest on the Notes, is subject to personal or corporate income tax (plus solidarity surcharge (*Solidaritätszuschlag*) thereon currently at a rate of 5.5 per cent. and church tax, in each case if applicable). The interest may also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Noteholder keeps the Notes in a custodial account with a German branch of a German or non-German financial institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) or with a securities trading business (*Wertpapierhandelsunternehmen*) or with a securities trading bank (*Wertpapierhandelsbank*), each within the meaning of the KWG, (the "**Institution**"), the interest is principally subject to a flat rate withholding tax at a rate of 25 per cent. (plus solidarity surcharge thereon currently at a rate of 5.5 per cent. (resulting in an aggregate tax burden of 26.375 per cent.) and plus church tax, if applicable). The flat rate withholding tax is to be withheld by the Institution which credits or pays out the interest to the Noteholder. Church tax is levied by way of withholding unless the Holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Tax Office (*Bundeszentralamt für Steuern*). With the flat rate withholding tax the income from capital investments of individual investors holding the Notes as a private asset is deemed discharged and the taxpayer is no longer required to include the income in his or her tax return. However, related expenses (*Werbungskosten*) are not deductible. Although, the German legislator has decided to (partly) abolish the solidarity surcharge as of 1 January 2021 for individuals with an income under a certain threshold, such abolition does not apply when the income from capital investments is subject to the previously described flat rate tax regime. For other tax resident investors holding the Notes as a business asset the withholding tax levied, if any, will be credited as prepayments against the German personal or corporate income tax (plus solidarity surcharge if applicable) of the tax resident investor. Amounts over withheld will entitle the Noteholder to a refund, based on an assessment to tax. Foreign withholding tax on interest income may be credited against German tax. The flat rate withholding tax would not apply, if the Noteholder is a German financial institution, financial services institution or an investment management company.

For individual resident Noteholders an annual exemption for investment income of EUR 801 for individual tax payers or EUR 1,602 for married tax payers who are assessed jointly may apply, principally, if their Notes do not form part of the property of a trade or business nor give rise to income from the letting and leasing of property. Therefore, Noteholders may be exempt from the flat rate withholding tax on interest, if (i) their interest income qualifies as investment income and (ii) if they filed a withholding exemption certificate (*Freistellungsauftrag*) with the Institution having the respective Notes in custody. However, the exemption applies only to the extent the interest income derived from the Notes together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat rate withholding tax will be levied if the Noteholder submits a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office to the German institution having the respective Notes in custody. Furthermore, if the flat tax rate exceeds the personal income tax rate of the individual resident Noteholder, the Noteholder may elect a personal assessment to apply his or her personal income tax rate.

Currently, discussions are underway aiming to (partly) abolish the current system of a final withholding tax (*Abgeltungsteuer*) for private investors receiving interest income. While it is not yet clear if and to what extent the aforementioned withholding tax rules will be amended, it is likely that any such amendment may lead to a higher tax burden of private investors whose individual tax rate exceeds 25%.

### *Capital Gains - Resident Noteholders*

A Noteholder who is tax resident in Germany and receives capital gains from the sale, transfer or redemption of the Notes is subject to personal or corporate income tax (plus solidarity surcharge (*Solidaritatzuschlag*) thereon currently at a rate of 5.5 per cent and plus church tax, in each case if applicable). The capital gains may also be subject to trade tax if the Notes form part of the property of a German trade or business. Apart from the annual lump-sum deduction (*Sparer-Pauschbetrag*) for investment income as explained above at "*Interest – Resident Noteholders*" Noteholders holding the Notes as private assets will generally not be entitled to deduct expenses incurred in connection with the investment in the Notes from their income. In addition, such Noteholders could not offset losses from the investment in the Notes against other type of income (e.g. employment income). Losses incurred on the disposition or redemption of the Notes may give rise to negative income as such generally recognizable. However, the German legislator has introduced new rules regarding the tax recognition of specific losses when the Notes are held by Noteholders as private assets, i.e. losses resulting from the total or partial uncollectibility of notes, from the write-off of worthless notes, from the transfer of worthless notes to a third party or from any other shortfall can only be offset with gains from other capital income up to the amount of EUR 20,000 p.a. Losses not offset can be carried forward to subsequent years and can be offset against gains from capital income in the amount of EUR 20,000 in each subsequent year.

If the Noteholder keeps the Notes acquired in a custodial account at an Institution, the gain from the sale or redemption of the Notes is principally subject to a flat rate withholding tax at a rate of 25 per cent. (plus solidarity surcharge thereon currently at a rate of 5.5 per cent and plus church tax, if applicable) levied by the Institution which credits or pays out the capital gain to the Noteholder. Church tax is generally levied by way of withholding unless the Holder has filed a blocking notice (*Sperrvermerk*) with the German Federal Tax Office (*Bundeszentralamt fur Steuern*). The flat rate withholding tax also applies to interest accrued through the date of the sale of the Notes and shown separately on the respective settlement statement (*Stuckzinsen*). In case of capital gains from the sale, transfer or redemption of Notes, withholding tax will be levied on an amount equal to the difference between the issue or purchase price of the Notes and the redemption amount or sales proceeds less any directly related expenses *provided that* the Noteholder has kept the Notes in a custodial account since the time of issuance or acquisition respectively or has proven the acquisition facts. Otherwise, withholding tax is generally applied to 30 per cent of the amounts paid in partial or final redemption of the Notes or the proceeds from the sale of the Notes. It is not entirely clear if and how the restricted loss compensation outlined in the preceding section is recognized for the withholding tax. However, the German fiscal authorities indicate that the loss compensation will only be provided in the course of the individual tax assessment, i.e. withholding tax will be applied without the aforementioned loss compensation and the individual private Noteholder will have to submit a tax return to have such losses recognized.

With the flat rate withholding tax the income from capital investments of individual investors holding the Notes as a private asset is deemed discharged and the taxpayer is no longer required to include the income in his tax return. If the Noteholder is a company then no withholding tax will be levied on capital gains from the sale, transfer or redemption of a Note provided that the Notes are held by an Institution under the name of the company. The same is true if the Notes are held as a business asset of a German business and the Noteholder declares this by way of an official form *vis-a-vis* the Institution. Other flat rate withholding tax exemptions are available as explained under "Interest" above.

### *Non-Resident Noteholders*

In principle, interest income deriving from Notes held by non-resident Noteholders is not regarded as taxable income in Germany unless such income qualifies as German source income because the Notes are held as business assets in a German permanent establishment or by a German-resident permanent representative of the Noteholder.

If the interest income deriving from the Notes qualifies as German source income and the Notes are held in custody with a German credit institution or a German financial services institution, the German flat rate withholding tax (including solidarity surcharge, if applicable) would principally apply. Flat rate withholding tax exemptions may be available as explained under "Interest" above.

Gains derived from the sale or redemption of the Notes by a non-resident Noteholder are subject to German personal or corporate income tax (plus solidarity surcharge thereon currently at a rate of 5.5 per cent, if applicable) only if the Notes form part of the business property of a permanent establishment maintained in

Germany by the Noteholder or are held by a permanent representative of the Noteholder (in which case such capital gains may also be subject to trade tax on income). Double tax treaties concluded by Germany generally permit Germany to tax the interest income in this situation.

If the Notes are held in custody with a German credit institution or a German financial services institution (including a German permanent establishment of a foreign credit institution), as disbursing agent (*inländische auszahlende Stelle*) for the individual Noteholder, the German Central Tax Office is obliged to provide information on interest received by non-resident individual Noteholders to the tax authorities at the state of residence of the respective Noteholder, *provided that* this Noteholder is resident of an EU-Member state or any other territory for which the provisions under the reporting systems are applicable.

#### *Gift or Inheritance Tax*

The gratuitous transfer of a Note by a Noteholder as a gift or by reason of the death of the Noteholder is subject to German gift or inheritance tax if the Noteholder or the recipient is resident or deemed to be resident in Germany under German law at the time of the transfer. If neither the Noteholder nor the recipient is resident, or deemed to be resident, in Germany at the time of the transfer no German gift or inheritance tax is levied unless the Notes form part of the business property for which a permanent establishment or fixed base is maintained in Germany by the Noteholder. Exceptions from this rule apply to certain German expatriates. Tax treaties concluded by Germany generally permit Germany to tax the transfer of a Note in this situation.

#### *Other Taxes*

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

### **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 as of the date of this 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 particular circumstances, 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 and as to their tax position.

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. Corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), net wealth tax (*impôt sur la fortune*) as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in 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. Investors may further be subject to other duties, levies or taxes.

#### **Withholding Tax**

Under tax law currently in effect and with the possible exception of interest paid to Luxembourg resident individual holders of 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.

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 9 (*Taxes*)".

(a) **Non-resident Noteholders**

Under general tax law 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**

Subject to the Luxembourg law of 23 December 2005, as amended (the "**Relibi Law**"), there is under general tax laws currently in force no withholding tax on payments of principal, premium or interest made to resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of Notes held by Luxembourg resident Noteholders.

Under 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 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 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 by the law of 13 February 2007 on specialized investment funds, as amended, or by the law of 23 July 2016 on reserved alternative investment funds not exclusively investing in risk capital are subject neither to income tax in respect of interest or similar income received, redemption premiums or issue discounts, under the Notes, nor 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 the Notes or income thereon are attributable, are subject to wealth tax on such Notes, except if the Noteholders are a family estate management company governed by and compliant with the law of 11 May 2007, as amended, or an undertaking for collective investment governed by and compliant with the law of 17 December 2010, as amended, or a securitization vehicle governed by and compliant with the law of 22 March 2004 on securitization, as amended, or a company governed by and compliant with the law of 15 June 2004 on venture capital vehicles, as amended, or a specialized investment fund governed by the law of 13 February 2007 on specialized investment funds, as amended, or a pension-saving company or a pension-saving association governed by and compliant with the law of 13 July 2005, as amended, or a reserved alternative investment fund governed by the law of 23 July 2016, as amended.

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 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 they hold 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 per cent. of their 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 taxation right, are not considered for the calculation of the 90 per cent. threshold. Notwithstanding the above mentioned exceptions regarding net wealth tax, the minimum net wealth tax also applies if the resident corporate Noteholders is a securitization company governed by and compliant with the law of 22 March 2004 on securitization, as amended, or an investment company in risk capital governed by and compliant with the law of 15 June 2004 on venture capital vehicles, as amended, or a pension-saving

company or a pension-saving association governed by and compliant with the law of 13 July 2005, as amended, or a reserved alternative investment fund investing exclusively in risk capital governed by and compliant with 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 holder of the Notes 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 Common Reporting Standard**

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard ("**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year.

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

The attention of prospective Noteholders is drawn to Condition 9 of the Notes (Taxes).

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.

## VERIFICATION BY PCS

This Transaction has been verified by Prime Collateralised Securities (PCS) EU ("**PCS**") as being compliant 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 STS Verification 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 French Autorité des Marchés Financiers, 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 19 to 22 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 ("**NCA**s"). 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 Purchased Lease Receivables under the Receivables Purchase Agreement

The Lease Receivables arise from fixed-term, level payment lease contracts between VWL and the Lessees for the lease of new, ex-demonstration and used cars and light commercial vehicles. When VWL leases vehicles to its customers, VWL confirms a corresponding lease contract to the customer, purchases the respective vehicles from a dealer or the manufacturer and pays the purchase price to that dealer or the manufacturer, respectively. Residual values of the vehicles at the end of the lease term are calculated by VWL and provided to the dealership for the different makes and models. However, subject to VWL's approval, a dealer may choose a residual value higher or lower than the residual value that is recommended by VWL within restricted limits set by VWL.

VWL obtains unrestricted ownership to the Leased Vehicles upon payment of the purchase price and delivery of the Leased Vehicles to the Lessees, which allows VWL to repossess the Leased Vehicles in the event of termination of a Lease Contract by VWL following certain collections procedures after non-payment by the Lessee. VWL will not select assets to be transferred to the Issuer with the aim of rendering losses on the assets transferred to the Issuer, measured over the life of the Transaction, higher than the losses over the same period on comparable assets held on the balance sheet of VWL.

The Purchased Lease Receivables consist of Lease Receivables originally purchased by VCL Master, acting for and on behalf of its Compartment 1 from VWL and on-transferred for security purposes to the VCL Master Security Trustee, for which VWL has been authorised (*ermächtigt*) by the VCL Master Security Trustee and by VCL Master, acting for and on behalf of its Compartment 1 to assign such Lease Receivables to the Issuer. Such authority is granted subject to the conditions precedent that VCL Master, acting for and on behalf of its Compartment 1 has received an amount of EUR 990,798,482.96, which is the sum of EUR 1,000,004,957.96 (equal to the sum of the Purchased Lease Receivables discounted by the Discount Rate (whereas discounting shall take place on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days), less (i) an amount of EUR 4,500,000 for overcollateralisation purposes (*zusätzliche Absicherung von Portfoliorisiken*), less (ii) an amount of EUR 12,000,000 for the endowment of the Cash Collateral Account, and plus (iii) EUR 7,293,525 being an amount equal to the amount of the issue price of the Class A Notes in excess of 100 per cent. (representing the Purchase Price for the Purchased Lease Receivables).

With respect to the Purchased Lease Receivables, VWL has transferred title for security purposes (*Sicherungseigentum*) to the related Leased Vehicles to VCL Master, acting for and on behalf of its Compartment 1, subject to the resolatory condition (*auflösende Bedingung*) of the occurrence of a Lease Contract Termination Event, thereby creating expectancy rights (*Eigentumsanwartschaftsrechte*) with respect to such Leased Vehicles in favour of VWL. VWL has then sold and transferred such expectancy rights to VCL Master Residual Value. VCL Master Residual Value has further transferred for security purposes such expectancy rights to the Expectancy Rights Trustee. Such expectancy rights shall not be affected by the transfer of the title for security purposes from the VCL Master Security Trustee to the Issuer under the Receivables Purchase Agreement and further from the Issuer to the Security Trustee under the Trust Agreement.

The majority of the Purchased Lease Receivables are receivables from Lease Contracts originated by Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge dealers as agents. The contracts generally contain VWL's leasing conditions for business vehicles or leasing conditions with private customers; the contracts with "large customers" have essentially these conditions (hereinafter collectively the "**Lease Contracts**") as used by VWL in accordance with its customary business practices as in place from time to time. They are non-full-payment Lease Contracts under which the Lessees amortise over the life of the contract the difference between the purchase price of the vehicle and its (calculated) value at the expiration of the contract. Other payments may also be agreed upon in these contracts. Payments under the contracts are due monthly. Approximately 99 per cent. of the Purchased Leased Vehicles are Volkswagen, Audi, SEAT, Skoda or Volkswagen Nutzfahrzeuge vehicles.

In accordance with common practice in Germany, the Lease Contracts provide for an assignment of VWL's warranty claims against the seller of the vehicle in lieu of claim a Lessee may have against VWL under statutory law. Hence, in case of a defect of the Leased Vehicle the Lessee would have to exercise warranty claims in his own name against the seller of the Leased Vehicle. If the Lessee terminates or rescinds from

the purchase contract for the Leased Vehicle, the seller of such Leased Vehicle would have to return the purchase price directly to VWL.

The Lease Contracts expressly exclude the right of the Lessee to acquire the Leased Vehicle. The lease agreements are entered into with commercial business customers and "retail" customers that include private individuals in each case up to the threshold of 0.5% of the Aggregate Discounted Receivables Balance per individual lessee. VWL originates leases under two forms of lease agreement, "closed-end" and "open-end" leases as described in more detail below.

The Purchased Lease Receivables include the monthly payments for the use of the Leased Vehicles with full recourse against the respective Lessee. The amounts payable in each month which have been acquired pursuant to the Receivables Purchase Agreement do not include claims to special payments or insurance premiums or VAT attributable to any payments for the use of the Leased Vehicles or claims arising from service components such as maintenance fees or fees for the excessive use of the Leased Vehicle.

The Purchased Lease Receivables include Lease Receivables originated under open end Lease Contracts (*Verträge mit Gebrauchtwagenabrechnung* – "**Open End Lease Contracts**") and closed end Lease Contracts (*Verträge ohne Gebrauchtwagenabrechnung* – "**Closed End Lease Contract**"). Open End Lease Contracts have no fixed residual values guaranteed by the dealers but the buy-back of the car is based on the state of the vehicle and the general state of the market on the date of the return of the Leased Vehicle to VWL. Therefore, upon the re-marketing of the car, the Lessee bears the risk of a loss and partly participates in a profit. Closed End Lease Contracts are based on fixed residual values based on the contractual mileage and term of the contract, both being guaranteed by the vehicle dealer in respect of a return of the car in compliance with the term of the contract at the end of the contract term arranging the conclusion of the respective Closed End Lease Contract and VWL. In case of under mileage or if the mileage is exceeded on the return of the car, the residual value will be adjusted by a mileage rate (*Mehr-/Minderkilometersatz*) which has been agreed at the conclusion of the contract. Under these Closed End Lease Contracts, the respective vehicle-dealer will buy the Leased Vehicle from VWL at an adjusted previously agreed upon repurchase price. The Lessee will get charged or will be refunded with the adjustment.

Under Closed End Lease Contracts, the risk of realisation of the residual value is borne entirely by the respective vehicle dealer. However vehicle dealers may have the option to transfer the residual value risk to Volkswagen Leasing GmbH. If vehicle dealers exercise such option, Volkswagen Leasing GmbH takes back the car from the relevant vehicle dealer at the end of the respective Lease Contract for a pre-agreed price and cares for remarketing.

#### **Warranties and Guarantees in relation to the Sale of the Purchased Lease Receivables**

VWL as Seller warrants and guarantees with respect to the Purchased Lease Receivables which are transferred under the authority granted by the VCL Master Security Trustee and VCL Master, acting for and on behalf of its Compartment 1 under the Receivables Purchase Agreement in the form of a separate guarantee undertaking pursuant to section 311(1) of the German Civil Code (*Bürgerliches Gesetzbuch*) that as of the Cut-off Date the following selection criteria have been fulfilled (for the avoidance of doubt when applying the selection criteria below the Purchased Lease Receivables have not been selected to the detriment of the investors):

- (a) that the Lease Contracts are legally valid and binding agreements;
- (b) that the Purchased Lease Receivables are denominated, payable in Euro and assignable;
- (c) that the Leased Vehicles under the Lease Contracts (i) are existing and (ii) are situated (*belegen*) in Germany based on the assumption that (ii) is fulfilled if the Lessee (*Leasingnehmer*) is resident in Germany;
- (d) that it may (subject to the provisions set out in clause 2.2 (*Purchase agreement concerning the Purchased Lease Receivables*) of the Receivables Purchase Agreement) dispose of the Purchased Lease Receivables free from rights of third parties;
- (e) that the Purchased Lease Receivables are free of defences, whether pre-emptory or otherwise (*Einwendungen oder Einreden*) for the agreed term of the Lease Contract as well as (subject to the

provisions set out in clause 2.2 (*Purchase agreement concerning the Purchased Lease Receivables*) of the Receivables Purchase Agreement) free from rights of third parties and that the Lessees in particular have no set-off claim;

- (f) that no Purchased Lease Receivable was overdue;
- (g) that the status and enforceability of the Purchased Lease Receivables is not impaired due to warranty claims or any other rights (including claims which may be set off) of the Lessee (even if the Issuer knew or could have known of the existence of such defences or rights on the Cut-Off Date);
- (h) that none of the Lessees is an Affiliate of Volkswagen AG, Familie Porsche Stuttgart and Familie Piech Salzburg Gruppe;
- (i) that (according to VWL's records) terminations of the Lease Contracts have not occurred and are not pending;
- (j) that the Lease Contracts shall be governed by the laws of Germany;
- (k) that the Lease Contracts have been entered into exclusively with Lessees which, if they are corporate entities have their registered office or, if they are individuals have their place of residence in Germany;
- (l) that on the Cut-Off Date at least two (2) lease instalments have been paid in respect of each of the Lease Contracts and that the Lease Contracts require substantially equal monthly payments to be made within 12-60 months of the date of origination of the Lease Contract;
- (m) that the total amount of Purchased Lease Receivables assigned hereunder resulting from Lease Contracts with one and the same Lessee will not exceed 0.5% of the Aggregate Discounted Receivables Balance in respect of any single Lessee as at the Cut-Off Date;
- (n) that the acquisition of the Leased Vehicles by VWL is financed in compliance with the requirements of section 108 (1), 2<sup>nd</sup> sentence of the German Insolvency Code (*Insolvenzordnung*);
- (o) the percentage of the Discounted Receivables Balance generated under the Lease Contracts for non-VW group (Volkswagen, Audi, SEAT, Skoda or Volkswagen Nutzfahrzeuge) vehicles will not exceed 5 % of the Aggregate Cut-Off Date Discounted Receivables Balance;
- (p) that, subject to the provisions set out in clause 2.2 (*Purchase agreement concerning the Purchased Lease Receivables*) of the Receivables Purchase Agreement, it may freely dispose of title to the Leased Vehicles and that no third-party's rights prevent such dispositions;
- (q) that (according to VWL's records) no insolvency proceedings according to the Applicable Insolvency Law have been initiated against any of the Lessees during the term of the Lease Contracts up to the last day of the month preceding the Closing Date;
- (r) that the Lease Receivables assigned do not represent a separately conducted business or business segment of VWL;
- (s) the Purchased Lease Receivables will not include Lease Receivables relating to:
  - (i) a Lessee who VWL considers as unlikely to pay its obligations to VWL and/or to a Lessee who is past due more than 90 days on any material credit obligation to VWL; or
  - (ii) a credit-impaired Lessee or guarantor who, on the basis of information obtained (i) from the Lessee of the relevant Lease Receivable, (ii) in the course of VWL's servicing of the Lease Receivables or VWL's risk management procedures, or (iii) from a third party,
    - (1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring

process with regard to his non-performing exposures within three years prior to the date of transfer of the Purchased Lease 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 VWL; or
  - (3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by VWL which are not securitised;
- (t) that the Purchased Lease Receivables have not been subject to forbearance amendments which had been agreed between VWL and the respective Lessee on basis of either (i) the German law on reduction of the consequences of the Corona Pandemic in the civil-, insolvency- and criminal procedure law (*Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht*) or (ii) a voluntary forbearance amendment VWL offered to the respective Lessee to limit the impact of the Corona Pandemic on the economic situation of such Lessee;
- (u) none of the Lessees has exercised its right of revocation, if any.

In the event of a breach of any of the warranties set forth above (or, in case of item (c), if the assumption set out therein proves wrong) at the Closing Date which materially and adversely affects the interests of the Issuer or the Noteholders, VWL shall have until the end of the Monthly Period which includes the 60<sup>th</sup> day (or, if VWL so elects, an earlier date) after the date that VWL became aware or was notified of such breach to cure or correct such breach. The Issuer's sole remedy will be to require VWL 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 time period provided above is not practicable, VWL may remedy such breach by the last day of the following Monthly Period; or
- (b) replace the relevant Purchased Lease Receivable by taking into account the warranties and guaranties set out in clauses 4.1 of the Receivables Purchase Agreement, with a Lease Receivable the present value of which shall be at least the Settlement Amount of such Purchased Lease Receivable as at the Monthly Period immediately preceding such replacement, provided that, if a remedy within the time period specified above is not practicable, VWL may replace such Purchased Lease Receivable by the last day of the following Monthly Period; or
- (c) repurchase the relevant Purchased Lease Receivable and all related Lease Collateral at a price equal to the Settlement Amount of such Purchased Lease Receivable as of the Monthly Period immediately preceding such repurchase *provided that*, if it is not practicable to repurchase such Purchased Lease Receivable within the time period provided above, VWL may repurchase such Purchased Lease Receivable on the Payment Date immediately following the last day of the following Monthly Period.

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

Each of the Issuer and the Security Trustee have agreed to notify VWL promptly upon becoming aware of any breach of representation or warranty set out above. This will not constitute an obligation of the Issuer and/or the Security Trustee to investigate whether any such breach has occurred.

The Purchased Lease Receivables acquired and transferred by assignment under any Receivables Purchase Agreement from VWL generally have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes, however, VWL does not warrant the solvency (credit standing) of the relevant Lessees.

## Description of the Lease Contracts, Lease Receivables, Leased Vehicles and Lessees as at the Cut-Off Date

The Portfolio information presented in this Prospectus is based on a pool as at the Cut-Off Date. Such Portfolio may evolve between the Cut-Off Date and the Closing Date.

### 1. Run Out Schedule

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

Reporting period	Principal	Interest	Instalment
arrears	0.00 €	0.00 €	0.00 €
01.11.2021	33,224,307.46 €	4,751,359.78 €	37,975,667.24 €
01.12.2021	33,370,527.45 €	4,593,499.79 €	37,964,027.24 €
01.01.2022	33,498,773.09 €	4,434,941.80 €	37,933,714.89 €
01.02.2022	33,542,527.03 €	4,275,779.66 €	37,818,306.69 €
01.03.2022	33,513,755.60 €	4,116,408.02 €	37,630,163.62 €
01.04.2022	33,460,933.54 €	3,957,169.93 €	37,418,103.47 €
01.05.2022	33,400,634.28 €	3,798,189.05 €	37,198,823.33 €
01.06.2022	33,373,389.37 €	3,639,488.84 €	37,012,878.21 €
01.07.2022	33,264,686.63 €	3,480,921.87 €	36,745,608.50 €
01.08.2022	33,233,372.50 €	3,322,870.95 €	36,556,243.45 €
01.09.2022	33,085,062.47 €	3,164,965.64 €	36,250,028.11 €
01.10.2022	32,875,611.40 €	3,007,769.18 €	35,883,380.58 €
01.11.2022	32,627,126.59 €	2,851,568.40 €	35,478,694.99 €
01.12.2022	32,391,313.63 €	2,696,546.19 €	35,087,859.82 €
01.01.2023	31,947,288.40 €	2,542,644.53 €	34,489,932.93 €
01.02.2023	31,413,055.65 €	2,390,852.25 €	33,803,907.90 €
01.03.2023	30,793,734.86 €	2,241,596.33 €	33,035,331.19 €
01.04.2023	30,005,181.36 €	2,095,286.42 €	32,100,467.78 €
01.05.2023	29,175,016.10 €	1,952,721.53 €	31,127,737.63 €
01.06.2023	28,268,284.28 €	1,814,100.20 €	30,082,384.48 €
01.07.2023	27,370,027.83 €	1,679,788.10 €	29,049,815.93 €
01.08.2023	26,795,622.23 €	1,549,742.83 €	28,345,365.06 €
01.09.2023	26,240,633.92 €	1,422,429.50 €	27,663,063.42 €
01.10.2023	25,686,291.36 €	1,297,752.56 €	26,984,043.92 €
01.11.2023	25,029,230.22 €	1,175,707.67 €	26,204,937.89 €
01.12.2023	24,392,469.11 €	1,056,784.30 €	25,449,253.41 €
01.01.2024	23,456,551.83 €	940,886.18 €	24,397,438.01 €
01.02.2024	22,363,919.25 €	829,438.07 €	23,193,357.32 €
01.03.2024	21,058,809.02 €	723,179.09 €	21,781,988.11 €
01.04.2024	18,477,681.07 €	623,121.10 €	19,100,802.17 €
01.05.2024	15,732,303.25 €	535,328.95 €	16,267,632.20 €
01.06.2024	12,872,568.92 €	460,578.71 €	13,333,147.63 €
Reporting period	Principal	Interest	Instalment

01.07.2024	10,141,831.27 €	399,417.46 €	10,541,248.73 €
01.08.2024	8,465,032.85 €	351,230.67 €	8,816,263.52 €
01.09.2024	8,206,608.57 €	311,010.03 €	8,517,618.60 €
01.10.2024	7,937,236.94 €	272,016.65 €	8,209,253.59 €
01.11.2024	7,599,417.10 €	234,306.05 €	7,833,723.15 €
01.12.2024	7,268,699.74 €	198,197.48 €	7,466,897.22 €
01.01.2025	6,855,419.98 €	163,662.12 €	7,019,082.10 €
01.02.2025	6,413,782.77 €	131,089.42 €	6,544,872.19 €
01.03.2025	5,864,516.26 €	100,614.73 €	5,965,130.99 €
01.04.2025	4,755,599.95 €	72,750.57 €	4,828,350.52 €
01.05.2025	3,612,632.44 €	50,155.37 €	3,662,787.81 €
01.06.2025	2,351,566.37 €	32,990.52 €	2,384,556.89 €
01.07.2025	1,219,566.28 €	21,817.94 €	1,241,384.22 €
01.08.2025	457,952.84 €	16,023.36 €	473,976.20 €
01.09.2025	432,373.68 €	13,847.22 €	446,220.90 €
01.10.2025	404,562.63 €	11,793.07 €	416,355.70 €
01.11.2025	379,255.55 €	9,870.63 €	389,126.18 €
01.12.2025	357,986.82 €	8,068.98 €	366,055.80 €
01.01.2026	325,919.31 €	6,367.93 €	332,287.24 €
01.02.2026	293,096.95 €	4,819.50 €	297,916.45 €
01.03.2026	256,440.00 €	3,426.66 €	259,866.66 €
01.04.2026	197,959.46 €	2,208.28 €	200,167.74 €
01.05.2026	148,062.59 €	1,267.78 €	149,330.37 €
01.06.2026	91,334.69 €	564.22 €	91,898.91 €
01.07.2026	27,413.22 €	130.25 €	27,543.47 €
<b>Total</b>	<b>1,000,004,957.96 €</b>	<b>79,841,064.31 €</b>	<b>1,079,846,022.27 €</b>



2. **Distribution by payment type**

	Total portfolio			
Distribution by payment type	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
Direct borrower account debit	120,023	99.04%	991,170,198.59 €	99.12%
Others	1,166	0.96%	8,834,759.37 €	0.88%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

3. **Distribution by contract concentration**

	Total portfolio			
Distribution by contract concentration	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
1	86,960	67.84%	688,991,077.52 €	64.67%
2 - 10	32,830	25.61%	304,188,372.86 €	28.55%
11 - 20	4,153	3.24%	38,564,649.78 €	3.62%
21 - 50	3,042	2.37%	25,924,329.40 €	2.43%
> 50	1,201	0.94%	7,694,607.65 €	0.72%
<b>Total</b>	<b>128,186</b>	<b>100.00%</b>	<b>1,065,363,037.21 €</b>	<b>100.00%</b>

4. **Distribution by customer concentration: Top 20 Lessees**

	Total portfolio			
Distribution by largest lessee	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
1	380	0.30%	2,417,301.40 €	0.23%
2	78	0.06%	855,854.30 €	0.08%
3	68	0.05%	730,722.29 €	0.07%
4	65	0.05%	695,525.16 €	0.07%
5	70	0.05%	658,148.47 €	0.06%
6	163	0.13%	566,256.41 €	0.05%
7	33	0.03%	552,367.33 €	0.05%
8	45	0.04%	477,096.27 €	0.04%
9	33	0.03%	475,072.49 €	0.04%
10	57	0.04%	474,057.08 €	0.04%
11	48	0.04%	459,189.96 €	0.04%
12	53	0.04%	447,589.29 €	0.04%
13	41	0.03%	417,575.01 €	0.04%
14	45	0.04%	404,853.01 €	0.04%

15	42	0.03%	404,521.20 €	0.04%
16	41	0.03%	395,632.94 €	0.04%
17	42	0.03%	395,344.61 €	0.04%
18	28	0.02%	385,335.69 €	0.04%
19	40	0.03%	369,372.94 €	0.03%
20	23	0.02%	356,480.51 €	0.03%
<b>Total 1 - 20</b>	<b>1,395</b>	<b>1.09%</b>	<b>11,938,296.36 €</b>	<b>1.12%</b>

<b>Statistics</b>	
Total number of lessees	98,298

5. **Distribution by outstanding discounted balance**

	<b>Total portfolio</b>			
<b>Distribution by outstanding discounted balance</b>	<b>Number of contracts</b>	<b>Percentage of contracts</b>	<b>Outstanding discounted balance</b>	<b>Percentage of outstanding discounted balance</b>
0,00 - 5.000,00	41,103	33.92%	125,435,409.23 €	12.54%
5.000,01 - 10.000,00	42,970	35.46%	317,441,367.78 €	31.74%
10.000,01 - 15.000,00	24,564	20.27%	297,679,681.26 €	29.77%
15.000,01 - 20.000,00	7,897	6.52%	134,429,888.89 €	13.44%
20.000,01 - 25.000,00	2,592	2.14%	57,339,550.74 €	5.73%
25.000,01 - 30.000,00	1,082	0.89%	29,444,658.46 €	2.94%
> 30.000,00	981	0.81%	38,234,401.60 €	3.82%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

<b>Statistics</b>	
Minimum outstanding discounted balance	1,000.01 €
Maximum outstanding discounted balance	185,768.75 €
Average outstanding discounted balance	8,251.61 €

6. **Distribution by outstanding nominal balance**

	<b>Total portfolio</b>			
<b>Distribution by outstanding nominal balance</b>	<b>Number of contracts</b>	<b>Percentage of contracts</b>	<b>Outstanding discounted balance</b>	<b>Percentage of outstanding discounted balance</b>
0,00 - 5.000,00	37,968	31.33%	110,317,978.64 €	11.03%
5.000,01 - 10.000,00	40,502	33.42%	278,725,171.69 €	27.87%
10.000,01 - 15.000,00	26,324	21.72%	296,341,954.21 €	29.63%
15.000,01 - 20.000,00	10,091	8.33%	158,089,069.82 €	15.81%
20.000,01 - 25.000,00	3,468	2.86%	70,420,412.25 €	7.04%
25.000,01 - 30.000,00	1,409	1.16%	35,115,410.59 €	3.51%
> 30.000,00	1,427	1.18%	50,994,960.76 €	5.10%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

<b>Statistics</b>	
Minimum outstanding nominal balance	1,006.00 €
Maximum outstanding nominal balance	212,016.00 €
Average outstanding nominal balance	8,910.43 €

## 7. Distribution by remaining contract term

Total portfolio				
Distribution by remaining term	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
00-12	6,665	5.50%	18,957,850.38 €	1.90%
13-24	33,645	27.76%	166,348,724.61 €	16.63%
25-36	53,900	44.48%	514,365,558.50 €	51.44%
37-48	25,791	21.28%	282,012,084.71 €	28.20%
49-60	1,188	0.98%	18,320,739.76 €	1.83%
61-72	0	0.00%	0.00 €	0.00%
>72	0	0.00%	0.00 €	0.00%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

### Statistics

Minimum Remaining Term	1
Maximum Remaining Term	57
Weighted Average Remaining Term	31.75

## 8. Distribution by seasoning

Total portfolio				
Distribution by seasoning	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
00-12	97,154	80.17%	857,929,864.81 €	85.79%
13-24	19,195	15.84%	123,077,386.09 €	12.31%
25-36	4,666	3.85%	18,489,626.13 €	1.85%
37-48	173	0.14%	506,047.75 €	0.05%
49-60	1	0.00%	2,033.18 €	0.00%
61-72	0	0.00%	0.00 €	0.00%
>72	0	0.00%	0.00 €	0.00%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

### Statistics

Minimum seasoning	2
Maximum seasoning	53
Weighted average seasoning	7.91

## 9. Total Number of Instalments

Distribution by total number of instalments	Total portfolio			
	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
00-12	577	0.48%	1,592,359.43 €	0.16%
13-24	20,846	17.20%	76,462,936.81 €	7.65%
25-36	62,856	51.87%	545,924,357.47 €	54.59%
37-48	34,777	28.70%	348,468,238.76 €	34.85%
49-60	2,133	1.76%	27,557,065.49 €	2.76%
61-72	0	0.00%	0.00 €	0.00%
>72	0	0.00%	0.00 €	0.00%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

### Statistics

Minimum original term				12
Maximum original term				60
Weighted average original term				39.66

## 10. Distribution by vehicle brand

Distribution by vehicle brand	Total portfolio			
	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
VW	52,382	43.22%	357,005,436.56 €	35.70%
VW LCV	9,161	7.56%	107,507,905.37 €	10.75%
Audi	26,243	21.65%	303,657,484.65 €	30.37%
Seat	15,674	12.93%	90,926,661.94 €	9.09%
Skoda	17,137	14.14%	137,126,719.28 €	13.71%
Other brands	592	0.49%	3,780,750.16 €	0.38%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

11. Distribution by geographic region

Distribution by geographic region	Total portfolio			
	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
Baden-Wuerttemberg	18,559	15.31%	150,703,134.84 €	15.07%
Bavaria	20,799	17.16%	173,988,415.88 €	17.40%
Berlin	3,135	2.59%	25,773,092.19 €	2.58%
Brandenburg	2,387	1.97%	21,937,399.24 €	2.19%
Bremen	882	0.73%	7,863,520.29 €	0.79%
Hamburg	2,576	2.13%	22,273,126.06 €	2.23%
Hesse	9,818	8.10%	80,369,396.49 €	8.04%
Lower Saxony	11,480	9.47%	93,105,146.66 €	9.31%
Mecklenburg-Vorpommern	1,514	1.25%	14,190,493.43 €	1.42%
North Rhine-Westphalia	28,669	23.66%	227,482,147.81 €	22.75%
Rhineland-Palatinate	5,234	4.32%	42,920,891.42 €	4.29%
Saarland	1,159	0.96%	9,127,764.36 €	0.91%
Saxony	5,549	4.58%	48,662,652.12 €	4.87%
Saxony-Anhalt	2,595	2.14%	22,982,457.60 €	2.30%
Schleswig-Holstein	3,424	2.83%	28,510,715.86 €	2.85%
Thuringia	3,409	2.81%	30,114,603.71 €	3.01%
Foreign countries (*)	0	0.00%	0.00 €	0.00%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

12. **Distribution by industry sector**

Distribution by industry sector	Total portfolio			
	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of discounted balance
Agriculture/ Forestry	693	0.57%	6,352,143.69 €	0.64%
Energy/ Mining	1,404	1.16%	11,662,282.52 €	1.17%
Manufacturing industry	15,423	12.73%	150,202,614.78 €	15.02%
Chemical industry	1,000	0.83%	9,453,343.94 €	0.95%
Construction	10,145	8.37%	102,588,740.15 €	10.26%
Retail/ Wholesale	16,257	13.41%	140,627,414.21 €	14.06%
Hotel and restaurant industry	1,893	1.56%	16,177,876.17 €	1.62%
Transportation	3,095	2.55%	24,837,049.68 €	2.48%
Financial services	8,679	7.16%	56,721,177.26 €	5.67%
Public administration, education, health care, public serv.	29,222	24.11%	207,642,437.57 €	20.76%
Other services	15,839	13.07%	146,100,061.98 €	14.61%
Information technology	5,511	4.55%	50,877,394.39 €	5.09%
Real estate	3,123	2.58%	28,211,271.65 €	2.82%
Others	8,905	7.35%	48,551,149.97 €	4.86%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

(\*) Customers who changed their residence after Cut-Off-Date

13. Distribution by vehicle brands and models

Distribution by vehicle brands and models	Model	Total portfolio			
		Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
VW	ARTEON	1,190	0.98%	12,134,332.26 €	1.21%
	BEETLE	1	0.00%	1,764.78 €	0.00%
	E-UP!	1,634	1.35%	4,950,101.27 €	0.50%
	GOLF	14,776	12.19%	75,547,123.40 €	7.55%
	I.D.3	3,509	2.90%	27,859,160.29 €	2.79%
	I.D.4	1,729	1.43%	15,981,546.03 €	1.60%
	PASSAT	7,085	5.85%	58,369,994.13 €	5.84%
	POLO	3,909	3.23%	17,768,420.15 €	1.78%
	SCIROCCO	1	0.00%	2,329.31 €	0.00%
	SHARAN	203	0.17%	2,180,518.56 €	0.22%
	T-CROSS	1,151	0.95%	7,180,205.75 €	0.72%
	T-ROC	4,188	3.46%	30,345,786.91 €	3.03%
	TIGUAN	7,948	6.56%	67,244,519.83 €	6.72%
	TOUAREG	1,068	0.88%	16,544,565.75 €	1.65%
	TOURAN	1,174	0.97%	10,999,468.49 €	1.10%
	UP!	2,816	2.32%	9,895,599.65 €	0.99%
<b>Sub-Total VW</b>		<b>52,382</b>	<b>43.22%</b>	<b>357,005,436.56 €</b>	<b>35.70%</b>
VW LCV	AMAROK	119	0.10%	1,630,157.82 €	0.16%
	CADDY	2,967	2.45%	25,571,883.20 €	2.56%
	CRAFTER	1,858	1.53%	23,990,163.74 €	2.40%
	ECRAFTER	33	0.03%	215,839.98 €	0.02%
	T4	3	0.00%	53,004.94 €	0.01%
	T6	428	0.35%	3,133,418.65 €	0.31%
	T6.1	3,753	3.10%	52,913,437.04 €	5.29%
<b>Sub-Total VW LCV</b>		<b>9,161</b>	<b>7.56%</b>	<b>107,507,905.37 €</b>	<b>10.75%</b>
Audi	A1	862	0.71%	5,226,506.69 €	0.52%
	A3	4,520	3.73%	31,787,095.87 €	3.18%
	A4	4,354	3.59%	39,798,647.35 €	3.98%
	A5	1,543	1.27%	18,780,986.30 €	1.88%
	A6	4,347	3.59%	59,347,151.68 €	5.93%
	A7	308	0.25%	5,545,765.35 €	0.55%
	A8	176	0.15%	3,415,477.38 €	0.34%
	E-TRON	1,429	1.18%	19,420,211.60 €	1.94%
	Q2	1,110	0.92%	8,109,589.49 €	0.81%
	Q3	2,695	2.22%	28,930,558.30 €	2.89%
	Q4	106	0.09%	1,299,296.35 €	0.13%
	Q5	2,770	2.29%	37,931,914.60 €	3.79%
	Q7	890	0.73%	18,764,313.49 €	1.88%



	Q8	807	0.67%	20,378,451.28 €	2.04%
	R8	50	0.04%	1,546,513.94 €	0.15%
	TT	276	0.23%	3,375,004.98 €	0.34%
<b>Sub-Total Audi</b>		<b>26,243</b>	<b>21.65%</b>	<b>303,657,484.65 €</b>	<b>30.37%</b>
Seat	ALHAMBRA	372	0.31%	3,322,674.77 €	0.33%
	ARONA	1,718	1.42%	7,339,587.11 €	0.73%
	ATECA	2,603	2.15%	17,025,988.28 €	1.70%
	FORMENTOR	2,775	2.29%	18,709,228.63 €	1.87%
	IBIZA	1,808	1.49%	7,164,770.35 €	0.72%
	LEON	4,688	3.87%	24,524,508.10 €	2.45%
	MII	31	0.03%	58,778.45 €	0.01%
	MII ELECTRIC	504	0.42%	1,366,197.41 €	0.14%
	TARRACO	1,175	0.97%	11,414,928.84 €	1.14%
<b>Sub-Total Seat</b>		<b>15,674</b>	<b>12.93%</b>	<b>90,926,661.94 €</b>	<b>9.09%</b>
Skoda	CITIGO	41	0.03%	75,712.88 €	0.01%
	CITIGOE	386	0.32%	1,182,596.23 €	0.12%
	ENYAQ IV	1,118	0.92%	11,982,543.45 €	1.20%
	FABIA	1,293	1.07%	5,718,461.55 €	0.57%
	KAMIQ	1,305	1.08%	7,496,404.51 €	0.75%
	KAROQ	1,838	1.52%	14,088,562.90 €	1.41%
	KODIAQ	2,346	1.94%	24,487,677.62 €	2.45%
	OCTAVIA	6,018	4.97%	47,207,391.88 €	4.72%
	RAPID	7	0.01%	18,975.98 €	0.00%
	SCALA	639	0.53%	3,792,878.96 €	0.38%
	SUPERB	2,146	1.77%	21,075,513.32 €	2.11%
<b>Sub-Total Skoda</b>		<b>17,137</b>	<b>14.14%</b>	<b>137,126,719.28 €</b>	<b>13.71%</b>
<b>Other brands</b>		<b>592</b>	<b>0.49%</b>	<b>3,780,750.16 €</b>	<b>0.38%</b>
<b>Total</b>		<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

14. **Distribution by contract type (Open End Lease Contracts (Verträge mit Gebrauchtwagenabrechnung) - versus Closed End Lease Contracts (Verträge ohne Gebrauchtwagenabrechnung))**

Total portfolio				
Distribution by contract type	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
Closed end contract	121,101	99.93%	999,189,420.55 €	99.92%
Open end lease contract	88	0.07%	815,537.41 €	0.08%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

15. **Distribution by type of vehicles**

Total portfolio				
Distribution by type of vehicles	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
New vehicles	108,232	89.31%	915,109,810.10 €	91.51%
Used vehicles	10,005	8.26%	57,630,927.30 €	5.76%
Demonstration vehicles	2,952	2.44%	27,264,220.56 €	2.73%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

16. **Distribution by customer type**

Total portfolio				
Distribution by customer type* (by definition Basel II)	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
Retail	104,162	85.95%	840,622,634.80 €	84.06%
Corporate	17,027	14.05%	159,382,323.16 €	15.94%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

17. **Distribution by business segment**

Total portfolio				
Distribution by business segment	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
Private	38,161	31.49%	€233,392,678.39	23.34%
Commercial	83,028	68.51%	€766,612,279.57	76.66%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>€1,000,004,957.96</b>	<b>100.00%</b>

18. **Distribution by motor type**

Distribution by motor type	Total portfolio			
	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of outstanding discounted balance
Diesel	44,317	36.57%	450,471,164.53 €	45.05%
Petrol	45,014	37.14%	299,111,559.79 €	29.91%
Electric	11,123	9.18%	86,464,345.95 €	8.65%
Hybrid	20,003	16.51%	160,775,599.57 €	16.08%
Gas	705	0.58%	2,882,531.67 €	0.29%
Others	27	0.02%	299,756.45 €	0.03%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

19. **Service Components**

Leases	Total portfolio			
	Number of contracts	Percentage of contracts	Outstanding Discounted Balance	Percentage of outstanding discounted balance
With additional services	84,075	69.38%	728,168,256.78 €	72.82%
Without additional services	37,114	30.62%	271,836,701.18 €	27.18%
<b>Total</b>	<b>121,189</b>	<b>100.00%</b>	<b>1,000,004,957.96 €</b>	<b>100.00%</b>

Leases	Outstanding Nominal Installments of Services in Period: 10.2021	Percentage
Payment in respect of services	4,145,052.52 €	9.84%
Payment in respect of Lease Installment	37,975,667.24 €	90.16%
<b>Total instalments</b>	<b>42,120,719.76 €</b>	<b>100.00%</b>

20. **Retention according to Article 6 of the Securitisation Regulation**

Type of asset	Number of contracts	Percentage of contracts	Outstanding discounted balance	Percentage of nominal balance
Portfolio sold to SPV	121,189	94.60%	1,000,004,957.96 €	94.70%
Retention of VW Leasing	6,913	5.40%	55,973,514.43 €	5.30%
<b>Total</b>	<b>128,102</b>	<b>100.00%</b>	<b>1,055,978,472.39 €</b>	<b>100.00%</b>

Retention amounts		
Minimum retention	52,631,839.89 €	5.00%
Actual retention	55,973,514.43 €	5.30%

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

**HISTORICAL PERFORMANCE DATA**

**Portfolio Delinquencies**

The following data indicates, for the German auto leasing portfolio of VWL (originated under Closed End Lease Contracts and Open End Lease Contracts), and for a given month the outstanding balance of the receivables which are current, 1-30 days in arrears, 31-60 days in arrears, 61-90 days in arrears, more than 90 days in arrears and more than 180 days in arrears, expressed as a percentage of the total outstanding balance of the auto leasing portfolio at the beginning of such period.

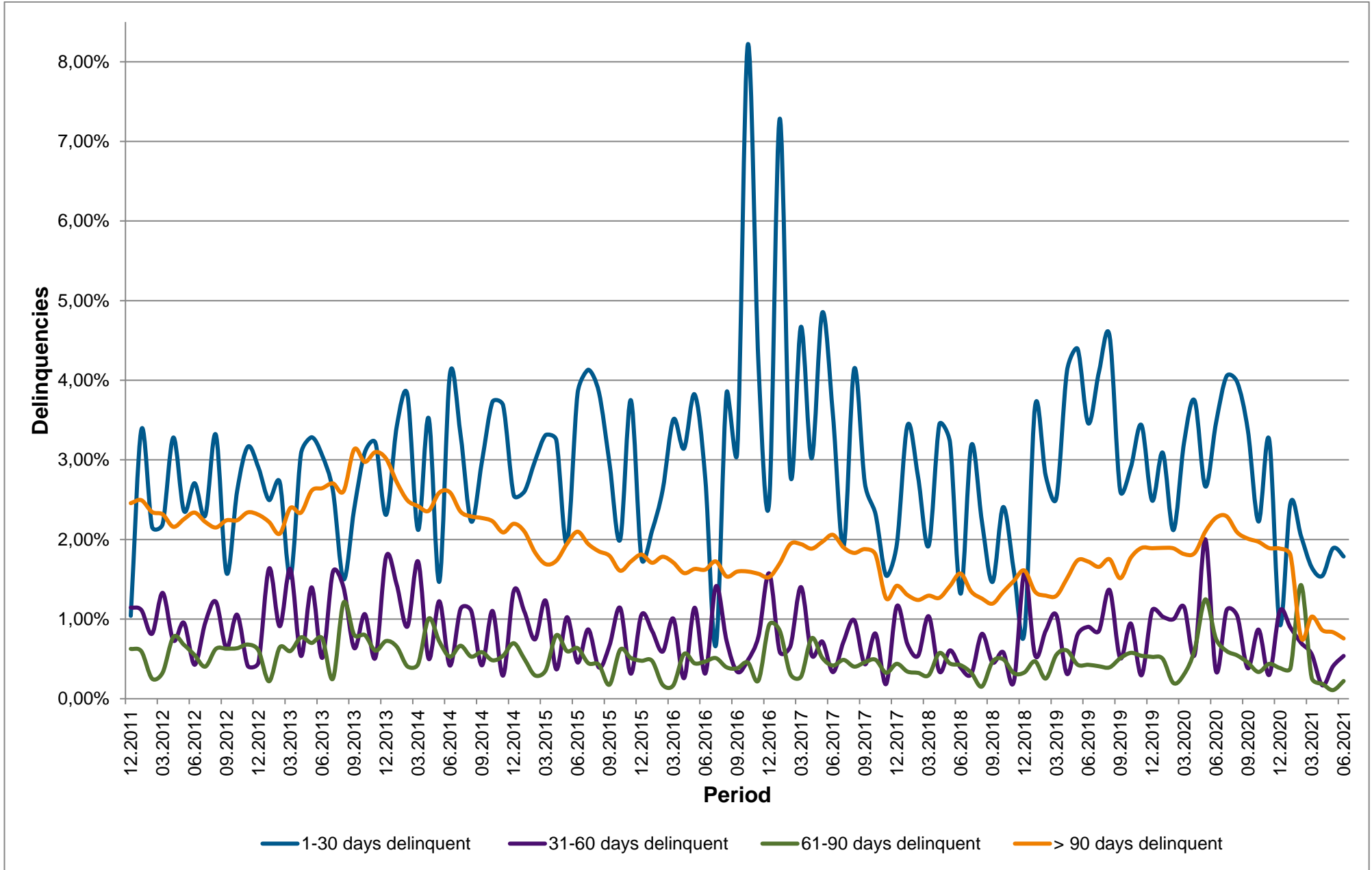
**Arrear status credit portfolio VWL Germany in per cent. of receivables volume**

**Total Portfolio**

Period	Not delinquent	1-30 days delinquent	31-60 days delinquent	61-90 days delinquent	91-120 days delinquent	121-150 days delinquent	151-180 days delinquent	>180 days delinquent	> 90 days delinquent	TOTAL
31.01.2010	12,419,272,821.21	133,150,015.29	163,977,330.62	66,318,940.38	49,902,405.10	47,486,130.26	35,007,477.39	337,087,750.45	469,483,763.20	13,252,202,870.70
28.02.2010	12,295,502,453.38	184,686,201.86	126,943,474.80	81,272,408.03	47,778,660.79	18,165,332.26	58,074,263.02	354,631,367.45	478,649,623.52	13,167,054,161.59
31.03.2010	12,433,145,855.76	105,780,970.72	164,154,843.08	74,411,380.78	21,166,909.43	40,775,685.05	33,847,551.47	334,951,879.63	430,742,025.58	13,208,235,075.92
30.04.2010	12,395,533,118.14	172,646,049.44	36,379,253.93	103,054,737.74	71,528,982.60	50,935,283.39	34,071,705.44	345,721,050.01	502,257,021.44	13,209,870,180.69
31.05.2010	12,443,043,135.29	115,266,285.17	120,944,435.12	84,341,277.34	86,091,936.03	29,523,897.14	50,744,209.45	361,574,936.17	527,934,978.79	13,291,530,111.71
30.06.2010	12,446,905,043.60	220,822,315.52	45,465,453.46	81,690,237.33	62,828,889.46	58,777,420.97	23,116,549.89	344,048,913.25	488,771,773.57	13,283,654,823.48
31.07.2010	12,531,805,959.04	105,923,104.81	102,439,943.54	73,327,669.39	59,787,302.38	53,984,929.80	29,604,693.41	357,660,151.49	501,037,077.08	13,314,533,753.86
31.08.2010	12,494,956,984.10	133,831,012.77	117,411,737.82	69,637,581.96	86,605,915.25	42,860,142.24	41,615,794.55	344,795,748.17	515,877,600.21	13,331,714,916.86
30.09.2010	12,526,646,744.07	183,215,658.72	62,946,933.62	81,999,606.52	51,040,429.60	42,942,907.02	38,371,831.93	360,521,748.94	492,876,917.49	13,347,685,860.42
31.10.2010	12,471,196,304.53	207,712,382.27	146,119,728.51	112,001,039.59	60,865,355.72	39,486,713.67	34,895,814.97	291,176,524.92	426,424,409.28	13,363,453,864.18
30.11.2010	12,578,235,178.66	189,183,008.25	38,168,631.75	86,048,610.40	85,162,565.35	49,939,886.82	37,423,271.37	354,353,400.12	526,879,123.66	13,418,514,552.72
31.12.2010	12,559,357,362.67	119,377,868.38	141,325,549.26	79,013,744.68	66,832,404.87	69,261,873.32	41,653,029.50	345,534,930.78	523,282,238.47	13,422,356,763.46
31.01.2011	12,567,529,347.13	126,258,851.91	154,068,645.14	109,962,065.82	54,816,615.18	52,444,747.16	51,587,536.97	358,764,510.25	517,613,409.56	13,475,432,319.56
28.02.2011	4,907,328,775.09	95,300,504.41	56,971,082.88	47,609,578.58	22,349,688.37	7,289,529.87	19,951,094.53	152,457,172.76	202,047,485.53	5,309,257,426.49
31.03.2011	5,039,715,401.67	119,238,496.44	30,136,501.18	23,541,087.56	8,030,428.50	16,924,632.91	12,195,611.38	134,902,854.65	172,053,527.44	5,384,685,014.29
30.04.2011	5,016,373,186.09	151,751,890.36	57,414,864.30	21,763,518.15	18,349,045.13	6,778,518.85	13,859,588.70	194,043,019.50	233,030,172.18	5,480,333,631.08
31.05.2011	5,202,012,645.72	87,312,149.88	42,298,239.32	50,118,688.01	14,087,781.97	5,645,293.73	11,246,254.80	115,730,376.76	146,709,707.26	5,528,451,430.19
30.06.2011	5,156,368,710.58	152,924,647.39	35,306,397.63	35,895,909.26	46,748,340.24	12,690,110.09	6,243,214.43	124,789,950.73	190,471,615.49	5,570,967,361.35
31.07.2011	5,290,295,254.60	128,617,658.78	48,126,193.71	33,806,235.86	19,805,703.37	29,036,391.33	2,364,095.94	100,853,318.32	152,059,508.96	5,652,904,851.91
31.08.2011	5,413,267,981.06	84,845,622.84	54,482,970.58	21,779,130.64	22,872,804.11	14,147,717.54	23,841,022.53	85,990,275.69	146,851,819.87	5,721,227,524.99
30.09.2011	5,405,825,681.36	164,762,986.03	29,310,544.83	34,692,989.65	16,102,649.62	15,934,059.38	12,190,692.28	103,748,055.60	147,975,458.88	5,782,158,943.05
31.10.2011	5,507,861,107.75	97,616,141.56	66,997,938.18	33,853,692.13	23,302,863.32	11,715,900.89	13,135,249.03	92,741,156.60	140,895,169.84	5,847,224,049.46
30.11.2011	5,572,093,659.77	132,967,242.71	25,752,032.61	38,879,904.33	24,194,796.81	16,317,018.64	8,784,403.60	90,592,908.64	139,889,127.69	5,909,581,967.11
31.12.2011	5,616,773,562.38	61,726,860.65	67,906,885.61	37,120,085.24	27,410,730.24	18,271,095.42	11,612,368.08	88,337,355.43	145,631,549.17	5,929,158,943.05
31.01.2012	5,531,214,564.55	202,317,116.23	66,600,877.93	35,580,230.48	24,856,803.04	24,440,859.58	14,274,384.89	85,630,662.98	149,202,710.49	5,984,915,499.68
29.02.2012	5,653,768,162.64	129,255,480.93	48,839,394.15	15,098,840.55	23,358,639.90	17,423,669.76	14,264,850.18	85,406,843.34	140,454,003.18	5,987,415,881.45
31.03.2012	5,658,611,298.96	132,332,236.65	80,177,075.30	19,815,403.86	23,120,661.94	16,906,132.41	13,208,228.73	86,404,596.15	139,639,619.23	6,030,575,634.00
30.04.2012	5,651,791,730.63	199,261,359.49	44,512,671.76	47,014,714.07	13,543,975.94	17,826,010.70	12,682,147.03	87,110,821.56	131,162,955.23	6,073,743,431.18
31.05.2012	5,769,305,202.33	145,169,505.18	58,641,313.74	41,634,988.33	20,694,839.32	20,086,712.88	13,383,345.20	84,640,355.20	138,805,252.60	6,153,556,262.18
30.06.2012	5,818,176,913.16	167,590,719.96	26,387,900.98	33,925,998.79	31,529,241.38	14,941,657.07	15,225,616.89	83,027,655.46	144,724,170.80	6,190,805,703.69
31.07.2012	5,925,232,943.07	144,819,236.63	60,040,704.53	25,384,422.25	21,466,195.58	20,864,557.65	11,444,233.93	86,030,953.26	139,805,940.42	6,295,283,246.90
31.08.2012	5,863,602,124.58	209,711,766.57	77,036,653.28	39,585,297.51	16,797,125.97	17,012,353.17	17,048,326.30	85,185,050.63	136,042,856.07	6,325,978,698.01
30.09.2012	5,980,225,193.08	99,452,541.23	39,998,526.90	39,565,866.41	27,523,587.43	12,261,688.17	13,587,992.94	87,804,303.42	141,177,571.96	6,300,419,699.58
31.10.2012	5,909,967,913.94	165,078,808.18	66,713,734.78	40,101,373.01	26,174,055.21	17,848,380.46	9,389,723.76	88,334,368.08	141,746,527.51	6,323,608,357.42
30.11.2012	5,918,328,267.60	200,537,547.92	26,086,196.48	43,119,631.27	27,504,916.66	20,383,447.83	14,950,395.52	85,473,773.16	148,312,533.17	6,336,384,176.40
31.12.2012	5,908,365,292.42	183,022,333.67	28,726,116.84	38,271,266.76	27,663,930.06	16,589,276.88	15,184,512.75	86,233,678.89	145,671,198.56	6,304,056,208.25
31.01.2013	5,887,819,761.61	157,254,843.91	103,067,720.51	13,807,985.69	23,033,224.99	18,520,364.55	12,295,713.82	86,041,713.43	139,891,016.79	6,301,841,328.51

Period	Not delinquent	1-30 days delinquent	31-60 days delinquent	61-90 days delinquent	91-120 days delinquent	121-150 days delinquent	151-180 days delinquent	>180 days delinquent	> 90 days delinquent	TOTAL
28.02.2013	5,810,192,779.59	168,809,128.97	56,496,656.48	40,013,538.66	18,691,556.10	7,702,840.69	15,790,270.39	86,380,075.05	128,564,742.23	6,204,076,845.93
31.03.2013	5,793,271,687.56	94,105,767.36	100,503,579.13	36,916,723.67	32,749,722.19	8,038,951.92	14,233,718.50	92,851,002.20	147,873,394.81	6,172,671,152.53
30.04.2013	5,767,809,616.71	190,263,930.24	33,233,994.23	47,642,450.18	23,570,263.46	23,355,304.81	6,238,860.97	91,381,653.69	144,546,082.93	6,183,496,074.29
31.05.2013	5,692,812,506.49	203,225,666.41	86,555,041.80	43,342,072.24	36,185,904.40	11,735,970.44	27,059,933.26	86,687,984.59	161,669,792.69	6,187,605,079.63
30.06.2013	5,760,649,707.64	189,084,665.33	31,752,012.32	46,914,697.40	28,417,330.60	27,086,095.10	8,501,177.21	99,767,791.05	163,772,393.96	6,192,173,476.65
31.07.2013	5,776,143,985.38	162,556,310.59	99,137,758.53	15,652,256.16	30,583,754.25	21,097,254.62	14,800,829.76	101,767,306.67	168,249,145.30	6,221,739,455.96
31.08.2013	5,743,223,717.88	92,302,274.46	86,074,280.58	74,253,680.60	12,663,072.41	26,121,579.89	16,905,985.19	104,698,522.29	160,389,159.78	6,156,243,113.30
30.09.2013	5,687,315,468.64	145,774,423.15	38,923,847.08	48,993,830.36	54,161,672.62	10,269,445.78	21,492,740.61	105,551,173.18	191,475,032.19	6,112,482,701.42
31.10.2013	5,651,734,275.51	189,925,743.52	65,235,645.82	49,097,849.82	30,390,449.19	38,305,439.33	7,511,432.99	106,390,608.58	182,597,930.09	6,138,591,444.76
30.11.2013	5,649,354,283.65	196,054,521.78	31,485,596.87	36,845,801.57	37,629,368.72	22,129,267.93	30,065,579.03	99,253,163.16	189,077,378.84	6,102,817,582.71
31.12.2013	5,582,645,472.12	139,906,540.37	107,985,194.13	43,901,622.31	25,321,482.94	26,456,355.37	17,333,899.52	113,496,244.38	182,607,982.21	6,057,046,811.14
31.01.2014	5,564,500,420.13	207,307,592.82	86,786,345.00	39,609,220.07	25,763,869.77	17,148,318.93	16,543,002.57	105,530,273.03	164,985,464.30	6,063,189,042.32
28.02.2014	5,545,706,503.22	229,393,392.73	54,403,412.92	24,393,747.59	22,094,744.96	8,171,048.93	13,059,047.22	106,316,237.12	149,641,078.23	6,003,538,134.69
31.03.2014	5,626,602,778.98	127,898,838.07	104,021,993.90	26,115,218.79	9,382,800.33	18,615,527.23	13,801,514.59	104,092,871.74	145,892,713.89	6,030,531,543.63
30.04.2014	5,573,434,964.77	212,130,183.95	30,217,641.98	60,560,326.03	17,994,760.77	6,762,246.12	14,130,209.22	103,174,658.62	142,061,874.73	6,018,404,991.46
31.05.2014	5,696,094,338.16	89,048,993.24	74,183,930.95	43,580,139.86	33,017,916.23	10,753,782.60	12,714,488.78	100,329,589.98	156,815,777.59	6,059,723,179.80
30.06.2014	5,651,579,132.30	249,440,284.38	25,431,704.25	32,263,889.44	27,267,199.76	24,163,714.10	8,938,870.67	98,185,444.04	158,555,228.57	6,117,270,238.94
31.07.2014	5,727,565,478.19	205,085,321.68	69,816,260.46	41,174,432.86	19,137,027.73	16,649,036.43	12,350,175.46	97,300,618.87	145,436,858.49	6,189,078,351.68
31.08.2014	5,815,453,415.60	137,923,716.04	68,283,031.76	32,751,095.82	24,471,804.58	13,052,126.07	12,078,451.90	92,287,409.17	141,889,791.72	6,196,301,050.94
30.09.2014	5,764,202,426.68	182,754,328.13	25,759,418.08	35,938,339.15	19,945,810.92	18,191,359.54	9,846,765.64	101,573,586.89	139,557,522.99	6,148,212,035.03
31.10.2014	5,670,387,021.77	228,797,752.92	67,624,784.17	29,587,868.04	23,921,766.05	12,796,614.69	13,540,716.18	86,454,623.96	136,713,720.88	6,133,111,147.78
30.11.2014	5,741,097,395.28	226,450,918.68	17,909,887.22	33,211,642.11	16,862,418.63	15,741,434.69	9,686,720.68	86,102,723.00	128,393,297.00	6,147,063,140.29
31.12.2014	5,698,607,934.31	156,234,068.92	82,749,508.93	42,616,888.10	23,334,841.64	12,986,572.57	13,003,252.89	85,038,629.72	134,363,296.82	6,114,571,697.08
31.01.2015	5,745,720,670.66	159,592,731.29	67,001,949.81	30,593,824.59	21,556,490.43	14,189,697.51	9,920,329.11	83,079,741.41	128,746,258.46	6,131,655,434.81
28.02.2015	5,726,188,126.83	181,783,812.31	45,343,253.08	17,780,877.63	17,556,106.32	3,648,190.13	10,192,391.09	80,357,547.54	111,754,235.08	6,082,850,304.93
31.03.2015	5,709,083,288.21	202,448,050.35	75,228,767.13	21,790,097.33	5,585,861.75	10,842,227.68	9,284,087.20	77,642,058.99	103,354,235.62	6,111,904,438.64
30.04.2015	5,756,321,319.79	199,192,925.16	22,636,427.23	48,881,932.62	15,688,115.62	3,931,173.11	8,318,023.71	78,382,296.81	106,319,609.25	6,133,352,214.05
31.05.2015	5,804,684,194.74	119,852,296.18	62,896,006.14	36,732,144.01	26,840,960.06	6,964,831.34	9,995,569.18	75,691,381.75	119,492,742.33	6,143,657,383.40
30.06.2015	5,859,610,853.64	242,004,411.75	28,691,299.09	40,019,114.71	28,092,511.27	22,305,597.53	6,210,486.01	75,634,269.86	132,242,864.67	6,302,568,543.86
31.07.2015	5,903,735,813.46	263,433,624.24	55,504,692.27	28,494,510.36	21,542,369.86	15,511,042.39	10,996,642.35	75,841,289.14	123,891,343.74	6,375,059,984.07
31.08.2015	5,993,164,024.95	246,959,009.02	25,183,349.37	27,370,513.77	16,805,943.27	13,854,001.15	11,308,682.87	76,725,392.59	118,694,019.88	6,411,370,916.99
30.09.2015	6,023,951,662.34	188,522,074.41	42,734,338.60	11,274,468.28	16,243,633.45	10,931,115.89	9,971,882.81	77,387,662.92	114,534,638.70	6,381,016,838.70
31.10.2015	6,068,802,810.14	128,198,240.12	73,129,531.70	39,451,794.50	6,987,587.60	11,115,479.74	8,678,073.24	76,300,936.15	103,082,076.73	6,412,664,453.19
30.11.2015	6,077,624,624.14	243,270,333.49	20,400,909.90	33,212,572.52	25,379,447.11	4,761,510.58	8,294,279.39	73,270,785.20	111,706,022.88	6,486,214,462.93
31.12.2015	6,173,557,350.26	114,826,838.80	68,512,782.80	31,015,555.53	22,980,866.58	21,111,214.61	3,674,199.44	70,010,249.88	117,776,530.51	6,505,689,057.90
31.01.2016	6,155,018,224.70	137,044,990.13	55,271,761.04	30,837,241.42	16,484,603.18	16,364,447.17	15,757,281.79	62,205,522.24	110,811,854.38	6,488,984,071.67
29.02.2016	6,132,032,219.62	169,731,449.90	38,293,176.75	11,222,125.10	21,356,629.61	12,670,042.37	13,523,746.79	67,785,234.94	115,335,653.71	6,466,614,625.08
31.03.2016	6,115,294,203.67	229,141,444.30	65,663,293.17	11,082,859.88	17,795,635.28	15,992,909.44	8,868,767.58	69,039,159.89	111,696,472.19	6,532,878,273.21
30.04.2016	6,248,927,219.10	207,914,103.51	17,063,516.33	37,111,515.59	8,440,866.24	12,929,034.45	14,408,390.73	68,630,741.75	104,409,033.17	6,615,425,387.70
31.05.2016	6,194,936,893.07	254,729,332.00	76,175,256.17	29,612,435.51	17,512,366.68	14,504,503.16	9,770,969.76	66,843,450.30	108,631,289.90	6,664,085,206.65
30.06.2016	6,252,920,763.88	162,381,672.72	20,882,907.97	30,835,664.91	16,672,102.91	12,564,188.36	11,350,229.05	66,356,806.10	106,943,326.42	6,593,964,335.90
31.07.2016	6,375,669,802.20	44,733,446.17	94,014,479.05	33,965,757.44	19,930,398.25	13,110,175.92	10,350,009.71	71,483,092.33	114,873,676.21	6,663,257,161.07
31.08.2016	6,267,223,897.19	257,336,666.95	48,854,314.89	26,454,520.69	14,524,813.73	11,707,091.52	8,075,574.29	68,613,800.05	102,921,279.59	6,702,790,679.31
30.09.2016	6,348,804,461.11	208,028,399.42	22,747,447.61	25,676,888.64	16,881,279.22	11,208,551.96	9,348,878.06	69,739,000.50	107,177,709.74	6,712,434,906.52
31.10.2016	6,026,741,862.41	554,892,883.49	32,643,400.92	30,732,076.52	15,237,376.20	12,522,440.08	8,873,466.10	71,251,360.34	107,884,642.72	6,752,894,866.06
30.11.2016	6,376,979,282.13	287,460,559.88	53,571,937.41	15,756,396.83	15,952,522.89	10,558,055.10	10,147,356.35	70,657,899.50	107,315,833.84	6,841,084,010.09
31.12.2016	6,459,279,511.57	169,645,761.60	108,748,423.21	64,016,670.87	11,417,294.87	13,148,888.48	10,411,041.43	70,502,641.55	105,479,866.33	6,907,170,233.58
31.01.2017	6,210,659,928.62	505,172,021.85	40,823,532.29	59,230,711.66	32,752,810.16	8,407,431.36	9,089,944.20	67,630,514.14	117,880,699.86	6,933,766,894.28
28.02.2017	6,475,573,191.43	193,177,281.91	45,333,357.59	21,263,064.53	41,500,661.81	16,201,317.72	6,792,706.45	69,005,454.71	133,500,140.69	6,868,847,036.15
31.03.2017	6,325,420,926.32	322,280,886.89	96,716,219.70	19,136,232.96	12,321,282.59	37,101,973.98	17,790,710.94	66,702,483.33	133,501,450.84	6,897,470,716.71
30.04.2017	6,481,370,679.86	208,686,725.52	37,804,278.76	52,502,349.04	13,638,469.37	9,831,049.50	31,344,451.96	75,415,307.20	130,229,278.03	6,910,593,311.21
31.05.2017	6,436,807,596.27	339,579,364.79	50,272,041.97	35,929,036.62	28,528,555.36	11,644,210.34	7,106,325.91	90,669,260.00	137,948,351.61	7,000,536,391.26
30.06.2017	6,600,832,136.86	251,249,971.96	23,560,044.29	29,377,934.40	27,774,248.92	21,191,217.75	9,937,241.10	86,222,575.03	145,125,282.80	7,050,145,370.31
31.07.2017	6,752,347,763.78	135,992,665.51	51,095,591.75	34,658,976.34	20,900,037.82	17,738,070.95	9,709,264.72	86,727,718.97	135,075,092.46	7,109,170,089.84

Period	Not delinquent	1-30 days delinquent	31-60 days delinquent	61-90 days delinquent	91-120 days delinquent	121-150 days delinquent	151-180 days delinquent	>180 days delinquent	> 90 days delinquent	TOTAL
31.08.2017	6,616,991,121.38	296,112,012.51	70,390,497.22	28,814,428.04	21,263,195.84	14,975,325.40	13,090,472.80	81,480,014.70	130,809,008.74	7,143,117,067.89
30.09.2017	6,702,513,145.69	191,930,484.55	30,703,381.04	32,466,088.07	20,146,835.17	16,673,949.08	11,631,689.48	84,793,718.43	133,246,192.16	7,090,859,291.51
31.10.2017	6,709,216,855.92	164,683,156.72	58,044,887.95	34,729,529.75	19,360,790.57	13,633,857.05	11,244,035.18	84,267,683.51	128,506,366.31	7,095,180,796.65
30.11.2017	6,884,261,209.99	110,138,125.12	13,181,147.52	23,224,637.16	16,350,323.59	9,165,611.06	8,094,578.08	56,154,237.54	89,764,750.27	7,120,569,870.06
31.12.2017	6,749,225,696.26	137,519,006.68	82,473,832.74	31,133,748.83	17,623,970.73	16,029,978.14	8,038,347.01	59,040,610.89	100,732,906.77	7,101,085,191.28
31.01.2018	6,680,160,637.00	243,217,403.46	48,659,631.11	24,178,819.62	14,405,751.52	10,938,793.20	10,802,908.18	56,231,272.72	92,378,725.62	7,088,595,216.81
28.02.2018	6,674,014,701.70	195,462,275.52	37,850,322.48	22,787,903.02	13,663,517.28	3,750,902.37	8,094,774.98	61,546,092.63	87,055,287.26	7,017,170,489.98
31.03.2018	6,666,585,119.83	134,243,335.31	72,330,099.41	20,640,576.83	8,553,914.25	10,265,345.13	9,242,032.71	62,344,330.94	90,405,623.03	6,984,204,754.41
30.04.2018	6,579,548,954.10	240,181,142.92	23,835,967.50	39,956,069.33	13,127,521.33	5,536,425.00	7,160,649.14	62,512,586.47	88,337,181.94	6,971,859,315.79
31.05.2018	6,567,304,335.99	224,223,213.37	42,258,909.98	30,797,799.27	23,508,417.92	3,838,501.07	9,564,548.56	61,724,506.54	98,635,974.09	6,963,220,232.70
30.06.2018	6,888,499,249.38	94,374,718.84	27,913,595.93	30,103,705.62	25,426,773.51	18,649,068.05	3,548,392.27	64,835,206.87	112,459,440.70	7,153,350,710.47
31.07.2018	6,818,406,971.17	228,685,432.68	22,179,900.56	23,415,210.70	12,726,674.21	13,401,944.96	8,100,517.56	62,511,836.57	96,740,973.30	7,189,428,488.41
31.08.2018	6,977,440,945.99	162,802,766.01	59,495,673.71	11,161,716.13	15,130,484.14	8,463,988.77	9,247,806.64	59,057,720.51	91,900,000.06	7,302,801,101.90
30.09.2018	6,959,114,295.10	105,866,930.93	32,838,450.49	33,606,564.63	7,339,608.70	11,459,101.77	6,590,017.65	60,842,499.91	86,231,228.03	7,217,657,469.18
31.10.2018	6,769,889,230.08	171,257,424.41	41,584,183.56	35,296,139.17	20,043,848.83	5,101,835.47	9,287,355.00	61,002,801.97	95,435,841.27	7,113,462,818.49
30.11.2018	6,824,687,372.72	114,138,634.82	15,001,347.16	22,760,346.22	23,343,488.69	14,420,172.14	4,105,572.70	62,882,942.03	104,752,175.56	7,081,339,876.48
31.12.2018	6,737,183,956.36	58,524,086.54	111,789,285.15	23,279,370.75	17,966,288.07	19,853,682.94	13,608,426.69	62,013,493.23	113,441,890.93	7,044,218,589.73
31.01.2019	6,676,392,867.70	260,981,136.11	38,801,091.92	33,373,179.67	9,824,920.84	9,605,335.27	13,724,023.19	62,333,534.23	95,487,813.53	7,105,036,088.93
28.02.2019	6,696,391,185.75	197,803,187.10	60,300,467.98	17,869,489.42	12,657,561.27	3,317,466.40	8,106,054.80	67,427,013.43	91,508,095.90	7,063,872,426.15
31.03.2019	6,736,473,227.21	179,631,990.55	74,720,276.81	39,287,235.46	3,501,963.31	15,369,169.10	5,429,777.82	67,796,773.83	92,097,684.06	7,122,210,414.09
30.04.2019	6,738,851,353.40	296,934,436.59	22,414,034.79	43,621,964.26	29,746,687.57	2,713,022.42	12,500,469.25	64,016,179.15	108,976,358.39	7,210,798,147.43
31.05.2019	6,831,032,277.99	323,982,147.19	59,407,386.40	31,503,622.78	27,772,714.92	19,412,153.56	10,242,537.74	70,763,015.35	128,190,421.57	7,374,115,855.93
30.06.2019	6,950,957,935.61	257,174,006.03	67,133,884.44	31,701,578.89	18,712,958.64	21,726,004.10	13,501,359.01	74,079,598.56	128,019,920.31	7,434,987,325.28
31.07.2019	7,069,537,823.18	311,940,499.59	64,712,655.33	31,019,952.80	20,806,027.29	10,900,271.48	13,002,879.98	81,217,619.19	125,926,797.94	7,603,137,728.84
31.08.2019	7,111,860,798.34	352,551,057.80	105,627,402.83	30,458,107.15	23,441,258.49	17,280,629.11	8,507,938.50	86,350,490.11	135,580,316.21	7,736,077,682.33
30.09.2019	7,328,437,598.98	201,939,990.51	39,446,176.03	39,250,906.21	15,651,523.90	11,079,627.12	11,544,349.66	78,646,161.46	116,921,662.14	7,725,996,333.87
31.10.2019	7,290,870,143.73	225,993,207.22	73,373,128.49	44,757,164.27	28,908,477.75	12,917,360.24	11,370,083.82	84,544,866.83	137,740,788.64	7,772,734,432.35
30.11.2019	7,407,869,406.82	271,305,835.62	23,227,044.55	42,586,072.47	29,608,612.13	22,460,116.32	9,987,961.12	87,443,523.18	149,500,212.75	7,894,488,572.21
31.12.2019	7,460,236,057.57	197,536,208.07	87,975,581.55	41,688,053.74	27,824,908.73	18,591,637.73	18,102,597.45	85,512,004.76	150,031,148.67	7,937,467,049.60
31.01.2020	7,559,411,019.62	249,860,008.24	83,296,712.65	40,443,430.06	26,607,832.20	19,052,701.22	13,393,341.26	94,165,577.07	153,219,451.75	8,086,230,622.32
29.02.2020	7,690,398,095.14	171,791,476.88	81,023,259.22	15,993,066.43	25,778,474.82	18,983,996.31	13,139,251.01	95,317,559.64	153,219,281.78	8,112,425,179.45
31.03.2020	7,688,371,349.80	264,428,911.76	94,830,987.21	25,179,266.99	22,736,481.02	17,773,032.27	14,723,792.54	94,160,243.94	149,393,549.77	8,222,204,065.53
30.04.2020	7,635,935,815.07	306,562,888.60	45,372,924.53	50,390,525.16	16,050,952.45	18,287,859.96	15,001,130.88	100,543,259.86	149,883,203.15	8,188,145,356.51
31.05.2020	7,463,936,035.52	216,375,214.38	162,521,304.07	101,227,989.05	29,611,330.15	22,847,037.30	14,380,761.88	103,540,303.41	170,379,432.74	8,114,439,975.76
30.06.2020	7,524,034,348.67	279,492,448.44	28,019,034.90	60,843,924.22	45,079,648.27	19,782,183.64	16,181,787.22	102,478,681.89	183,522,301.02	8,075,912,057.25
31.07.2020	7,534,514,653.40	331,977,399.71	90,979,339.69	49,101,988.46	38,562,810.64	29,310,671.71	14,478,698.54	105,442,008.68	187,794,189.57	8,194,367,570.83
31.08.2020	7,686,407,881.87	330,874,151.12	86,452,380.78	45,227,836.24	45,227,836.24	28,541,778.75	21,130,996.63	16,078,148.76	108,148,012.22	8,322,861,186.37
30.09.2020	7,822,605,858.45	281,205,171.75	31,918,293.93	37,841,653.24	28,557,169.77	16,001,187.98	15,587,598.31	107,581,417.10	167,727,373.16	8,341,298,350.53
31.10.2020	7,907,702,428.27	186,042,663.87	72,593,129.61	28,059,785.96	24,473,670.40	20,471,271.34	11,304,711.10	108,480,399.89	164,730,052.73	8,359,128,060.44
30.11.2020	7,973,736,367.91	275,883,327.13	25,259,907.20	37,053,637.63	18,930,043.17	17,844,680.14	17,078,091.54	106,440,661.20	160,293,476.05	8,472,226,715.92
31.12.2020	8,132,586,073.32	79,056,185.39	93,557,695.66	32,849,290.76	20,526,032.43	14,664,569.66	14,917,525.99	110,139,897.93	160,248,026.01	8,498,297,271.14
31.01.2021	8,028,412,568.42	208,672,941.19	75,981,200.40	32,518,241.37	20,414,735.39	12,805,124.52	11,948,695.39	108,296,574.25	153,465,129.55	8,499,050,080.93
28.02.2021	18,804,928,583.41	403,901,192.65	138,735,457.76	282,472,676.71	18,819,318.02	8,868,187.63	13,245,863.00	110,642,275.19	151,575,643.84	19,781,613,554.37
31.03.2021	19,014,625,872.62	325,198,049.48	110,166,702.58	51,829,990.60	72,836,235.74	13,956,471.24	11,850,484.85	104,545,613.54	203,188,805.37	19,705,009,420.65
30.04.2021	19,291,604,194.80	306,244,599.88	33,391,263.48	37,028,364.55	19,004,392.33	28,493,863.19	11,204,628.51	112,020,171.47	170,723,055.50	19,838,991,478.21
31.05.2021	19,205,415,024.52	374,984,976.77	80,756,327.86	21,480,254.83	20,407,983.31	13,547,511.81	23,307,754.04	108,507,924.45	165,771,173.61	19,848,407,757.59
30.06.2021	19,250,166,046.42	355,621,094.83	106,918,728.00	44,283,509.65	11,686,977.24	14,006,209.62	10,764,708.33	114,268,002.25	150,725,897.44	19,907,715,276.34





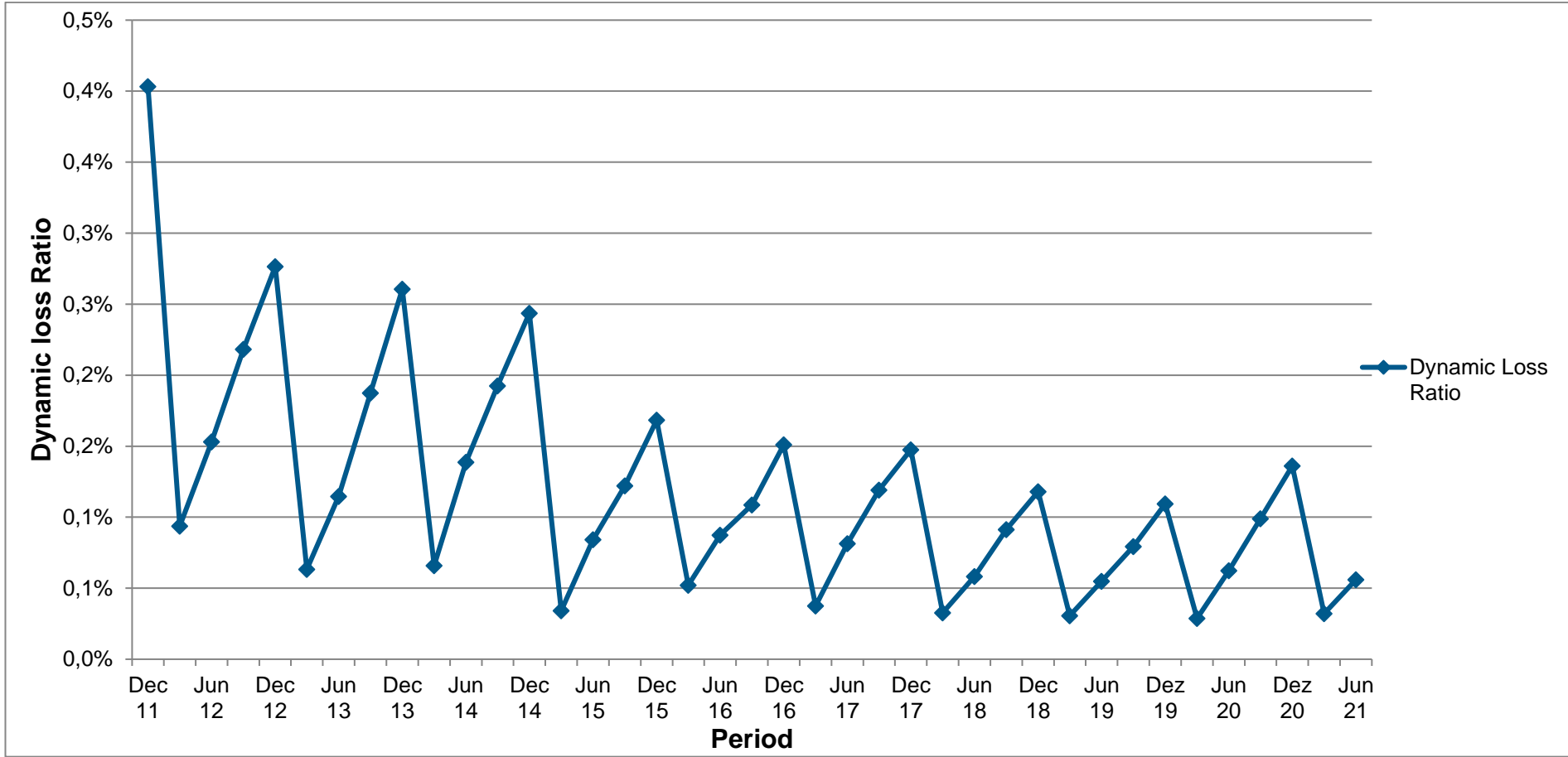
## **Portfolio Losses**

VWL has extracted data on the historical performance of the entire German auto lease portfolio. The tables below show historical data on cumulative net losses, for the period from Q3 2011 to Q2 2021 from contracts originated since June 2011, and dynamic net losses, for the period from Q2 2011 to Q3 2021 from contracts originated since March 2011. Lease Contracts relating to the tables of cumulative net losses and dynamic net losses below have been subject to a Write-Off by Volkswagen Leasing GmbH before June 2021. Such data was extracted from VW's internal data warehouse which is sourced from its contract management and accounting systems.

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

**Dynamic Loss Ratio (in percentages)**

Period	Dynamic Loss Ratio	Utilisation in Mio. €	Losses
Mar 11	0.08%	13,649.69	10.53
Jun 11	0.18%	14,052.87	25.01
Sep 11	0.28%	14,643.25	38.55
Dec 11	0.40%	15,098.70	57.92
Mar 12	0.09%	15,135.97	13.81
Jun 12	0.15%	15,779.81	23.22
Sep 12	0.22%	16,126.60	33.91
Dec 12	0.28%	16,442.28	43.88
Mar 13	0.06%	16,336.04	10.24
Jun 13	0.11%	16,648.75	18.79
Sep 13	0.19%	16,920.09	31.09
Dec 13	0.26%	17,269.88	43.78
Mar 14	0.07%	17,378.47	11.24
Jun 14	0.14%	17,982.04	24.12
Sep 14	0.19%	18,350.51	34.15
Dec 14	0.24%	18,678.27	44.08
Mar 15	0.03%	18,822.17	6.33
Jun 15	0.08%	19,488.93	15.85
Sep 15	0.12%	19,911.63	23.49
Dec 15	0.17%	20,572.96	33.18
Mar 16	0.05%	20,931.66	10.55
Jun 16	0.09%	21,786.53	18.16
Sep 16	0.11%	22,396.77	23.26
Dec 16	0.15%	23,017.86	33.28
Mar 17	0.04%	23,383.85	8.51
Jun 17	0.08%	24,793.12	19.03
Sep 17	0.12%	25,198.38	28.71
Dec 17	0.15%	25,712.52	36.55
Mar 18	0.03%	25,867.71	8.29
Jun 18	0.06%	26,527.11	15.03
Sep 18	0.09%	27,071.67	24.00
Dec 18	0.12%	27,096.90	31.43
Mar 19	0.03%	27,710.59	8.33
Jun 19	0.05%	28,400.27	15.16
Sep 19	0.08%	29,093.54	22.27
Dez 19	0.11%	29,981.45	31.49
Mar 20	0.03%	30,988.43	8.51
Jun 20	0.06%	31,185.46	18.91
Sep 20	0.10%	32,396.62	30.83
Dez 20	0.14%	33,268.12	43.50
Mar 21	0.03%	34,150.60	10.53
Jun 21	0.06%	35,395.03	18.97



**Cumulative monthly net losses (in percentages) – Total Portfolio**

Age	07.2011	08.2011	09.2011	10.2011	11.2011	12.2011
1	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
2	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
3	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
4	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
5	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
6	0.00000 %	0.00000 %	0.00104 %	0.00000 %	0.00000 %	0.00000 %
7	0.00000 %	0.00000 %	0.00104 %	0.00000 %	0.00090 %	0.00436 %
8	0.00199 %	0.00219 %	0.00116 %	0.00000 %	0.00104 %	0.00713 %
9	0.00535 %	0.00538 %	0.00466 %	0.00342 %	0.00677 %	0.00802 %
10	0.01562 %	0.00848 %	0.00682 %	0.01028 %	0.01990 %	0.01133 %
11	0.01816 %	0.00977 %	0.01233 %	0.02170 %	0.03014 %	0.02299 %
12	0.02640 %	0.01263 %	0.01964 %	0.03130 %	0.03721 %	0.03515 %
13	0.02830 %	0.02436 %	0.03536 %	0.04392 %	0.04313 %	0.04097 %
14	0.03405 %	0.04809 %	0.04141 %	0.05710 %	0.05384 %	0.05555 %
15	0.04598 %	0.05543 %	0.05233 %	0.06775 %	0.06677 %	0.06791 %
16	0.05944 %	0.06223 %	0.06894 %	0.08142 %	0.09357 %	0.07712 %
17	0.06904 %	0.06814 %	0.07849 %	0.08593 %	0.09952 %	0.08728 %
18	0.08258 %	0.08784 %	0.09335 %	0.09338 %	0.11566 %	0.10224 %
19	0.09267 %	0.10021 %	0.09657 %	0.10156 %	0.11778 %	0.10609 %
20	0.11018 %	0.10882 %	0.10856 %	0.10994 %	0.12277 %	0.12393 %
21	0.12121 %	0.12098 %	0.11988 %	0.11773 %	0.13615 %	0.13540 %
22	0.13169 %	0.14648 %	0.12434 %	0.12638 %	0.14820 %	0.15787 %
23	0.15135 %	0.15796 %	0.13428 %	0.14090 %	0.17599 %	0.18283 %
24	0.15516 %	0.17557 %	0.13894 %	0.16310 %	0.19896 %	0.19349 %
25	0.17878 %	0.18619 %	0.16419 %	0.18883 %	0.20718 %	0.20421 %
26	0.19328 %	0.20656 %	0.18101 %	0.19801 %	0.21620 %	0.24583 %
27	0.23191 %	0.23201 %	0.19354 %	0.20464 %	0.23532 %	0.26332 %
28	0.25701 %	0.25155 %	0.19935 %	0.22994 %	0.24695 %	0.26977 %
29	0.27146 %	0.26217 %	0.21686 %	0.23951 %	0.25451 %	0.28193 %
30	0.28002 %	0.27696 %	0.22562 %	0.24660 %	0.26764 %	0.30420 %
31	0.29595 %	0.29418 %	0.23317 %	0.26533 %	0.27711 %	0.31838 %
32	0.31076 %	0.29484 %	0.24512 %	0.27284 %	0.29446 %	0.33205 %
33	0.31476 %	0.30338 %	0.25434 %	0.28655 %	0.30998 %	0.35666 %
34	0.32746 %	0.31971 %	0.26500 %	0.29293 %	0.33687 %	0.36591 %
35	0.33660 %	0.33017 %	0.27311 %	0.30716 %	0.34358 %	0.38723 %
36	0.35550 %	0.33952 %	0.28282 %	0.31655 %	0.36117 %	0.40125 %
37	0.36827 %	0.35570 %	0.29397 %	0.32343 %	0.37066 %	0.40423 %
38	0.37609 %	0.35757 %	0.30050 %	0.33537 %	0.38347 %	0.40685 %
39	0.39229 %	0.36510 %	0.32244 %	0.34023 %	0.39500 %	0.41938 %
40	0.40391 %	0.38312 %	0.33040 %	0.34423 %	0.40258 %	0.42161 %
41	0.41100 %	0.38760 %	0.33941 %	0.34831 %	0.40571 %	0.42768 %
42	0.41835 %	0.39499 %	0.34682 %	0.35272 %	0.41736 %	0.43297 %
43	0.42126 %	0.40529 %	0.34827 %	0.36360 %	0.42550 %	0.44691 %
44	0.42296 %	0.40534 %	0.35460 %	0.37002 %	0.43330 %	0.46016 %
45	0.42623 %	0.41231 %	0.36001 %	0.37533 %	0.44091 %	0.46699 %
46	0.43071 %	0.41813 %	0.37107 %	0.38352 %	0.44577 %	0.47139 %
47	0.43562 %	0.42544 %	0.37388 %	0.38529 %	0.44758 %	0.47405 %

Age	07.2011	08.2011	09.2011	10.2011	11.2011	12.2011
48	0.44303 %	0.42634 %	0.38109 %	0.38669 %	0.44912 %	0.47635 %
49	0.45148 %	0.43938 %	0.38514 %	0.38984 %	0.45080 %	0.49425 %
50	0.45949 %	0.44580 %	0.38988 %	0.39108 %	0.47689 %	0.50163 %
51	0.46309 %	0.45150 %	0.39261 %	0.41072 %	0.48128 %	0.50279 %
52	0.46625 %	0.45246 %	0.40331 %	0.41300 %	0.48556 %	0.50353 %
53	0.46836 %	0.46293 %	0.41132 %	0.41352 %	0.48732 %	0.50572 %
54	0.47369 %	0.46649 %	0.41846 %	0.41687 %	0.49373 %	0.50883 %
55	0.48051 %	0.46859 %	0.42316 %	0.42555 %	0.49454 %	0.51061 %
56	0.48416 %	0.47309 %	0.42934 %	0.42676 %	0.49508 %	0.51063 %
57	0.48813 %	0.47643 %	0.43015 %	0.42882 %	0.49624 %	0.51166 %
58	0.49405 %	0.48442 %	0.43296 %	0.42893 %	0.49998 %	0.51205 %
59	0.49409 %	0.48504 %	0.43474 %	0.42968 %	0.50200 %	0.51356 %
60	0.49760 %	0.48707 %	0.43674 %	0.43394 %	0.50294 %	0.51953 %
61	0.49760 %	0.48923 %	0.43674 %	0.43503 %	0.50341 %	0.52001 %
62	0.50211 %	0.48954 %	0.43674 %	0.44058 %	0.50507 %	0.52134 %
63	0.50285 %	0.49104 %	0.43956 %	0.44117 %	0.50541 %	0.52274 %
64	0.50345 %	0.49665 %	0.44066 %	0.44326 %	0.50807 %	0.52459 %
65	0.50437 %	0.49787 %	0.44404 %	0.45122 %	0.51206 %	0.52459 %
66	0.50517 %	0.49920 %	0.44721 %	0.45286 %	0.51381 %	0.53015 %
67	0.50750 %	0.49991 %	0.44834 %	0.45467 %	0.51467 %	0.53031 %
68	0.50750 %	0.50229 %	0.44839 %	0.45532 %	0.51651 %	0.53466 %
69	0.51030 %	0.50236 %	0.45310 %	0.45560 %	0.52377 %	0.53552 %
70	0.51030 %	0.50272 %	0.45408 %	0.45929 %	0.52541 %	0.53812 %
71	0.51238 %	0.50282 %	0.45851 %	0.45929 %	0.52549 %	0.53884 %
72	0.51366 %	0.50554 %	0.45851 %	0.46058 %	0.52661 %	0.53897 %
73	0.51738 %	0.50641 %	0.45878 %	0.46246 %	0.52697 %	0.53897 %
74	0.51859 %	0.50641 %	0.46171 %	0.46246 %	0.52842 %	0.53897 %
75	0.51868 %	0.50864 %	0.46210 %	0.46246 %	0.52880 %	0.53904 %
76	0.51868 %	0.50920 %	0.46210 %	0.46324 %	0.52880 %	0.53904 %
77	0.51935 %	0.50920 %	0.46216 %	0.46708 %	0.52894 %	0.53972 %
78	0.51935 %	0.50920 %	0.46260 %	0.46722 %	0.52899 %	0.54370 %
79	0.51957 %	0.50920 %	0.46294 %	0.46722 %	0.52903 %	0.54370 %
80	0.52158 %	0.50920 %	0.46294 %	0.46764 %	0.52903 %	0.54400 %
81	0.52158 %	0.50920 %	0.46559 %	0.46764 %	0.52903 %	0.54400 %
82	0.52162 %	0.50920 %	0.46559 %	0.46764 %	0.52997 %	0.54400 %
83	0.52179 %	0.50920 %	0.46559 %	0.46771 %	0.52997 %	0.54434 %
84	0.52179 %	0.51101 %	0.46569 %	0.46776 %	0.52997 %	0.54455 %
85	0.52179 %	0.51101 %	0.46620 %	0.46910 %	0.53048 %	0.54517 %
86	0.52179 %	0.51253 %	0.46620 %	0.46939 %	0.53048 %	0.54604 %
87	0.52182 %	0.51332 %	0.46805 %	0.46985 %	0.53076 %	0.54604 %
88	0.52205 %	0.51363 %	0.46856 %	0.46985 %	0.53076 %	0.54624 %
89	0.52249 %	0.51404 %	0.46856 %	0.46985 %	0.53093 %	0.54629 %
90	0.52276 %	0.51404 %	0.46858 %	0.46985 %	0.53120 %	0.54811 %
91	0.52276 %	0.51511 %	0.47380 %	0.46990 %	0.53120 %	0.54811 %
92	0.52276 %	0.51511 %	0.47380 %	0.47012 %	0.53120 %	0.54811 %
93	0.52276 %	0.51511 %	0.47380 %	0.47012 %	0.53185 %	0.54817 %
94	0.52276 %	0.51511 %	0.47380 %	0.47012 %	0.53200 %	0.54817 %
95	0.52573 %	0.51524 %	0.47380 %	0.47012 %	0.53257 %	0.54817 %
96	0.52577 %	0.51524 %	0.47386 %	0.47012 %	0.53257 %	0.54851 %

Age	07.2011	08.2011	09.2011	10.2011	11.2011	12.2011
97	0.52577 %	0.51601 %	0.47399 %	0.47017 %	0.53257 %	0.54858 %
98	0.52577 %	0.51601 %	0.47427 %	0.47022 %	0.53257 %	0.54875 %
99	0.52677 %	0.51601 %	0.47427 %	0.47022 %	0.53257 %	0.54945 %
100	0.52677 %	0.51601 %	0.47533 %	0.47022 %	0.53257 %	0.54945 %
101	0.52677 %	0.51601 %	0.47540 %	0.47022 %	0.53393 %	0.54945 %
102	0.52677 %	0.51620 %	0.47540 %	0.47022 %	0.53393 %	0.54945 %
103	0.52677 %	0.51620 %	0.47540 %	0.47022 %	0.53393 %	0.54945 %
104	0.52677 %	0.51620 %	0.47554 %	0.47022 %	0.53413 %	0.54949 %
105	0.52677 %	0.51620 %	0.47554 %	0.47116 %	0.53423 %	0.54949 %
106	0.52677 %	0.51620 %	0.47615 %	0.47116 %	0.53423 %	0.54949 %
107	0.52677 %	0.51620 %	0.47622 %	0.47116 %	0.53661 %	0.54956 %
108	0.52701 %	0.51620 %	0.47622 %	0.47116 %	0.53661 %	0.54956 %
109	0.52701 %	0.51620 %	0.47622 %	0.47116 %	0.53661 %	0.54956 %
110	0.52701 %	0.51620 %	0.47622 %	0.47116 %	0.53661 %	0.54956 %
111	0.52701 %	0.51620 %	0.47622 %	0.47116 %	0.53661 %	0.55218 %
112	0.52701 %	0.51620 %	0.47622 %	0.47116 %	0.53661 %	0.55218 %
113	0.52701 %	0.51620 %	0.47622 %	0.47116 %	0.53661 %	0.55218 %
114	0.52701 %	0.51620 %	0.47622 %	0.47116 %	0.53661 %	0.55218 %
115	0.52701 %	0.51718 %	0.47622 %	0.47116 %	0.53661 %	0.55218 %
116	0.52701 %	0.51718 %	0.47622 %	0.47116 %	0.53661 %	
117	0.52733 %	0.51718 %	0.47622 %	0.47116 %		
118	0.52733 %	0.51718 %	0.47622 %			
119	0.52733 %	0.51718 %				
120	0.52733 %					

Age	01.2012	02.2012	03.2012	04.2012	05.2012	06.2012	07.2012	08.2012	09.2012	10.2012	11.2012	12.2012
1	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
2	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
3	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
4	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
5	0.00118 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
6	0.00118 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00140 %	0.00000 %	0.00000 %	0.00000 %	0.00404 %
7	0.00118 %	0.00066 %	0.00000 %	0.00201 %	0.00035 %	0.00000 %	0.00499 %	0.00140 %	0.00483 %	0.00248 %	0.00122 %	0.00661 %
8	0.00118 %	0.00259 %	0.00117 %	0.00274 %	0.00290 %	0.00581 %	0.00542 %	0.00140 %	0.00516 %	0.00353 %	0.00276 %	0.00661 %
9	0.00511 %	0.00368 %	0.00434 %	0.01102 %	0.00689 %	0.01165 %	0.00591 %	0.00473 %	0.00694 %	0.00469 %	0.00657 %	0.00681 %
10	0.00795 %	0.00839 %	0.00681 %	0.02135 %	0.01046 %	0.02314 %	0.00741 %	0.00740 %	0.01077 %	0.00566 %	0.00711 %	0.02254 %
11	0.01067 %	0.01159 %	0.02239 %	0.02249 %	0.01140 %	0.03121 %	0.01602 %	0.01039 %	0.01725 %	0.00633 %	0.00908 %	0.04659 %
12	0.02077 %	0.03761 %	0.03327 %	0.02567 %	0.01325 %	0.03218 %	0.01867 %	0.01491 %	0.02195 %	0.01701 %	0.01951 %	0.04881 %
13	0.02721 %	0.04056 %	0.03690 %	0.03255 %	0.01524 %	0.03389 %	0.02091 %	0.02139 %	0.03231 %	0.02460 %	0.02587 %	0.07581 %
14	0.03332 %	0.04331 %	0.04224 %	0.03527 %	0.01698 %	0.03699 %	0.02675 %	0.04096 %	0.04207 %	0.03961 %	0.03014 %	0.08581 %
15	0.04975 %	0.05273 %	0.04629 %	0.03549 %	0.03011 %	0.04180 %	0.03284 %	0.05033 %	0.05469 %	0.05073 %	0.03618 %	0.08746 %
16	0.06192 %	0.06008 %	0.04984 %	0.04417 %	0.03449 %	0.06075 %	0.03989 %	0.07118 %	0.06051 %	0.06972 %	0.04314 %	0.09286 %
17	0.06552 %	0.10226 %	0.05821 %	0.05058 %	0.05700 %	0.06674 %	0.06318 %	0.08076 %	0.09273 %	0.07399 %	0.04939 %	0.12809 %
18	0.07032 %	0.10850 %	0.06418 %	0.06184 %	0.07122 %	0.08642 %	0.06831 %	0.11349 %	0.09857 %	0.08006 %	0.07316 %	0.13430 %
19	0.07967 %	0.12200 %	0.08075 %	0.08317 %	0.08263 %	0.09203 %	0.09848 %	0.11468 %	0.10383 %	0.08717 %	0.08006 %	0.15293 %
20	0.10394 %	0.14969 %	0.11386 %	0.10314 %	0.08841 %	0.11747 %	0.10452 %	0.11723 %	0.12520 %	0.10682 %	0.10012 %	0.15571 %
21	0.11626 %	0.18376 %	0.11827 %	0.11241 %	0.11548 %	0.13318 %	0.11085 %	0.13072 %	0.13545 %	0.12107 %	0.10746 %	0.17219 %
22	0.13558 %	0.19245 %	0.12432 %	0.12081 %	0.14049 %	0.14359 %	0.12628 %	0.15831 %	0.14467 %	0.12728 %	0.11705 %	0.17981 %

Age	01.2012	02.2012	03.2012	04.2012	05.2012	06.2012	07.2012	08.2012	09.2012	10.2012	11.2012	12.2012
23	0.14395 %	0.20800 %	0.13361 %	0.13128 %	0.14730 %	0.16015 %	0.14662 %	0.18879 %	0.15708 %	0.14719 %	0.12404 %	0.19893 %
24	0.14981 %	0.23628 %	0.14127 %	0.13525 %	0.16528 %	0.18737 %	0.17883 %	0.20235 %	0.16913 %	0.16711 %	0.13677 %	0.21077 %
25	0.20121 %	0.24292 %	0.14786 %	0.15937 %	0.18207 %	0.19964 %	0.19002 %	0.22280 %	0.17847 %	0.18710 %	0.15230 %	0.21598 %
26	0.20911 %	0.24837 %	0.16085 %	0.16941 %	0.20393 %	0.21313 %	0.20894 %	0.23714 %	0.18692 %	0.19694 %	0.16429 %	0.21998 %
27	0.21366 %	0.27237 %	0.17250 %	0.18237 %	0.21430 %	0.22781 %	0.21422 %	0.24641 %	0.19858 %	0.20291 %	0.17229 %	0.23322 %
28	0.23014 %	0.28851 %	0.18574 %	0.20939 %	0.22763 %	0.23770 %	0.23146 %	0.26758 %	0.20334 %	0.21442 %	0.18597 %	0.24132 %
29	0.24965 %	0.30070 %	0.20516 %	0.22262 %	0.23127 %	0.24684 %	0.25050 %	0.27482 %	0.20934 %	0.22216 %	0.19317 %	0.24651 %
30	0.26710 %	0.31643 %	0.21878 %	0.22702 %	0.24489 %	0.25540 %	0.26251 %	0.28024 %	0.21065 %	0.22229 %	0.20208 %	0.25573 %
31	0.28683 %	0.32257 %	0.22088 %	0.24411 %	0.26085 %	0.26245 %	0.26986 %	0.28825 %	0.21833 %	0.22856 %	0.21894 %	0.25950 %
32	0.31278 %	0.33505 %	0.22846 %	0.25587 %	0.27239 %	0.26926 %	0.27512 %	0.28995 %	0.23036 %	0.24139 %	0.23275 %	0.26663 %
33	0.32041 %	0.34741 %	0.23862 %	0.26455 %	0.28626 %	0.27824 %	0.28528 %	0.30317 %	0.23746 %	0.25398 %	0.23948 %	0.26705 %
34	0.32683 %	0.36155 %	0.24568 %	0.28143 %	0.30633 %	0.28538 %	0.29140 %	0.31487 %	0.25105 %	0.26092 %	0.24383 %	0.27678 %
35	0.36347 %	0.36787 %	0.25002 %	0.28780 %	0.31141 %	0.29498 %	0.29699 %	0.32471 %	0.25682 %	0.27101 %	0.24738 %	0.27948 %
36	0.37486 %	0.38552 %	0.25413 %	0.28909 %	0.32068 %	0.29760 %	0.29911 %	0.33427 %	0.25868 %	0.27882 %	0.25676 %	0.27991 %
37	0.38460 %	0.39241 %	0.25663 %	0.29712 %	0.32664 %	0.31505 %	0.30357 %	0.34282 %	0.26037 %	0.28135 %	0.26427 %	0.28622 %
38	0.38912 %	0.39396 %	0.26725 %	0.30010 %	0.33787 %	0.32717 %	0.30619 %	0.34677 %	0.26749 %	0.28395 %	0.27368 %	0.30809 %
39	0.39274 %	0.39861 %	0.27593 %	0.30546 %	0.34731 %	0.33843 %	0.31173 %	0.35141 %	0.26942 %	0.29473 %	0.29016 %	0.31441 %
40	0.40168 %	0.41932 %	0.28175 %	0.31340 %	0.35907 %	0.34831 %	0.31830 %	0.35784 %	0.28150 %	0.34798 %	0.30254 %	0.32949 %
41	0.41096 %	0.43542 %	0.29124 %	0.32600 %	0.37326 %	0.35170 %	0.31997 %	0.36394 %	0.31357 %	0.35369 %	0.30789 %	0.34989 %
42	0.42377 %	0.43924 %	0.30079 %	0.33182 %	0.38373 %	0.35600 %	0.32316 %	0.40458 %	0.32417 %	0.36169 %	0.31385 %	0.38679 %
43	0.42818 %	0.44122 %	0.30225 %	0.34353 %	0.38623 %	0.36221 %	0.35139 %	0.41273 %	0.33414 %	0.36939 %	0.33820 %	0.39846 %
44	0.43844 %	0.44478 %	0.30484 %	0.34353 %	0.39058 %	0.37245 %	0.35791 %	0.41954 %	0.34143 %	0.39273 %	0.34403 %	0.40173 %
45	0.44330 %	0.45078 %	0.30831 %	0.34950 %	0.41079 %	0.37743 %	0.37024 %	0.42277 %	0.38430 %	0.39772 %	0.34403 %	0.40953 %
46	0.44832 %	0.45589 %	0.31588 %	0.36721 %	0.41468 %	0.38231 %	0.38547 %	0.42481 %	0.38941 %	0.40017 %	0.35727 %	0.41487 %
47	0.45272 %	0.48263 %	0.33428 %	0.37630 %	0.42112 %	0.38682 %	0.38758 %	0.42721 %	0.38945 %	0.40324 %	0.36408 %	0.42206 %
48	0.47285 %	0.48925 %	0.33560 %	0.37988 %	0.42788 %	0.39291 %	0.39047 %	0.43163 %	0.39352 %	0.41109 %	0.36669 %	0.42808 %
49	0.47504 %	0.50343 %	0.34067 %	0.38210 %	0.42961 %	0.39875 %	0.39423 %	0.43487 %	0.39352 %	0.41432 %	0.36879 %	0.43760 %
50	0.47712 %	0.50450 %	0.34314 %	0.38634 %	0.43549 %	0.39897 %	0.40066 %	0.43903 %	0.39857 %	0.41788 %	0.37872 %	0.43850 %
51	0.48196 %	0.50715 %	0.34471 %	0.39047 %	0.43739 %	0.40622 %	0.40364 %	0.44307 %	0.40538 %	0.42712 %	0.38513 %	0.43882 %
52	0.49166 %	0.51283 %	0.34938 %	0.39810 %	0.43846 %	0.40700 %	0.40385 %	0.44740 %	0.41422 %	0.43338 %	0.38650 %	0.44045 %
53	0.49255 %	0.52398 %	0.35244 %	0.40286 %	0.44042 %	0.40905 %	0.40606 %	0.45256 %	0.41841 %	0.43557 %	0.39021 %	0.44406 %
54	0.49393 %	0.52505 %	0.35370 %	0.40494 %	0.44178 %	0.41046 %	0.40830 %	0.45693 %	0.42050 %	0.43965 %	0.39435 %	0.44970 %
55	0.49393 %	0.53055 %	0.35458 %	0.40774 %	0.44912 %	0.41206 %	0.41084 %	0.45751 %	0.42336 %	0.44471 %	0.39761 %	0.45090 %
56	0.49462 %	0.53477 %	0.35662 %	0.41382 %	0.45461 %	0.41409 %	0.41154 %	0.46183 %	0.42984 %	0.44676 %	0.39886 %	0.46246 %
57	0.50111 %	0.53781 %	0.35707 %	0.41682 %	0.46050 %	0.41588 %	0.41472 %	0.46429 %	0.42984 %	0.45330 %	0.40560 %	0.46585 %
58	0.50147 %	0.54142 %	0.35947 %	0.42138 %	0.46080 %	0.41745 %	0.41572 %	0.46507 %	0.43233 %	0.45688 %	0.40755 %	0.47152 %
59	0.50419 %	0.54589 %	0.36407 %	0.42193 %	0.46123 %	0.42171 %	0.41721 %	0.46625 %	0.43553 %	0.45699 %	0.40816 %	0.47514 %
60	0.50876 %	0.55100 %	0.36533 %	0.42193 %	0.46155 %	0.42552 %	0.42033 %	0.46743 %	0.43738 %	0.45792 %	0.41340 %	0.47863 %
61	0.50982 %	0.55370 %	0.36903 %	0.42255 %	0.46261 %	0.42847 %	0.42307 %	0.47344 %	0.43894 %	0.45837 %	0.41635 %	0.48032 %
62	0.51063 %	0.55894 %	0.37204 %	0.42315 %	0.46444 %	0.43261 %	0.42619 %	0.47344 %	0.43898 %	0.46163 %	0.41761 %	0.48056 %
63	0.51080 %	0.56072 %	0.37663 %	0.42517 %	0.47160 %	0.43464 %	0.42689 %	0.47685 %	0.44102 %	0.46173 %	0.41971 %	0.48056 %
64	0.51201 %	0.56264 %	0.37872 %	0.42974 %	0.47450 %	0.43490 %	0.43349 %	0.47773 %	0.44326 %	0.46279 %	0.41982 %	0.48326 %
65	0.52886 %	0.56360 %	0.38455 %	0.43352 %	0.47644 %	0.43596 %	0.43505 %	0.47793 %	0.44364 %	0.46279 %	0.42052 %	0.48511 %
66	0.53025 %	0.56906 %	0.38582 %	0.43389 %	0.47699 %	0.43779 %	0.43505 %	0.47793 %	0.44444 %	0.46580 %	0.42133 %	0.48516 %
67	0.53378 %	0.57310 %	0.38720 %	0.43451 %	0.47741 %	0.43824 %	0.43518 %	0.48002 %	0.44712 %	0.46580 %	0.42133 %	0.48516 %
68	0.53429 %	0.57387 %	0.38737 %	0.43544 %	0.47741 %	0.43935 %	0.43564 %	0.48081 %	0.44714 %	0.46593 %	0.42145 %	0.48546 %
69	0.53656 %	0.57701 %	0.38772 %	0.43556 %	0.47812 %	0.44153 %	0.43637 %	0.48081 %	0.44714 %	0.46604 %	0.42145 %	0.48655 %
70	0.53903 %	0.57701 %	0.38772 %	0.43562 %	0.47830 %	0.44215 %	0.43669 %	0.48083 %	0.44782 %	0.46619 %	0.42220 %	0.48890 %
71	0.53903 %	0.57827 %	0.38844 %	0.43565 %	0.47830 %	0.44215 %	0.43669 %	0.48083 %	0.44981 %	0.46864 %	0.42488 %	0.48897 %





Age	01.2013	02.2013	03.2013	04.2013	05.2013	06.2013	07.2013	08.2013	09.2013	10.2013	11.2013	12.2013
4	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
5	0.0000 %	0.0000 %	0.0000 %	0.00031 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
6	0.0000 %	0.00184 %	0.0000 %	0.00031 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.00064 %	0.0000 %	0.0000 %	0.00296 %
7	0.00059 %	0.00184 %	0.00015 %	0.00182 %	0.00047 %	0.00101 %	0.00124 %	0.0000 %	0.00064 %	0.0000 %	0.00064 %	0.00463 %
8	0.00059 %	0.00184 %	0.00321 %	0.00539 %	0.00690 %	0.00122 %	0.00141 %	0.0000 %	0.00070 %	0.00079 %	0.00064 %	0.00463 %
9	0.00292 %	0.00283 %	0.00562 %	0.00839 %	0.00938 %	0.00160 %	0.00141 %	0.00051 %	0.00372 %	0.00214 %	0.00071 %	0.01141 %
10	0.00990 %	0.02792 %	0.00855 %	0.01428 %	0.01062 %	0.00251 %	0.00317 %	0.00597 %	0.00529 %	0.00345 %	0.00074 %	0.02304 %
11	0.01578 %	0.04435 %	0.01307 %	0.01809 %	0.01062 %	0.01005 %	0.01160 %	0.01541 %	0.01128 %	0.00670 %	0.00458 %	0.02670 %
12	0.02703 %	0.04977 %	0.01668 %	0.02408 %	0.01724 %	0.01577 %	0.01515 %	0.01879 %	0.01227 %	0.01279 %	0.00578 %	0.02779 %
13	0.03381 %	0.05111 %	0.01917 %	0.02766 %	0.01947 %	0.02083 %	0.02182 %	0.03441 %	0.01493 %	0.02147 %	0.01228 %	0.04050 %
14	0.04559 %	0.05537 %	0.03228 %	0.03017 %	0.03135 %	0.02312 %	0.03122 %	0.04702 %	0.02097 %	0.03520 %	0.01775 %	0.04390 %
15	0.05067 %	0.08659 %	0.04776 %	0.03677 %	0.03558 %	0.02998 %	0.03782 %	0.05890 %	0.03266 %	0.03782 %	0.02165 %	0.04781 %
16	0.07451 %	0.09517 %	0.05042 %	0.04206 %	0.04683 %	0.03300 %	0.04129 %	0.07521 %	0.03915 %	0.04205 %	0.02344 %	0.05014 %
17	0.08002 %	0.10221 %	0.06421 %	0.04856 %	0.05421 %	0.03846 %	0.04954 %	0.08841 %	0.05224 %	0.05076 %	0.02641 %	0.05723 %
18	0.10268 %	0.10949 %	0.07141 %	0.04900 %	0.06653 %	0.05326 %	0.05277 %	0.09032 %	0.05737 %	0.05219 %	0.03049 %	0.06597 %
19	0.11513 %	0.12984 %	0.07939 %	0.06341 %	0.07779 %	0.05858 %	0.06134 %	0.10223 %	0.05883 %	0.05437 %	0.04351 %	0.07161 %
20	0.12528 %	0.13897 %	0.09833 %	0.07781 %	0.07962 %	0.06488 %	0.06565 %	0.10611 %	0.05991 %	0.06659 %	0.05444 %	0.07770 %
21	0.13112 %	0.14812 %	0.11289 %	0.08269 %	0.09100 %	0.07243 %	0.07162 %	0.12084 %	0.07644 %	0.07263 %	0.06266 %	0.08009 %
22	0.14322 %	0.16129 %	0.12006 %	0.09061 %	0.09618 %	0.08149 %	0.07848 %	0.14396 %	0.08134 %	0.07946 %	0.06652 %	0.08327 %
23	0.15905 %	0.17349 %	0.12303 %	0.09359 %	0.09618 %	0.08562 %	0.09242 %	0.15153 %	0.08600 %	0.08848 %	0.08280 %	0.08844 %
24	0.16915 %	0.18045 %	0.12990 %	0.09560 %	0.09991 %	0.09867 %	0.11010 %	0.16028 %	0.11209 %	0.10045 %	0.08322 %	0.09084 %
25	0.17731 %	0.19329 %	0.13249 %	0.09954 %	0.10607 %	0.10715 %	0.11453 %	0.17486 %	0.11729 %	0.10278 %	0.08383 %	0.11237 %
26	0.18551 %	0.21131 %	0.13598 %	0.11467 %	0.11289 %	0.11871 %	0.12558 %	0.17667 %	0.12552 %	0.10540 %	0.09239 %	0.11774 %
27	0.18618 %	0.21245 %	0.15129 %	0.13063 %	0.12675 %	0.12540 %	0.13405 %	0.20749 %	0.13115 %	0.12396 %	0.10286 %	0.13171 %
28	0.19231 %	0.22697 %	0.17105 %	0.14012 %	0.13237 %	0.12917 %	0.13735 %	0.21340 %	0.14117 %	0.13102 %	0.12639 %	0.14066 %
29	0.20049 %	0.23275 %	0.18288 %	0.14060 %	0.13507 %	0.13541 %	0.15044 %	0.22729 %	0.15233 %	0.13588 %	0.13605 %	0.15193 %
30	0.20656 %	0.24019 %	0.19080 %	0.14378 %	0.13935 %	0.13541 %	0.15638 %	0.22772 %	0.15517 %	0.13658 %	0.14844 %	0.15689 %
31	0.21273 %	0.24320 %	0.21314 %	0.14716 %	0.14055 %	0.14001 %	0.17499 %	0.23947 %	0.16566 %	0.14426 %	0.15550 %	0.16210 %
32	0.21544 %	0.24663 %	0.21388 %	0.15963 %	0.14648 %	0.16266 %	0.18538 %	0.24670 %	0.17503 %	0.14647 %	0.16294 %	0.16236 %
33	0.22159 %	0.25264 %	0.21762 %	0.16859 %	0.15059 %	0.16747 %	0.20317 %	0.26856 %	0.17683 %	0.15886 %	0.16828 %	0.17595 %
34	0.22571 %	0.26213 %	0.23296 %	0.17904 %	0.15376 %	0.17253 %	0.21041 %	0.27493 %	0.18016 %	0.16039 %	0.17501 %	0.17595 %
35	0.23423 %	0.26843 %	0.24901 %	0.18783 %	0.15692 %	0.17966 %	0.21638 %	0.27812 %	0.18026 %	0.16732 %	0.17715 %	0.17793 %
36	0.25231 %	0.27902 %	0.26496 %	0.19937 %	0.15941 %	0.19823 %	0.22514 %	0.28163 %	0.18733 %	0.17086 %	0.17995 %	0.18537 %
37	0.26517 %	0.28720 %	0.27471 %	0.20111 %	0.16801 %	0.20443 %	0.22647 %	0.28408 %	0.19019 %	0.17120 %	0.18795 %	0.20403 %
38	0.27386 %	0.30642 %	0.27632 %	0.20215 %	0.17001 %	0.20468 %	0.22830 %	0.28511 %	0.19208 %	0.17607 %	0.20691 %	0.20878 %
39	0.27870 %	0.31076 %	0.27818 %	0.20441 %	0.17063 %	0.20875 %	0.23136 %	0.28984 %	0.19772 %	0.19242 %	0.21370 %	0.21466 %
40	0.28179 %	0.31555 %	0.28754 %	0.20501 %	0.18033 %	0.21058 %	0.23857 %	0.29452 %	0.22142 %	0.19638 %	0.22125 %	0.22549 %
41	0.28428 %	0.32033 %	0.29201 %	0.20724 %	0.18278 %	0.21543 %	0.25206 %	0.31148 %	0.22604 %	0.20040 %	0.23392 %	0.23280 %
42	0.29066 %	0.32186 %	0.29577 %	0.20945 %	0.18473 %	0.22067 %	0.26508 %	0.32111 %	0.22859 %	0.20849 %	0.23869 %	0.24314 %
43	0.29166 %	0.32623 %	0.29673 %	0.21089 %	0.18967 %	0.23230 %	0.27418 %	0.32660 %	0.23305 %	0.21529 %	0.24004 %	0.24862 %
44	0.30102 %	0.33282 %	0.29978 %	0.22536 %	0.19730 %	0.24081 %	0.27990 %	0.32888 %	0.23873 %	0.21978 %	0.25501 %	0.25518 %
45	0.30490 %	0.33344 %	0.30951 %	0.23466 %	0.20157 %	0.24126 %	0.28201 %	0.33686 %	0.24248 %	0.23137 %	0.25969 %	0.26341 %
46	0.30753 %	0.33802 %	0.31797 %	0.23791 %	0.20595 %	0.24488 %	0.28703 %	0.34315 %	0.25077 %	0.23298 %	0.26485 %	0.26556 %
47	0.31521 %	0.34487 %	0.31981 %	0.24217 %	0.20700 %	0.24798 %	0.28988 %	0.35906 %	0.25282 %	0.23434 %	0.26715 %	0.27103 %
48	0.32916 %	0.35336 %	0.32292 %	0.24355 %	0.20971 %	0.25554 %	0.29533 %	0.36484 %	0.25631 %	0.23987 %	0.27272 %	0.27450 %
49	0.33602 %	0.35572 %	0.32353 %	0.25003 %	0.21037 %	0.26520 %	0.29689 %	0.37057 %	0.25813 %	0.24217 %	0.27564 %	0.27744 %
50	0.34091 %	0.35590 %	0.32739 %	0.25349 %	0.21372 %	0.26724 %	0.30027 %	0.37130 %	0.25934 %	0.24488 %	0.27927 %	0.27999 %
51	0.34558 %	0.35759 %	0.32854 %	0.25683 %	0.21747 %	0.27035 %	0.30086 %	0.37196 %	0.26237 %	0.24903 %	0.28363 %	0.28221 %
52	0.35138 %	0.36244 %	0.33286 %	0.25974 %	0.21898 %	0.27295 %	0.30295 %	0.37532 %	0.26376 %	0.25093 %	0.28528 %	0.29270 %



Age	01.2013	02.2013	03.2013	04.2013	05.2013	06.2013	07.2013	08.2013	09.2013	10.2013	11.2013	12.2013
102	0.38884 %											
Age	01.2014	02.2014	03.2014	04.2014	05.2014	06.2014	07.2014	08.2014	09.2014	10.2014	11.2014	12.2014
1	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
2	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
3	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
4	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00561 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
5	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00561 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
6	0.00109 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00561 %	0.00000 %	0.00000 %	0.00020 %	0.00000 %	0.00017 %	0.00077 %
7	0.00109 %	0.00062 %	0.00000 %	0.00044 %	0.00008 %	0.00792 %	0.00203 %	0.00000 %	0.00020 %	0.00042 %	0.00199 %	0.00155 %
8	0.00306 %	0.00062 %	0.00182 %	0.00143 %	0.00084 %	0.00792 %	0.00207 %	0.00192 %	0.00706 %	0.00256 %	0.00291 %	0.00500 %
9	0.01169 %	0.00568 %	0.00858 %	0.00220 %	0.00084 %	0.00855 %	0.00211 %	0.00281 %	0.00759 %	0.00585 %	0.00573 %	0.00676 %
10	0.01739 %	0.00661 %	0.00895 %	0.00246 %	0.00282 %	0.01029 %	0.00541 %	0.00778 %	0.00759 %	0.00813 %	0.00749 %	0.01925 %
11	0.02589 %	0.01197 %	0.01275 %	0.00290 %	0.00404 %	0.01106 %	0.00815 %	0.01999 %	0.00968 %	0.00893 %	0.01062 %	0.01925 %
12	0.02776 %	0.01423 %	0.01414 %	0.00503 %	0.00805 %	0.02059 %	0.01228 %	0.02457 %	0.00968 %	0.01559 %	0.01858 %	0.02135 %
13	0.02972 %	0.01642 %	0.02182 %	0.00966 %	0.01654 %	0.02801 %	0.02089 %	0.03030 %	0.01833 %	0.01633 %	0.02075 %	0.03036 %
14	0.03209 %	0.02672 %	0.02563 %	0.02680 %	0.02196 %	0.03335 %	0.02492 %	0.03557 %	0.02251 %	0.01763 %	0.02318 %	0.03450 %
15	0.03721 %	0.02695 %	0.03086 %	0.04354 %	0.02604 %	0.05102 %	0.02772 %	0.04065 %	0.03274 %	0.02192 %	0.03155 %	0.03567 %
16	0.04366 %	0.03579 %	0.04140 %	0.04496 %	0.03911 %	0.05270 %	0.03205 %	0.04452 %	0.04119 %	0.03647 %	0.03558 %	0.04001 %
17	0.05531 %	0.04891 %	0.04149 %	0.05158 %	0.04334 %	0.05586 %	0.03691 %	0.05100 %	0.04388 %	0.03839 %	0.03995 %	0.04280 %
18	0.05983 %	0.05121 %	0.04548 %	0.05630 %	0.05544 %	0.05936 %	0.03979 %	0.05930 %	0.04463 %	0.04860 %	0.07178 %	0.05081 %
19	0.06473 %	0.05308 %	0.05887 %	0.05936 %	0.06270 %	0.06390 %	0.04624 %	0.06342 %	0.04478 %	0.06267 %	0.07596 %	0.05168 %
20	0.07877 %	0.08760 %	0.06405 %	0.06162 %	0.06649 %	0.06785 %	0.05408 %	0.06447 %	0.06121 %	0.06582 %	0.07847 %	0.05262 %
21	0.07918 %	0.09814 %	0.06676 %	0.06550 %	0.07147 %	0.06863 %	0.05970 %	0.06559 %	0.06551 %	0.06821 %	0.07891 %	0.05530 %
22	0.08040 %	0.11008 %	0.07125 %	0.06918 %	0.07979 %	0.07702 %	0.06240 %	0.07014 %	0.07824 %	0.06931 %	0.07972 %	0.05715 %
23	0.08212 %	0.12420 %	0.07944 %	0.09402 %	0.08481 %	0.08631 %	0.06517 %	0.07654 %	0.08464 %	0.07243 %	0.08422 %	0.05715 %
24	0.08545 %	0.13752 %	0.08588 %	0.09995 %	0.08762 %	0.08832 %	0.07213 %	0.07886 %	0.08969 %	0.07392 %	0.10943 %	0.05998 %
25	0.08778 %	0.14367 %	0.09275 %	0.10935 %	0.09770 %	0.09427 %	0.07999 %	0.08763 %	0.09152 %	0.07392 %	0.11175 %	0.09572 %
26	0.08855 %	0.14479 %	0.10351 %	0.12171 %	0.09929 %	0.09664 %	0.08341 %	0.09113 %	0.09494 %	0.08094 %	0.14002 %	0.10636 %
27	0.09550 %	0.16245 %	0.11500 %	0.12617 %	0.09929 %	0.10287 %	0.08474 %	0.09203 %	0.10701 %	0.10937 %	0.14485 %	0.11043 %
28	0.10080 %	0.16650 %	0.11939 %	0.13293 %	0.10790 %	0.10446 %	0.09122 %	0.10237 %	0.13385 %	0.12226 %	0.15195 %	0.11685 %
29	0.10391 %	0.16835 %	0.12024 %	0.13732 %	0.10884 %	0.10722 %	0.09858 %	0.13455 %	0.14426 %	0.13199 %	0.15531 %	0.13396 %
30	0.11285 %	0.17099 %	0.13556 %	0.13968 %	0.12053 %	0.11002 %	0.12040 %	0.14448 %	0.15321 %	0.13602 %	0.17032 %	0.13824 %
31	0.11453 %	0.18203 %	0.13556 %	0.14010 %	0.12375 %	0.13398 %	0.13317 %	0.14657 %	0.16201 %	0.15035 %	0.17369 %	0.16126 %
32	0.11689 %	0.18258 %	0.13662 %	0.14103 %	0.13625 %	0.14272 %	0.13685 %	0.15921 %	0.16883 %	0.16448 %	0.18659 %	0.17237 %
33	0.11689 %	0.18393 %	0.14271 %	0.17692 %	0.14787 %	0.14462 %	0.14169 %	0.16601 %	0.18053 %	0.17970 %	0.19955 %	0.17376 %
34	0.11689 %	0.19514 %	0.17100 %	0.18380 %	0.16185 %	0.15043 %	0.15980 %	0.16968 %	0.18422 %	0.19786 %	0.21190 %	0.18065 %
35	0.12004 %	0.22293 %	0.17720 %	0.18711 %	0.16544 %	0.15711 %	0.16574 %	0.17738 %	0.20168 %	0.21599 %	0.21866 %	0.19127 %
36	0.13659 %	0.22880 %	0.18264 %	0.19270 %	0.17588 %	0.16730 %	0.17217 %	0.20010 %	0.21602 %	0.22178 %	0.21866 %	0.20337 %
37	0.15431 %	0.23635 %	0.19087 %	0.19573 %	0.18447 %	0.17321 %	0.18419 %	0.20661 %	0.22109 %	0.22712 %	0.22618 %	0.20544 %
38	0.16185 %	0.24729 %	0.19700 %	0.20759 %	0.18750 %	0.20627 %	0.20211 %	0.21160 %	0.22273 %	0.23450 %	0.22629 %	0.21096 %
39	0.17347 %	0.25266 %	0.20084 %	0.21187 %	0.20374 %	0.21054 %	0.22373 %	0.21697 %	0.22928 %	0.23832 %	0.23117 %	0.21508 %
40	0.19389 %	0.25525 %	0.20696 %	0.23146 %	0.20940 %	0.21192 %	0.22990 %	0.23205 %	0.24089 %	0.24646 %	0.23341 %	0.22882 %
41	0.19990 %	0.26697 %	0.21585 %	0.23472 %	0.21238 %	0.21328 %	0.23701 %	0.24002 %	0.24367 %	0.25517 %	0.23818 %	0.24426 %
42	0.20927 %	0.27212 %	0.22159 %	0.23639 %	0.21658 %	0.22024 %	0.23963 %	0.25002 %	0.24537 %	0.26203 %	0.25091 %	0.25220 %
43	0.21258 %	0.27920 %	0.22318 %	0.23703 %	0.21808 %	0.22320 %	0.24990 %	0.25703 %	0.25669 %	0.26425 %	0.25593 %	0.25465 %
44	0.21561 %	0.28209 %	0.24033 %	0.24351 %	0.22242 %	0.22454 %	0.25230 %	0.26365 %	0.27031 %	0.26928 %	0.25616 %	0.26166 %
45	0.21675 %	0.30062 %	0.24226 %	0.24669 %	0.22745 %	0.22694 %	0.25467 %	0.26791 %	0.27129 %	0.27634 %	0.27251 %	0.26710 %



Age	01.2015	02.2015	03.2015	04.2015	05.2015	06.2015	07.2015	08.2015	09.2015	10.2015	11.2015	12.2015
2	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
3	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
4	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
5	0.0000 %	0.0000 %	0.00129 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %
6	0.00093 %	0.0000 %	0.00129 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.00026 %	0.0000 %
7	0.00093 %	0.0000 %	0.00164 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.0000 %	0.00075 %	0.00026 %
8	0.00287 %	0.00056 %	0.00280 %	0.00146 %	0.00076 %	0.00217 %	0.0000 %	0.00022 %	0.00097 %	0.00075 %	0.00140 %	0.00002 %
9	0.00657 %	0.00366 %	0.00280 %	0.00177 %	0.00503 %	0.00249 %	0.00001 %	0.00022 %	0.00344 %	0.00106 %	0.00140 %	0.00002 %
10	0.01244 %	0.00366 %	0.00309 %	0.00492 %	0.00752 %	0.00359 %	0.00001 %	0.00022 %	0.00344 %	0.00214 %	0.00697 %	0.01078 %
11	0.02285 %	0.00500 %	0.00797 %	0.00492 %	0.00867 %	0.00580 %	0.00008 %	0.00086 %	0.00344 %	0.00352 %	0.01081 %	0.01868 %
12	0.02311 %	0.01145 %	0.01115 %	0.00681 %	0.01109 %	0.00738 %	0.00063 %	0.00086 %	0.00419 %	0.00352 %	0.02272 %	0.02064 %
13	0.02466 %	0.01954 %	0.01677 %	0.00738 %	0.01154 %	0.00927 %	0.00963 %	0.00835 %	0.00434 %	0.00400 %	0.02464 %	0.02288 %
14	0.02632 %	0.01954 %	0.02073 %	0.00822 %	0.01720 %	0.01006 %	0.01171 %	0.01205 %	0.00438 %	0.00404 %	0.03122 %	0.04958 %
15	0.02776 %	0.02479 %	0.02442 %	0.01702 %	0.02112 %	0.01836 %	0.01257 %	0.01221 %	0.00801 %	0.01239 %	0.04675 %	0.05409 %
16	0.03708 %	0.02639 %	0.02638 %	0.02433 %	0.02509 %	0.02282 %	0.01257 %	0.01275 %	0.01159 %	0.03708 %	0.04932 %	0.06049 %
17	0.04068 %	0.02670 %	0.02717 %	0.02524 %	0.02832 %	0.02282 %	0.02851 %	0.03011 %	0.01592 %	0.04146 %	0.05041 %	0.06916 %
18	0.04130 %	0.02830 %	0.02890 %	0.02532 %	0.02913 %	0.02598 %	0.05334 %	0.05277 %	0.02579 %	0.05063 %	0.05667 %	0.07628 %
19	0.04415 %	0.04334 %	0.03276 %	0.02535 %	0.03228 %	0.04276 %	0.06340 %	0.05909 %	0.04048 %	0.06033 %	0.07273 %	0.10835 %
20	0.04775 %	0.04416 %	0.03668 %	0.03402 %	0.04992 %	0.06154 %	0.06935 %	0.06338 %	0.05164 %	0.06478 %	0.09691 %	0.13136 %
21	0.04942 %	0.04417 %	0.04294 %	0.05408 %	0.06160 %	0.06793 %	0.08206 %	0.07882 %	0.06005 %	0.07545 %	0.10365 %	0.13950 %
22	0.06540 %	0.06661 %	0.07239 %	0.06836 %	0.06699 %	0.06990 %	0.09556 %	0.08319 %	0.07402 %	0.08208 %	0.12179 %	0.15260 %
23	0.06959 %	0.09952 %	0.08173 %	0.07412 %	0.07391 %	0.08018 %	0.10052 %	0.10311 %	0.08808 %	0.08577 %	0.12997 %	0.15619 %
24	0.08233 %	0.11458 %	0.08406 %	0.08334 %	0.08187 %	0.09918 %	0.11002 %	0.11088 %	0.09916 %	0.09274 %	0.13526 %	0.16726 %
25	0.09025 %	0.13474 %	0.09022 %	0.09889 %	0.09059 %	0.11013 %	0.11372 %	0.11670 %	0.10240 %	0.09636 %	0.14357 %	0.19007 %
26	0.10420 %	0.13688 %	0.10067 %	0.10655 %	0.09423 %	0.11884 %	0.11861 %	0.12473 %	0.10994 %	0.10482 %	0.14910 %	0.20018 %
27	0.10994 %	0.14539 %	0.11896 %	0.11175 %	0.10553 %	0.12271 %	0.12877 %	0.13260 %	0.11644 %	0.10764 %	0.16032 %	0.21006 %
28	0.12882 %	0.15216 %	0.12866 %	0.12162 %	0.11140 %	0.12411 %	0.13708 %	0.13902 %	0.12029 %	0.12014 %	0.17569 %	0.21595 %
29	0.13820 %	0.15655 %	0.13494 %	0.14477 %	0.12260 %	0.12559 %	0.14385 %	0.14587 %	0.12711 %	0.12867 %	0.18615 %	0.22801 %
30	0.14501 %	0.16261 %	0.14813 %	0.14633 %	0.12584 %	0.13067 %	0.16417 %	0.15202 %	0.14187 %	0.13361 %	0.19512 %	0.23523 %
31	0.15106 %	0.18113 %	0.15870 %	0.14823 %	0.14154 %	0.13179 %	0.17203 %	0.15881 %	0.14842 %	0.13972 %	0.19929 %	0.23596 %
32	0.15764 %	0.18863 %	0.16024 %	0.16637 %	0.14502 %	0.14008 %	0.17815 %	0.17872 %	0.16704 %	0.14082 %	0.20314 %	0.24162 %
33	0.17316 %	0.19252 %	0.16990 %	0.16643 %	0.15288 %	0.14204 %	0.18366 %	0.18522 %	0.16704 %	0.14362 %	0.21275 %	0.24652 %
34	0.17689 %	0.20792 %	0.17284 %	0.17177 %	0.16147 %	0.14518 %	0.18952 %	0.18977 %	0.17010 %	0.14888 %	0.22378 %	0.25658 %
35	0.19034 %	0.21466 %	0.18278 %	0.17623 %	0.16397 %	0.14797 %	0.18987 %	0.19147 %	0.17616 %	0.15572 %	0.23187 %	0.26615 %
36	0.19381 %	0.22681 %	0.18914 %	0.18000 %	0.17172 %	0.14980 %	0.19084 %	0.19764 %	0.18501 %	0.16213 %	0.23562 %	0.27045 %
37	0.19790 %	0.23171 %	0.19224 %	0.19648 %	0.17413 %	0.15530 %	0.20424 %	0.20215 %	0.19105 %	0.16728 %	0.24041 %	0.27173 %
38	0.20441 %	0.23617 %	0.20341 %	0.19855 %	0.18137 %	0.16182 %	0.20862 %	0.20732 %	0.19794 %	0.17391 %	0.24159 %	0.28635 %
39	0.21034 %	0.24027 %	0.20439 %	0.19909 %	0.18908 %	0.17011 %	0.21412 %	0.21142 %	0.19846 %	0.18161 %	0.25104 %	0.29059 %
40	0.21749 %	0.24728 %	0.21325 %	0.20127 %	0.19256 %	0.17393 %	0.21840 %	0.21675 %	0.20001 %	0.18472 %	0.25477 %	0.29615 %
41	0.21888 %	0.25383 %	0.21504 %	0.21693 %	0.19904 %	0.17803 %	0.22489 %	0.22044 %	0.20437 %	0.19173 %	0.25505 %	0.29770 %
42	0.22192 %	0.25555 %	0.22076 %	0.21895 %	0.20137 %	0.19301 %	0.22844 %	0.22947 %	0.20730 %	0.19178 %	0.25629 %	0.30340 %
43	0.22958 %	0.26806 %	0.22305 %	0.22036 %	0.21298 %	0.19384 %	0.23232 %	0.23868 %	0.20930 %	0.19447 %	0.25719 %	0.30517 %
44	0.23449 %	0.27313 %	0.22541 %	0.22411 %	0.21475 %	0.19689 %	0.23559 %	0.24160 %	0.21380 %	0.19458 %	0.26226 %	0.30721 %
45	0.24519 %	0.27522 %	0.22952 %	0.22904 %	0.21966 %	0.21217 %	0.23980 %	0.24450 %	0.21380 %	0.19464 %	0.26760 %	0.31662 %
46	0.24555 %	0.28011 %	0.23619 %	0.23292 %	0.23244 %	0.21490 %	0.24160 %	0.24635 %	0.22099 %	0.20026 %	0.26781 %	0.31707 %
47	0.25107 %	0.28194 %	0.23984 %	0.23696 %	0.23328 %	0.21879 %	0.26154 %	0.24662 %	0.22104 %	0.20266 %	0.27280 %	0.31966 %
48	0.25195 %	0.28601 %	0.24823 %	0.23850 %	0.23529 %	0.22789 %	0.26307 %	0.24750 %	0.22346 %	0.20536 %	0.27662 %	0.32429 %
49	0.25306 %	0.29013 %	0.25028 %	0.24228 %	0.26835 %	0.22854 %	0.26361 %	0.25101 %	0.22558 %	0.21352 %	0.28238 %	0.32899 %
50	0.25484 %	0.29084 %	0.25470 %	0.24499 %	0.27183 %	0.23109 %	0.26940 %	0.25190 %	0.22982 %	0.21896 %	0.28649 %	0.33365 %

Age	01.2015	02.2015	03.2015	04.2015	05.2015	06.2015	07.2015	08.2015	09.2015	10.2015	11.2015	12.2015
51	0.25608 %	0.29177 %	0.25672 %	0.24533 %	0.27375 %	0.23406 %	0.27386 %	0.25312 %	0.24448 %	0.22214 %	0.28671 %	0.33535 %
52	0.26015 %	0.29430 %	0.25675 %	0.24947 %	0.27548 %	0.23416 %	0.27683 %	0.25839 %	0.24801 %	0.22688 %	0.28927 %	0.34030 %
53	0.26246 %	0.29866 %	0.25930 %	0.25040 %	0.28078 %	0.23934 %	0.27744 %	0.26489 %	0.25735 %	0.22824 %	0.29151 %	0.34868 %
54	0.26609 %	0.30083 %	0.26213 %	0.25266 %	0.28155 %	0.24399 %	0.28011 %	0.26854 %	0.27164 %	0.23308 %	0.29430 %	0.35257 %
55	0.26844 %	0.30108 %	0.26624 %	0.25335 %	0.29292 %	0.24424 %	0.28116 %	0.27357 %	0.27274 %	0.23783 %	0.29691 %	0.35568 %
56	0.27066 %	0.30342 %	0.26976 %	0.25351 %	0.29576 %	0.24436 %	0.28274 %	0.27403 %	0.27522 %	0.24149 %	0.29841 %	0.35746 %
57	0.27307 %	0.30351 %	0.27177 %	0.25445 %	0.29913 %	0.24701 %	0.28354 %	0.27694 %	0.27903 %	0.24455 %	0.29916 %	0.35954 %
58	0.27481 %	0.30745 %	0.27758 %	0.25503 %	0.30348 %	0.24795 %	0.29158 %	0.28132 %	0.28119 %	0.24613 %	0.30316 %	0.36205 %
59	0.27848 %	0.31185 %	0.28107 %	0.25594 %	0.30719 %	0.24919 %	0.29214 %	0.28268 %	0.28361 %	0.24729 %	0.30398 %	0.36862 %
60	0.27873 %	0.31828 %	0.28196 %	0.25717 %	0.30785 %	0.25154 %	0.29706 %	0.28949 %	0.28520 %	0.25258 %	0.30812 %	0.37025 %
61	0.28126 %	0.32417 %	0.28219 %	0.26037 %	0.30921 %	0.25637 %	0.29926 %	0.29076 %	0.28603 %	0.25517 %	0.30812 %	0.37465 %
62	0.28288 %	0.32433 %	0.28718 %	0.26290 %	0.30934 %	0.25833 %	0.30203 %	0.29279 %	0.28752 %	0.25534 %	0.31064 %	0.37942 %
63	0.28316 %	0.32868 %	0.28894 %	0.26668 %	0.31374 %	0.25919 %	0.30462 %	0.29427 %	0.28863 %	0.25874 %	0.31114 %	0.38369 %
64	0.28445 %	0.32870 %	0.29127 %	0.27233 %	0.31401 %	0.26236 %	0.30536 %	0.29427 %	0.29370 %	0.26370 %	0.31643 %	0.38607 %
65	0.29062 %	0.33852 %	0.29429 %	0.27253 %	0.31427 %	0.26432 %	0.30581 %	0.29874 %	0.29479 %	0.26722 %	0.31768 %	0.38611 %
66	0.29233 %	0.34138 %	0.29468 %	0.27915 %	0.31432 %	0.26555 %	0.30660 %	0.30307 %	0.29565 %	0.26927 %	0.31893 %	0.38948 %
67	0.29444 %	0.34352 %	0.29549 %	0.27983 %	0.31667 %	0.26703 %	0.31244 %	0.30311 %	0.29767 %	0.27200 %	0.31966 %	0.39046 %
68	0.29444 %	0.34387 %	0.29553 %	0.28112 %	0.31705 %	0.26741 %	0.31635 %	0.30700 %	0.29958 %	0.27318 %	0.31983 %	
69	0.29541 %	0.34503 %	0.29560 %	0.28283 %	0.31913 %	0.26945 %	0.31653 %	0.31150 %	0.29969 %	0.27318 %		
70	0.29705 %	0.34503 %	0.29613 %	0.28363 %	0.32010 %	0.26981 %	0.31661 %	0.31211 %	0.30115 %			
71	0.29832 %	0.34510 %	0.29750 %	0.28395 %	0.32010 %	0.27200 %	0.31715 %	0.31363 %				
72	0.29991 %	0.34677 %	0.29756 %	0.28395 %	0.32032 %	0.27213 %	0.31715 %					
73	0.30203 %	0.34764 %	0.29769 %	0.28777 %	0.32035 %	0.27259 %						
74	0.30208 %	0.34764 %	0.29880 %	0.28922 %	0.32035 %							
75	0.30208 %	0.35092 %	0.29880 %	0.28962 %								
76	0.30620 %	0.35097 %	0.29880 %									
77	0.30620 %	0.35146 %										
78	0.30629 %											

Age	01.2016	02.2016	03.2016	04.2016	05.2016	06.2016	07.2016	08.2016	09.2016	10.2016	11.2016	12.2016
1	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
2	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
3	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
4	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
5	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
6	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
7	0.00000 %	0.00000 %	0.00092 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00194 %	0.00000 %	0.00319 %	0.00142 %
8	0.00041 %	0.00000 %	0.00170 %	0.00000 %	0.00000 %	0.00082 %	0.00004 %	0.00000 %	0.00545 %	0.00119 %	0.00353 %	0.00331 %
9	0.00205 %	0.00287 %	0.00853 %	0.00163 %	0.00027 %	0.00082 %	0.00030 %	0.00107 %	0.00758 %	0.00208 %	0.00419 %	0.00487 %
10	0.00205 %	0.00295 %	0.01094 %	0.00282 %	0.00190 %	0.00280 %	0.00073 %	0.00115 %	0.00922 %	0.00670 %	0.00419 %	0.00776 %
11	0.00297 %	0.00599 %	0.01384 %	0.00574 %	0.00296 %	0.00901 %	0.00314 %	0.00261 %	0.01387 %	0.00894 %	0.00581 %	0.00874 %
12	0.00772 %	0.00692 %	0.01669 %	0.00607 %	0.00779 %	0.01438 %	0.02176 %	0.01032 %	0.01387 %	0.01205 %	0.01022 %	0.02450 %
13	0.02625 %	0.01034 %	0.01861 %	0.01238 %	0.01382 %	0.01791 %	0.02542 %	0.01691 %	0.01752 %	0.01424 %	0.01709 %	0.02541 %
14	0.04327 %	0.02123 %	0.03255 %	0.01431 %	0.01762 %	0.02092 %	0.03119 %	0.01906 %	0.02173 %	0.02075 %	0.01937 %	0.03032 %
15	0.04706 %	0.03238 %	0.03762 %	0.03008 %	0.03022 %	0.02684 %	0.04258 %	0.02815 %	0.03272 %	0.02113 %	0.02442 %	0.03609 %
16	0.05808 %	0.04330 %	0.05037 %	0.03461 %	0.03388 %	0.03640 %	0.04786 %	0.04288 %	0.03809 %	0.03107 %	0.02708 %	0.04356 %
17	0.06782 %	0.04650 %	0.05616 %	0.04245 %	0.03685 %	0.04036 %	0.06319 %	0.05051 %	0.04590 %	0.03318 %	0.03472 %	0.05829 %
18	0.07467 %	0.05811 %	0.06086 %	0.04730 %	0.04121 %	0.04875 %	0.07459 %	0.06010 %	0.05431 %	0.04071 %	0.03960 %	0.06885 %









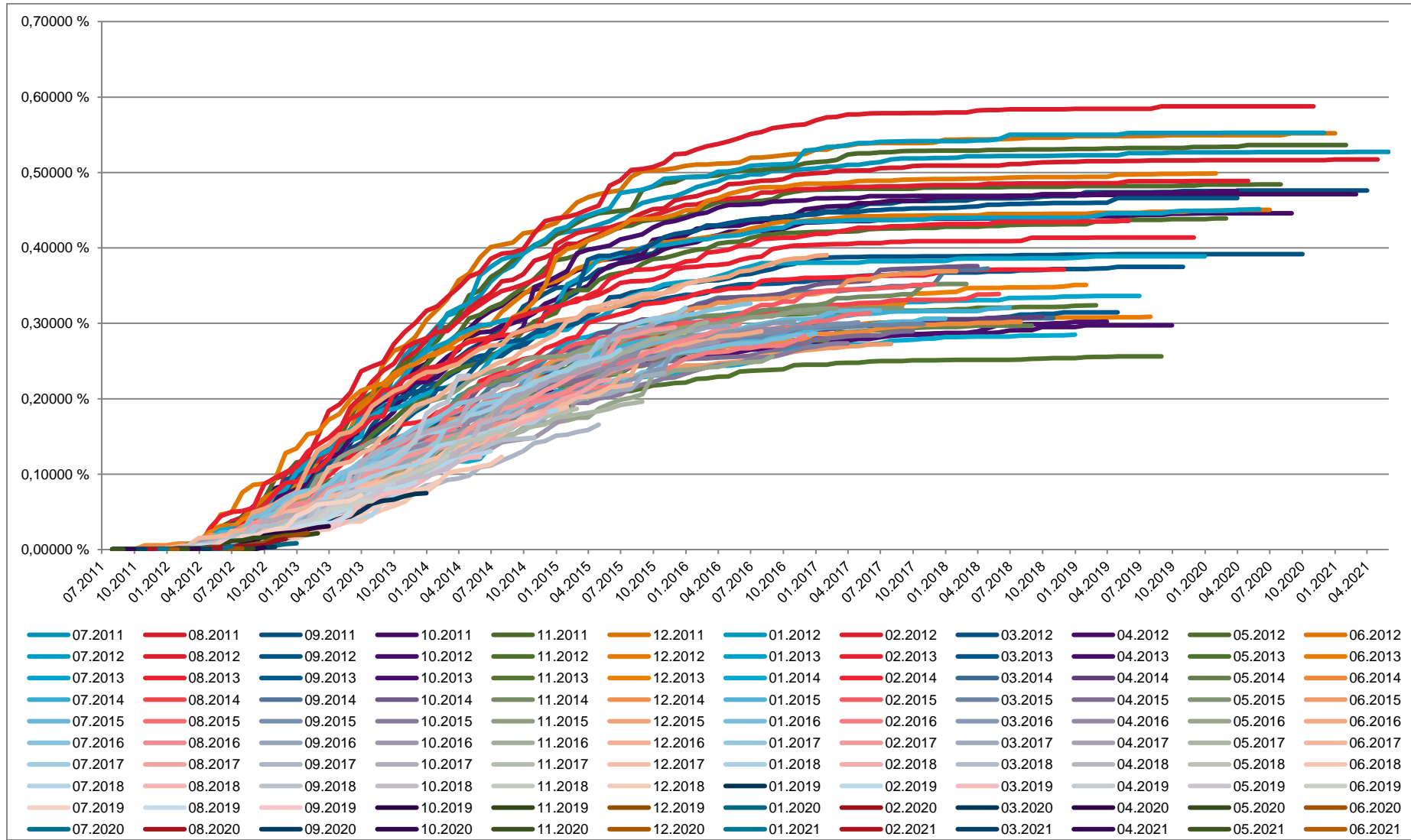
5	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
6	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
7	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00011 %	0.00003 %	0.00000 %	0.00000 %	0.00000 %	0.00164 %
8	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00005 %	0.00011 %	0.00003 %	0.00000 %	0.00000 %	0.00000 %	0.00164 %	0.00101 %
9	0.00000 %	0.00139 %	0.00016 %	0.00050 %	0.00005 %	0.00038 %	0.00215 %	0.00513 %	0.00000 %	0.00082 %	0.00180 %	0.00151 %
10	0.00004 %	0.00173 %	0.00060 %	0.00050 %	0.00046 %	0.00038 %	0.00504 %	0.00513 %	0.00117 %	0.00154 %	0.00329 %	0.00265 %
11	0.00056 %	0.00212 %	0.00194 %	0.00088 %	0.00071 %	0.00226 %	0.00586 %	0.00545 %	0.01014 %	0.00243 %	0.00329 %	0.00296 %
12	0.00099 %	0.00223 %	0.00413 %	0.00088 %	0.00381 %	0.00453 %	0.00927 %	0.01218 %	0.01048 %	0.00250 %	0.01137 %	0.00407 %
13	0.00410 %	0.00564 %	0.00470 %	0.00243 %	0.00463 %	0.00692 %	0.01721 %	0.01218 %	0.01048 %	0.00741 %	0.01232 %	0.00481 %
14	0.00620 %	0.00664 %	0.00628 %	0.00687 %	0.00893 %	0.00996 %	0.01788 %	0.01304 %	0.01533 %	0.00914 %	0.01553 %	0.00700 %
15	0.00668 %	0.00981 %	0.00880 %	0.01503 %	0.01077 %	0.01512 %	0.02238 %	0.01458 %	0.01725 %	0.01838 %	0.01562 %	0.00881 %
16	0.01053 %	0.01299 %	0.01243 %	0.02547 %	0.02422 %	0.01826 %	0.02724 %	0.01897 %	0.02004 %	0.02049 %	0.01698 %	0.01589 %
17	0.01466 %	0.01747 %	0.01672 %	0.03210 %	0.02533 %	0.02086 %	0.02829 %	0.02321 %	0.02306 %	0.02193 %	0.01931 %	0.01766 %
18	0.02038 %	0.02436 %	0.01722 %	0.03324 %	0.02863 %	0.02255 %	0.04505 %	0.02976 %	0.02626 %	0.02323 %	0.01947 %	0.01970 %
19	0.02462 %	0.02961 %	0.02033 %	0.03813 %	0.03262 %	0.03445 %	0.05083 %	0.03190 %	0.02742 %	0.02663 %	0.01974 %	0.02175 %
20	0.03032 %	0.03520 %	0.02874 %	0.04078 %	0.04866 %	0.03981 %	0.05984 %	0.03489 %	0.02891 %	0.02938 %	0.02164 %	
21	0.03567 %	0.04278 %	0.03329 %	0.04961 %	0.05382 %	0.05216 %	0.06108 %	0.03494 %	0.03053 %	0.03088 %		
22	0.04130 %	0.05091 %	0.04019 %	0.06976 %	0.05937 %	0.05502 %	0.06324 %	0.03693 %	0.03434 %			
23	0.04383 %	0.05585 %	0.04588 %	0.07552 %	0.06228 %	0.05858 %	0.06519 %	0.05052 %				
24	0.05098 %	0.06358 %	0.06203 %	0.07878 %	0.06549 %	0.06421 %	0.07221 %					
25	0.06095 %	0.07610 %	0.06443 %	0.08013 %	0.07128 %	0.06486 %						
26	0.06467 %	0.08008 %	0.07323 %	0.08549 %	0.08213 %							
27	0.06638 %	0.08047 %	0.07597 %	0.08741 %								
28	0.07086 %	0.08419 %	0.07807 %									
29	0.07386 %	0.08906 %										
30	0.07481 %											

Age	01.2020	02.2020	03.2020	04.2020	05.2020	06.2020	07.2020	08.2020	09.2020	10.2020	11.2020	12.2020
1	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
2	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
3	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
4	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
5	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
6	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00018 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00017 %
7	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00018 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00017 %
8	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00018 %	0.00000 %	0.00000 %	0.00002 %	0.00000 %	0.00000 %	0.00000 %	
9	0.00140 %	0.00000 %	0.00000 %	0.00000 %	0.00018 %	0.00000 %	0.00000 %	0.00002 %	0.00038 %	0.00103 %		
10	0.00147 %	0.00000 %	0.00010 %	0.00000 %	0.00018 %	0.00011 %	0.00000 %	0.00192 %	0.00089 %			
11	0.00148 %	0.00306 %	0.00019 %	0.00000 %	0.00083 %	0.00011 %	0.00111 %	0.00193 %				
12	0.00422 %	0.00315 %	0.00022 %	0.00000 %	0.00083 %	0.00122 %	0.00401 %					
13	0.00422 %	0.00437 %	0.00022 %	0.00005 %	0.00094 %	0.00148 %						
14	0.00479 %	0.00460 %	0.00119 %	0.00005 %	0.00102 %							
15	0.00481 %	0.00543 %	0.00281 %	0.00287 %								
16	0.00532 %	0.01195 %	0.00352 %									
17	0.00743 %	0.01417 %										
18	0.00822 %											

Age	01.2021	02.2021	03.2021	04.2021	05.2021	06.2021
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1	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
2	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %	0.00000 %
3	0.00000 %	0.00000 %	0.00000 %	0.00000 %		
4	0.00000 %	0.00000 %	0.00000 %			
5	0.00000 %	0.00000 %				
6	0.00000 %					

### Portion of Write-Offs to Initial Contract Value



## Weighted Average Lives of the Notes / Assumed Amortisation of the Purchased Lease Receivables and Notes

### Weighted Average Lives of the Notes

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

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

Prepayment Rate	Class A Notes			Class B Notes		
	Weighted Average Life (in years)	First Principal Payment in Month	Expected Maturity	Weighted Average Life (in years)	First Principal Payment in Month	Expected Maturity
0.0%	1.29	Dec 21	Jun 24	2.09	Apr 23	Jun 24
5.0%	1.23	Dec 21	May 24	2.01	Mar 23	May 24
9.0%	1.18	Dec 21	May 24	1.95	Feb 23	May 24
13.0%	1.13	Dec 21	Apr 24	1.88	Jan 23	Apr 24
5.0%	1.23	Dec 21	May 24	2.01	Mar 23	May 24

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

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

The information set out in this section entitled "*Weighted Average Lives of the Notes*" has been provided by the Arranger for use in this Prospectus and the Arranger (subject to the qualifications in this section) is solely responsible for the accuracy of the information set out in this section entitled "*Weighted Average Lives of the Notes*" taking into account the assumptions selected above, except to the extent that any inaccuracy results from information provided by VWL to the Arranger for the purpose of preparing this section of the Prospectus in which case VWL is solely responsible for the accuracy of the information set out in this section entitled "*Weighted Average Lives 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 Arranger that no facts have been omitted which would render the reproduced information inaccurate or misleading.

### Amortisation Profile of the Purchased Lease Receivables and the Notes

This amortisation scenario is based on the assumptions listed below and on a CPR of 5 per cent.

Reporting period	Amortisation Profile of the Discounted Lease Receivables in EUR	Note Balance Class A	Amortisation Class A	Note Balance Class B	Amortisation Class B
11.2021	1,000,004,957.96	941,100,000.00		21,500,000.00	
12.2021	962,515,310.58	903,591,516.12	37,508,483.88	21,500,000.00	-
01.2022	925,186,575.94	866,244,298.54	37,347,217.58	21,500,000.00	-
02.2022	888,036,718.68	829,076,310.44	37,167,988.10	21,500,000.00	-
03.2022	851,149,036.83	792,170,848.25	36,905,462.19	21,500,000.00	-
04.2022	814,593,606.43	755,597,985.62	36,572,862.63	21,500,000.00	-
05.2022	778,391,847.19	719,379,139.17	36,218,846.45	21,500,000.00	-
06.2022	742,548,650.24	683,519,196.77	35,859,942.40	21,500,000.00	-
07.2022	707,029,517.26	647,983,656.73	35,535,540.04	21,500,000.00	-
08.2022	671,911,067.68	612,849,135.53	35,134,521.20	21,500,000.00	-
09.2022	637,115,936.19	578,038,264.08	34,810,871.45	21,500,000.00	-
10.2022	602,754,051.76	543,660,968.38	34,377,295.70	21,500,000.00	-
11.2022	568,880,190.79	509,772,020.77	33,888,947.61	21,500,000.00	-
12.2022	535,527,176.83	476,404,240.22	33,367,780.55	21,500,000.00	-
01.2023	502,678,433.13	443,541,045.09	32,863,195.13	21,500,000.00	-
02.2023	470,525,146.65	412,885,816.19	30,655,228.90	21,500,000.00	-
03.2023	439,144,676.63	385,349,453.74	27,536,362.45	20,859,372.14	640,627.86
04.2023	408,608,160.08	358,553,660.47	26,795,793.27	19,408,887.61	1,450,484.53
05.2023	379,063,339.34	332,628,080.27	25,925,580.20	18,005,508.62	1,403,378.99
06.2023	350,537,466.47	307,596,626.82	25,031,453.45	16,650,529.66	1,354,978.96
07.2023	323,089,279.46	283,510,842.73	24,085,784.09	15,346,740.78	1,303,788.88
08.2023	296,698,604.78	260,353,025.70	23,157,817.03	14,093,183.72	1,253,557.06
09.2023	271,058,637.95	237,853,954.80	22,499,070.90	12,875,285.31	1,217,898.41
10.2023	246,143,799.21	215,991,183.81	21,862,770.99	11,691,830.46	1,183,454.85
11.2023	221,945,868.47	194,757,499.58	21,233,684.23	10,542,428.76	1,149,401.70

Reporting period	Amortisation Profile of the Discounted Lease Receivables in EUR	Note Balance Class A	Amortisation Class A	Note Balance Class B	Amortisation Class B
12.2023	198,549,477.00	174,227,166.07	20,530,333.51	9,431,100.16	1,111,328.60
01.2024	175,927,835.75	154,376,675.87	19,850,490.20	8,356,572.20	1,074,527.96
02.2024	154,338,475.39	135,432,012.16	18,944,663.71	7,331,077.58	1,025,494.62
03.2024	133,908,034.75	117,504,300.50	17,927,711.66	6,360,631.65	970,445.93
04.2024	114,809,677.11	100,745,491.66	16,758,808.84	5,453,459.67	907,171.98
05.2024	98,144,086.94		100,745,491.66		5,453,459.67
06.2024					

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

The exact average lives of the Class A Notes and the Class B Notes cannot be predicted as the actual rate at which the Purchased Lease Receivables will be repaid and a number of other relevant factors are unknown.

The average lives of the Class A Notes and the Class B Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic or that other factors would not impact on them and they must therefore be viewed with considerable caution.

### **Assumed Amortisation of the Notes**

This amortisation scenario is based on the assumptions listed below.

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

- (a) the Portfolio is subject to a constant rate of prepayment of 5 per cent. *per annum*;
- (b) no Purchased Lease Receivables are repurchased by the Seller;
- (c) the Notes are issued on the Issue Date of 25 November 2021;
- (d) the Payment Date is assumed to be the 21<sup>st</sup> day of each calendar month;
- (e) the Clean-Up Call is exercised;
- (f) the Purchased Lease Receivables are fully performing;
- (g) the original outstanding balance of each class of Notes is equal to the nominal amount set forth on the front cover of this Prospectus;
- (h) the Discount Rate according to linear method is to be 5.7016 per cent. *per annum* and the Monthly Payments are discounted back to the Cut Off Date;
- (i) third party expenses and servicing fees together are assumed to be 1.03 per cent. *per annum*;
- (j) the fixed rates under the Swap Agreement are 0.3800 per cent. *per annum* for the Class A Notes and 0.5250 per cent. *per annum* for the Class B Notes; and
- (k) a Buffer Release Rate of 4.2801 per cent. *per annum*.

The amortisation of Class A and Class B Notes is subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic or that other factors would not impact on them and they must therefore be viewed with considerable caution.

### **Additional Rights**

#### **Settlement and Reduction**

The Issuer may demand from VWL a Settlement Amount for any Purchased Lease Receivables in respect of which the respective Lessee legitimately terminates or invalidates the lease or asserts a right to refuse performance or to perform by setoff.

In case of a reduction of the Purchased Lease Receivables due to any amendments to a Lease Contract the Settlement Amount shall be equal to the difference of the present value of the Lease Receivables agreed upon at the inception of the Lease Contract and the present value of the future outstanding Purchased Lease Receivables becoming due according to such amendment, discounted with the Discount Rate.

In the event that extensions, deferrals, amendments, modifications or adjustments on a Lease Contract, taking into account all instalments affected by such amendment, cause a difference in the Discounted Receivables Balance before and after such extensions, deferrals, amendments, modifications or adjustments, the Receivables Purchase Agreement provides that VWL and the Issuer shall compensate each other for such difference by means of an Interest Compensation Payment. In such an event, VWL shall calculate the Interest Compensation Payment to be paid by VWL or, as the case may be, the Issuer for the difference of the Discounted Receivables Balance and shall inform the Issuer about the Interest Compensation Payment for a Monthly Period not later than on the Servicer Report Performance Date following such Monthly Period. The Interest Compensation Payment to be rendered for a Monthly Period increases or, as the case may be, decreases the Available Distribution Amount for such Monthly Period.



The Settlement Amount to be paid in the case of a Clean-Up Call (the "**Clean-Up Call Settlement Amount**") which could be exercised on any Payment Date when the Aggregate Discounted Receivables Balance is less than 10 per cent. of the Aggregate Cut-Off Date Discounted Receivables Balance, *provided that* all payment obligations under the Notes will be thereby fulfilled, means the lesser of (i) an amount equal to the outstanding Discounted Receivables Balance which would have become due if the Clean-Up Call had not occurred, calculated as at the last calendar day of the month in which the repurchase is to become effective and (ii) an amount equal to the theoretical present value of each Purchased Lease Receivables remaining to be paid in the future, calculated using a discount rate equal to (i) the weighted average (calculated based on the outstanding principal amount of Notes and the outstanding principal amount of the Subordinated Loan as of the end of the Monthly Period) of the Class A Swap Fixed Rate, the Class B Swap Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under both Swap Agreements) theoretically needed to swap the floating rate interest payments under the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. *per annum*, and plus (iii) 0.03 per cent. for administrative costs and fees. It shall be calculated as at the last calendar day of the month in which the repurchase is to become effective.

### **Realisation of Leased Vehicles**

The Issuer is entitled to payments from the realisation of Leased Vehicles as follows:

Proceeds which VWL has received from the realisation of Leased Vehicles or proceeds from the Lessee paid due to the premature termination of a Lease Contract VWL received on its own behalf or for the account of the Issuer and/or VCL Master Residual Value, and proceeds from a realisation of the Lease Collateral which VWL has received for the account of the Issuer and/or VCL Master Residual Value or for the account of the Security Trustee or the Expectancy Rights Trustee, as applicable, or which the Security Trustee or the Expectancy Rights Trustee have received on their own behalf shall be allocated by VWL to the Purchased Lease Receivables and the expectancy rights held in the Leased Vehicles by VCL Master Residual Value on a proportionate basis as provided for below. Upon the occurrence of a Servicer Insolvency Event, the Security Trustee and the Expectancy Rights Trustee shall jointly allocate Realisation Proceeds or proceeds from the Lessee paid due to the premature termination of a Lease Contract to the Purchased Lease Receivables and the Purchased Expectancy Rights on a proportionate basis as provided for under clause 18.2 of the Trust Agreement.

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

In general proceeds resulting from any realisation of Leased Vehicles shall be allocated as follows:

- (a) in case of "**Open End Lease Contracts**" (*Verträge mit Gebrauchtwagenabrechnung*), on a proportionate basis between (i) VCL Master Residual Value the present value of the residual value of the Leased Vehicle as assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*) at return of the car for the point in time of the originally agreed expiration of the Lease Contract and (ii) the Issuer the present value of the outstanding Purchased Lease Receivables; and
- (b) in case of "**Closed End Lease Contracts**" (*Verträge ohne Gebrauchtwagenabrechnung*), on a proportionate basis between (i) VCL Master Residual Value the present value of the residual value of the Leased Vehicle "as pre-agreed with the respective dealer" and (ii) the Issuer the present value of the outstanding Purchased Lease Receivables.

In case of excess proceeds resulting from any realisation, such excess proceeds shall, *provided that* all amounts due to the Issuer under the Receivables Purchase Agreement in the context of the Purchased Lease Receivables and all amounts due to VCL Master Residual Value with respect to the purchased expectancy rights representing the residual values of the Leased Vehicles related to such Purchased Lease Receivables have been paid, be allocated to VWL.

With respect to any proceeds collected by the Issuer from insurance enterprises pursuant the assignment of claims pursuant to clause 3.4 (*Assignment of Purchased Lease Receivables and Closing Date*) of the Receivables Purchase Agreement, the Issuer will allocate such collections on a *pro rata* basis in relation to the Discounted Receivables Balance and the Discounted Expectancy Rights Balance outstanding on the respective Lease Contract and will allocate such fractional amounts which refer to the outstanding Discounted Receivables Balance to the Issuer and such fractional amounts which refer to the outstanding Discounted Expectancy Rights Balance to VCL Master Residual Value which owns expectancy rights related to the respective Leased Vehicle(s) and in all other cases to VWL.

### **Security**

The Issuer has also acquired as security for the Purchased Lease Receivables and as security for all of the Issuer's current and future claims against VWL arising from the Receivables Purchase Agreement, and the Servicing Agreement, including all future damage claims pursuant to section 280 (1) in connection with section 280 (3) (*Schadensersatz statt der Leistung*) of the German Civil Code and including all claims arising out of a withdrawal from the Receivables Purchase Agreement, security title (*Sicherungseigentum*) to the Leased Vehicles and, notwithstanding the transfer of auxiliary or preferential rights pursuant to section 401 German Civil Code, when the assignment is effectuated pursuant to clause 3.1 (*Assignment of Purchased Lease Receivables and Closing Date*) of the Receivables Purchase Agreement, the following receivables and rights:

- (a) Unilateral right to alter legal relationships (*Gestaltungsrechte*), especially the right of termination. Until revoked, these rights will be exercised by VWL for the Issuer's benefit. VWL may exercise such rights in conformity with VWL's customary practices in effect from time to time. In no event will any Early Settlement or other payment be required by VWL unless there is an alteration or reduction of Lease Contracts by VWL which results in a reduction of the Discounted Receivables Balance of the Lease Receivables under the Lease Contract.
- (b) Damage claims arising from a breach of contract or in tort against the respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage to or loss of the Leased Vehicles.
- (c) The claims arising from the insurance certificate or without an insurance certificate against the respective vehicle insurer for payment of the insurance benefit. The Issuer is entitled to notify the respective insurer of the assignment on behalf of VWL. Although each Lease Contract contains provisions which require the Lessee to obtain insurance with respect to the Leased Vehicle, VWL will have no requirement to monitor the compliance by the Lessees with these provisions and VWL will have no liability for any failure by a Lessee to comply with these provisions.

To the extent that a third party has accepted to purchase the respective Leased Vehicle upon the expiration of a Lease Contract, VWL assigns to the Issuer any claims arising from such acceptance as security for all current claims of the Issuer under the Receivables Purchase Agreement. The Issuer accepts such assignment. VWL is entitled, also after this assignment, within the scope of its usual business policy at the time the Receivables Purchase Agreement is entered into, to waive such claims. The Issuer must be notified of any waiver without undue delay.

Each right, claim or title assigned to the Issuer as security is to be reassigned to VWL when the right or claim to be secured no longer exists.

### **Amendments to the Receivables Purchase Agreement**

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

- (a) in case of amendments which do not materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor, if it is notified to the Security Trustee and the Rating Agencies in writing, whereby letter, fax or e-mail shall be sufficient, and it has been demonstrated to the reasonable satisfaction of the Security Trustee that such amendment is not materially prejudicial to the interests of the Noteholders and/or any other Transaction Creditor;

- (b) in case that the Issuer is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Transaction to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein or in any regulatory technical standards adopted under the Securitisation Regulation; and
- (c) in case of amendments which materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor, if it is notified to the Security Trustee and the Rating Agencies in writing, whereby letter, fax or e-mail shall be sufficient, and the Issuer has received the written consent to such amendment from the Security Trustee and the Transaction Creditors that are materially and adversely affected.

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

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

## BUSINESS AND ORGANISATION OF VOLKSWAGEN LEASING GMBH

### Auto Lease Business in Germany

In the first half of 2021 the global economic growth recovered compared to the previous year. While the group of emerging markets experienced high economic growth in both quarters, the overall growth rate of the GDP in the advanced economies markedly improved from slightly negative in the first quarter to strongly positive in the second quarter.

From January to June 2021 Germany's real GDP fell by -3.2 per cent in the first and increased by 9.2 per cent in the second quarter compared to the previous year. The seasonally adjusted unemployment rate decreased to 5.7 per cent in July (July 2020: 6.4 per cent), while consumer prices increased by 3.8 per cent (July 2020: -0.1 per cent).

In the first six months of 2021 1.58 million new vehicles (1<sup>st</sup> half of 2020: 1.36 million/+15.7 per cent) were registered in Germany. The passenger car market increased by +14.9 per cent to 1.39 million vehicles (1<sup>st</sup> half of 2020: 1.21 million). Total car production reached 1.74 million vehicles in the period from January to June 2021 and increased by +16.1 per cent compared to the previous year (1<sup>st</sup> half of 2020: 1.49 million). Car exports by German manufacturers increased by +19.2 per cent to 1.33 million vehicles (1<sup>st</sup> half of 2020: 1.12 million). With car registrations increasing by +20.3 per cent, the Volkswagen Group's share in the German car market rose to 39.4 per cent (1<sup>st</sup> half of 2020: 37.6 per cent).

### Incorporation, Registered Office and Purpose

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

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

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

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

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

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

VWL offers:

- (i) leasing of new Volkswagen, Audi, SEAT, Skoda, Ducati and Volkswagen Nutzfahrzeuge vehicles;
- (ii) service-leasing to commercial and non-commercial customers;
- (iii) leasing of used vehicles of all makes.

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

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

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

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

#### **Origination, Servicing and Securitisation Expertise**

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

## **BUSINESS PROCEDURES OF VOLKSWAGEN LEASING GMBH**

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

The normal business procedures of VWL currently include the following:

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

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

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

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

### **Debts Management**

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

The leasing application includes a clause authorising VWL to debit the payments as they become due, directly on the bank account of the Lessee. Approximately 86 per cent of the Lessees made use of the direct debit system offered by VWL. This ensures that VWL receives instalments due promptly. Customers who do not authorise direct debiting give standing payment orders to their banks, write individual bank remittances or

send a cheque. The monthly instalments are generally billed four working days before the end of the month. VWL transmits the required information to its banks, which in turn communicate with the Lessees banks. VWL receives the instalments paid by direct debit between the 5th and 8th working day of the current month.

VWL's debt management processes are based on scorecards. There are four types of scorecard. Scorecard no. 1 relates to outstanding payments under a lease agreement, the target of which is the execution of a payment agreement. Scorecard no. 2 relates to repossession, the target of which is either the repossession of the leased vehicle or the execution of a payment agreement. Scorecard no. 3 relates to a court order, the target of which is the achievement of a payment which exceeds the fees. Scorecard no. 4 relates to any collections after a Write-Off, which may be realised by appointing an internal or external collection provider.

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

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

Receivables from the premature termination of contracts are generally billed weekly. In case the direct debiting orders of VWL are not honoured or are rescinded, the banks immediately debit the respective accounts of VWL accordingly. The overdue payments for any given month are therefore typically known by the 10th to 12th day of the month and reminder notices can be sent out immediately. Around 2 per cent of the direct debit payments are not honoured. In 80 per cent of the cases this was due to insufficient funds. In 20 per cent this was due to objections, closing of accounts, because of contradiction and the non-confirmation of account data. About 25 per cent of the direct debit payments which were not immediately honoured were paid within two weeks by the customer.

In the case of the remaining approximately 75 per cent of the outstanding direct debit orders, a reminder letter is generally sent to the customer once the instalment is overdue. If the Lessee does not pay then, a second reminder letter is generally sent after another two weeks, in which interest on arrears and other cost are also mentioned. The reminder (after about one and a half months) includes charges for the reminder, the threat of a summary court order and the threat of termination of the contract. In addition, the dealer who intermediated the contract is brought into the proceeding and is requested to investigate the situation and to help with the collection of the debts. In addition, the debts management department of VWL may write an individual letter to the customer or get in touch with the customer or with the dealer by telephone or telefax.

The debt managers of VWL are authorised to grant justifiable payment extensions. The number of such agreements has been negligible. The debt managers of VWL are also authorised to grant different kind of payment holidays up to a period of six months, depending on the creditworthiness of the customer. Payment holidays for a longer period than six months need to be individually approved. When a commercial Lessee has failed to pay two instalments and the reminder process has been completed without having received the respective payments from the customer, the contract will be terminated. In the case of a payment default of a private individual Lessee and after having sent out the respective reminders, the Lease Contract will be terminated by VWL as long as the legal requirements and preconditions are fulfilled (see below "Termination of Lease Contracts"). If the customer pays the amount owed fully, which applies to approximately 50 per cent of the Terminated Lease Contracts, the contract is reinstated. An application for a court order will normally only be made in order to enforce the debts after the settling of the Lease Contract (see below "Enforcement").

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

### **Termination of Lease Contracts**

The Lessee of a consumer Lease Contract is entitled to cancel his Lease Contract without giving reason by sending a letter, fax or email message, exercising such cancellation right within two weeks or receipt of a written notice informing him of such cancellation right.

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

- (i) when the other party is unable to pay or engaged in debt composition proceedings; when its cheques are not covered or its bills of exchange not honoured;
- (ii) if the other party has made untrue statements in connection with the Lease Contract or has failed to state relevant facts and the lessor cannot, therefore, be reasonably expected to continue to honour the contract;
- (iii) if the other party does not stop committing serious breaches of the contract in spite of written requests to this effect or if it fails to provide immediate remedy of any effects of such breaches of contract; or
- (iv) if the vehicle has been destroyed or the cost of repairing the damage exceeds 60 per cent of the replacement cost of the vehicle to the end of a contract month.
- (v) VWL can terminate Lease Contracts without prior notice, especially in the following cases:
- (vi) when two leasing instalments are overdue by commercial Lessees; or
- (vii) when two instalments or more representing in the aggregate at least 10 per cent of the total value of the Lease Contract (5 per cent when the term of the Lease Contract exceeds three years) are overdue by private individual Lessees and the lessor has set a final two-week deadline for payment which the Lessee does not honour.

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

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

If VWL terminates a contract for cause, it can require the Lessee to reimburse it for the damages which it has sustained through the premature termination of the contract. VWL is entitled for full reimbursement of its losses, taking into account the procedure for open end Lease Contracts ("Open End Lease Contracts") and closed end Lease Contracts ("Closed End Lease Contracts") described below. Within a period of two weeks after returning the vehicle, the Lessee has the possibility to minimise the losses by nominating a prospective buyer who cash purchases the vehicle for the requested price; however, this option is only applicable for Open End Lease Contracts.

For those contracts, which have been terminated by VWL, where the respective underlying vehicle has been sold, there are two ways of calculating the remainder of debt. Either VWL is dealing with an Open End Lease Contract or a Closed End Lease Contract. Open End Lease Contracts have no fixed residual value guaranteed by the dealers but the buy-back of the car is based on the state of the vehicle and the general state of the market. Therefore upon the re-marketing of the car, the Lessee bears the risk of a loss and partly participates in any profit. Closed End Lease Contracts are based on a fixed residual value which is guaranteed by the dealers for approximately 95 per cent of all Closed End Lease Contracts (for the other 5 per cent, VWL bears the risk). In case of under mileage, the dealers will be charged. If mileage is exceeded, the dealer will receive an adjustment payment. Under these agreements, the partner-dealer buys the vehicle from VWL at a previously agreed upon price. Under this type of contract the risk of realisation is borne entirely by the dealer-partner.



The remainder for Open End Lease Contracts is based on the difference between the actual realised price for the sold car and the originally calculated residual value of the car. The calculation takes into account the monthly instalments which would have to be paid by the Lessees in case of a contractually agreed end of the contract and additional costs, e.g. running costs or collection costs.

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

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

If a vehicle was totally destroyed or lost or if the estimate cost of repairing the damage is equal to or exceeds 60 per cent of the replacement cost of the vehicle, and the contracting parties do not come to an understanding on a termination agreement and, as a result, one of the contracting parties terminates the contract, VWL may claim the full amortisation. The Lessee shall receive 75 per cent of a surplus, if any, remaining after the final settling of the contract. If a full coverage insurance was taken out through Volkswagen-Versicherungsdienst GmbH (VVD), a full amortisation claim is limited to the amount of the deductible plus the cost of the delivery drive which is taken into account in the calculation of the lease instalment, provided that the vehicle was stolen or if the estimated cost of repairing the damage is equal to the replacement cost. However, the full amortisation claim will not be limited if the insurer refused to provide insurance coverage to the Lessee. The foregoing provisions shall apply mutatis mutandis to a compensation payment stipulated under a termination agreement. If the Lease Contract provides for any further services apart from the motor vehicle insurance against loss and damage, the above limitation shall also apply to a pro-rata calculation and claims for reimbursement of cost with respect to such other services.

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

### **Enforcement**

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

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

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

### **Write-Off**

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

- Unsuccessful enforcement measures (*erfolglose Zwangsvollstreckung*);
- Unsuccessful attachment order and transfer of garnished claim (*erfolgloser Pfändungs- und Überweisungsbeschluss*);

- Claim under EUR 250;
- Insolvency of the Lessee;
- Unsuccessful repossession;
- Lessee is in jail;
- Lessee's address unknown;
- Lessee has left the European Union as a result of which no further payments can be expected;
- Lessee with (legal) care (*Betreuungsmaßnahmen*);
- Scoring red: No court orders (expected court order costs will exceed the expected collections);
- Proven inability to pay (*Zahlungsunfähigkeit*);
- Lessee's death without heir apparent;
- Settlement through or out of court orders (*Gerichtlicher/Außergerichtlicher Vergleich*);
- Lost court proceedings; and
- A claim becomes unenforceable.

### **Internal Audit**

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

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

### **Auditors**

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Landschaftsstraße 8, 30159 Hanover, ("EY") has been the statutory auditor of the annual financial statements of VWL for the financial year ending on 31 December 2020. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft is a member of the Chamber of Public Accountants.

**Volkswagen Leasing Group**

**Selected figures (IFRS) for the years 2008 — 2020**

	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
New Contracts (thou.)	702	769	618	615	590	555	517	439	431	415	338	286	326
Contracts Outstanding (thou.)	1,721	1,674	1,487	1,386	1,281	1,181	1,110	1,014	956	876	802	764	762
Capital Investment (EUR m.)	20,533	20,890	16,204	16,240	15,114	13,937	12,154	10,556	10,395	9,757	7,712	6,381	7,154
Total Receivables (EUR m.) finance Lease	18,510	18,690	17,298	16,771	15,436	13,682	12,629	11,762	11,450	10,900	10,500	10,923	11,854
- from leasing instalments (EUR m.)	4,911	5,120	4,761	5,040	4,956	4,547	4,305	4,253	4,552	4,295	3,821	3,924	4,504
- from residual values (EUR m.)	13,599	13,571	12,536	11,731	10,480	9,134	8,324	7,509	6,898	6,606	6,679	6,700	7,349
Residual values operate Lease (EUR m.)	19,377	15,517	12,371	10,805	9,248	8,372	7,453	6,531	5,744	4,936	3,958	2,964	2,203

Source: Consolidated annual financial statements of Volkswagen Leasing GmbH

### **ADMINISTRATION OF THE PURCHASED LEASE RECEIVABLES UNDER THE SERVICING AGREEMENT**

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

- to collect the Lease Receivables.
- to administer the contracts underlying the Lease Receivables and in particular to terminate a Lease Contract.
- VWL may allow Lessees to defer payments within the scope of VWL's general business policies as they exist from time to time.
- take actions and remedies against delinquent and defaulted Lessees, exercise debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies against a Lessee.
- VWL shall, within fourteen (14) calendar days from the date on which the Monthly Remittance Condition was not satisfied for the first time, advance the Monthly Collateral in respect of the then prevailing Monthly Period plus, if the advance payment has to be made prior to the Payment Date falling in such Monthly Period, the Monthly Collateral in respect of the preceding Monthly Period; and for any subsequent Monthly Period in which the Monthly Remittance Condition continues to not be satisfied, VWL shall on the fifteenth (15th) calendar day of the month preceding the first day of such Monthly Period, or, if this is not a Business Day, on the next following Business Day, advance the Monthly Collateral to the Distribution Account to be retained until the Payment Date relating to such Monthly Period.
- to repossess the respective vehicle on behalf of VCL Master Residual Value upon termination of a Lease Contract and to realise such vehicles.
- to assert vis-à-vis the respective insurance companies, the claims to payment of other benefits under the vehicle insurance policies assigned to the Issuer pursuant to the Purchase Agreement.

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

Subject to the terms of the Servicing Agreement, if:

- (a) for the first time the Monthly Remittance Condition is not satisfied, VWL shall, within fourteen (14) calendar days from the date on which the Monthly Remittance Condition is not satisfied for the first time, advance the Monthly Collateral in respect of the then prevailing Monthly Period plus, if the advance payment has to be made prior to the Payment Date falling in such Monthly Period, the Monthly Collateral in respect of the preceding Monthly Period to the Distribution Account; and
- (b) for any subsequent Monthly Period in which the Monthly Remittance Condition continues to not be satisfied, VWL shall on the fifteenth (15th) calendar day of the month preceding the first day of such Monthly Period, or, if this is not a Business Day, on the next following Business Day, advance the Monthly Collateral to the Distribution Account to be retained until the Payment Date relating to such Monthly Period.

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

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

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

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

Unless this power is repealed, the Servicer is entitled and obliged to utilise the Cash Collateral Account to be opened by the Issuer up to the balance of the General Cash Collateral Amount:

- (i) to the extent, in the amounts and for the purposes described in clause 23 of the Trust Agreement; or
- (ii) for costs as a result of the replacement of a Servicer, to the extent that they cannot be covered by income from the investment of the funds in the Distribution Account and the Cash Collateral Account.

The Servicer will be entitled to receive the Servicer Fee on each Payment Date for the preceding Monthly Period. As additional compensation, the Servicer will be entitled to retain all late fees, fees for cheques with insufficient funds, other administrative fees and a final success fee. The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses except for auction, painting, repair or refurbishment expenses and similar expenses with respect to the Leased Vehicles. The Servicer will have no responsibility, however, to pay any credit losses with respect to the Purchased Lease Receivables. VWL is entitled to receive late collections on Purchased Lease Receivables which will be collected by the Servicer in case of a termination of a Lease Contract after the date of the Write-Off.

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

To the extent to which VWL receives a full or partial advance payment of a Purchased Lease Receivable, it is to hold such amount until it becomes due.

#### Reporting Duties of the Servicer and Duties under the Swap Agreements

Under the Servicing Agreement the Servicer has undertaken to report the following facts to the Issuer, the Security Trustee, the Expectancy Rights Trustee, the Account Bank, the Cash Administrator, the Paying Agent, the Calculation Agent, the Swap Counterparty and the Rating Agencies on each Servicer Report Performance Date:

- (i) the aggregate amount to be distributed on each Class A Note, on each Class B Note and on the Subordinated Loan on the Payment Date immediately following;
- (ii) the repayment of the nominal amount attributed to each Class A Note, to each Class B Note and the Subordinated Loan as distributed together with the interest payment;

- (iii) the nominal amount still outstanding on each Class A Note and each Class B Note and the Subordinated Loan as of each respective Payment Date;
- (iv) the Note Factor of the Class A Notes and Class B Notes;
- (v) the General Cash Collateral Amount and the VWL Risk Reserve still available on the immediately following Payment Date;
- (vi) the sums corresponding to the administration fees and servicing fees;
- (vii) the Cumulative Net Loss Ratio and whether a Credit Enhancement Increase Condition is in effect;
- (viii) the current Class A Actual Overcollateralisation Percentage and the current Class B Actual Overcollateralisation Percentage;
- (ix) the applicable Class A Targeted Overcollateralisation Percentage and the applicable Class B Targeted Overcollateralisation Percentage;
- (x) delinquency information for delinquency periods of up to one month, up to two months, up to three months and more than three months with respect to the number of Delinquent Lease Contracts and the total outstanding Discounted Receivables Balance of Delinquent Lease Contracts;
- (xi) in the event of the final Payment Date, the fact that such date is the final Payment Date;
- (xii) the confirmation that VWL has complied with its statutory obligation to pay VAT to its tax office on the Purchased Lease Receivables when such VAT became due for payment. Should VWL fail to deliver such confirmation, the Servicer will report the actual VAT deficiency ledger; and
- (xiii) the Buffer Release Rate.

Under the aforementioned agreement, the Servicer will also provide the Rating Agencies with such other information as it may reasonably request.

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

In the event that the Servicer is not able to comply with its reporting obligations as set out above in respect of a Purchased Lease Receivable, due to reasons which are constituted in the internal procedures of the Servicer (e.g. IT procedures or similar), the Servicer shall be entitled to take remedial actions in accordance with clauses 4.3(a) to 4.3(c) of the Receivables Purchase Agreement.

The Servicer further undertakes to disclose to the Noteholders without undue delay any material change to VWL's customary practices, which either refer to the similarity of the underwriting standards further specified in the Commission Delegated Regulation 2019/1851 or changes which materially affect the overall credit risk or expected average performance of the Portfolio.

In addition, under the Servicing Agreement and subject to applicable Data Protection Rules, Volkswagen Leasing GmbH 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 in force from time to time) any other Class of Notes are intended to be held in a manner which will allow Eurosystem eligibility, make loan-level data in such a manner available as required to comply with the Eurosystem eligibility criteria (as set out in Annex VIII (loan-level data reporting requirements for asset-backed securities) of the Guideline of the European Central Bank of 19 December 2014 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2014/60) as amended by Guideline (ECB/2019/11) and Guideline (ECB/2020/45)).

To a certain extent some of the above information will be included in the reports of the Issuer; such information will be, among other things, accessible on the website of Volkswagen Financial Services AG (<https://www.vwfs.com/investor-relations/volkswagen-leasing-gmbh/refinancing.html#>).

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

Under the Servicing Agreement, the Servicer has 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 Counterparty under the Swap Agreements, it will (on behalf of the Issuer):

- (i) 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 European Market Infrastructure Regulation, as amended from time to time ("**EMIR**"); and
- (ii) 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 Counterparty are required to submit pursuant to Article 9 of the EMIR.

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 Agreement 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 Swap Counterparty pursuant to Part 6(c) of the schedule to the Swap Agreements.

#### **Distribution Duties of the Servicer**

On the 21<sup>st</sup> day of each month or, if this day is not a Business Day, then the next following Business Day (unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day), is a Payment Date. No later than the Payment Date of each month, the Servicer will have made available to the Issuer in the Distribution Account in the manner stated below under "Distribution Procedure" (see below) the amount due and received from Lessees and other sources during the prior month.

#### **Distribution Procedure**

The Servicer has undertaken to transfer by the Payment Date of each month to the Distribution Account maintained by the Issuer with the Account Bank the Collections to be paid to the Noteholders and to be paid to the Swap Counterparty under the Swap Agreements on the Payment Date of that month.

#### **Administration of Insurance Benefits and Realisation of Security**

The Servicer is authorised and obliged to assert in accordance with its customary practices as they exist from time to time in relation to the respective insurance companies, the claims to payment or other benefits under the vehicle insurance policies assigned to the Issuer pursuant to the Receivables Purchase Agreement. Although each Lease Contract contains provisions which require the Lessee to obtain insurance with respect to the Leased Vehicle, VWL will have no requirement to monitor the compliance by the Lessees with these provisions and VWL will have no liability for any failure by a Lessee to comply with these provisions.

Upon the termination of a Lease Contract, the Servicer is authorised and obliged in accordance with its customary practices as they exist from time to time to appropriate the respective vehicles on behalf of the Expectancy Rights Trustee, or upon the occurrence of an event described in the Security Agreement, to

realise such vehicles on behalf of the Expectancy Rights Trustee, by private sale or by another measure chosen by the Servicer, upon due assessment of the circumstances.

#### **Amendments to the Servicing Agreement**

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

- (a) in case of amendments which do not materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor, if it is notified to the Security Trustee and the Rating Agencies in writing, whereby letter, fax or e-mail shall be sufficient, and it has been demonstrated to the reasonable satisfaction of the Security Trustee that such amendment is not materially prejudicial to the interests of the Noteholders and/or any other Transaction Creditor;
- (b) in case that the Issuer is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the 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 adopted under the Securitisation Regulation; and
- (c) in case of amendments which materially and adversely affect the interests of the Noteholders and/or any other Transaction Creditor, if it is notified to the Trustee and the Rating Agencies in writing, whereby letter, fax or e-mail shall be sufficient, and the Issuer has received the written consent to such amendment from the Security Trustee and the Transaction Creditors that are materially and adversely affected,

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

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

#### **Dismissal and Replacement of the Servicer**

After a Servicer Replacement Event, the Issuer is entitled to dismiss the Servicer by written notification. The Issuer shall use its best efforts to replace the Servicer and to appoint a new Servicer. The dismissal and the appointment of a new Servicer shall only become effective after the new Servicer has (i) taken over all the rights and obligations of the Servicer hereunder and (ii) agreed to indemnify and hold harmless the dismissed Servicer. However, the Servicer shall use best efforts that the appointment of the new Servicer shall become effective no later than three (3) months after the Servicer Replacement Event.

The Issuer is entitled to transfer its right to dismiss the Servicer to the Security Trustee. The Servicer is obliged with respect to the Issuer, for the benefit of the Security Trustee by way of a third party beneficiary contract pursuant to section 328 of the German Civil Code, to hold the Security Trustee harmless from all procedures, claims, obligations and liabilities as well as all related costs, fees, damages claims and expenditures arising in the execution of the Security Trustee's duties or arising from an alleged fault in carrying out its duties except to the extent that any cost, expense, loss, claim, damage or liability arises out of or is incurred as a result of the negligence of the Security Trustee or the non-compliance by the Security Trustee with the provisions of the Transaction Documents.

#### **Audit of Activities of the Servicer**

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



## SECURITY TRUSTEE

The Issuer has entered into a Trust Agreement with Intertrust Trustees GmbH and VWL. The Security Trustee's address is at Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany. The Security Trustee is not affiliated with the Issuer or VWL and maintains no other non-arm's length business relationship with the Issuer or VWL. Under the Trust Agreement the Issuer has authorised the Security Trustee to act as fiduciary agent for the Transaction Creditors.

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.

As collateral for the Trustee Claim, the Issuer has assigned and pledged to the Security Trustee the Security under the Transaction Documents and has further assigned for security purposes (*Sicherungseigentum*) and pledged the title to the Leased Vehicles (including title to newly fitted parts and accessories) which it acquired from VWL, whereby the act of delivery has been substituted by the assignment of its surrender claims and has assigned to the Security Trustee its claims for payment of its share in the proceeds resulting from a realisation of the Leased Vehicles by the Security Trustee.

With respect to the Purchased Lease Receivables, VWL has transferred title for security purposes (*Sicherungseigentum*) to the related Leased Vehicles to VCL Master, acting for and on behalf of its Compartment 1, subject to the resolutive condition (*auf lösende Bedingung*) of the occurrence of a Lease Contract Termination Event, thereby creating expectancy rights (*Eigentumsanwartschaftsrechte*) with respect to such Leased Vehicles in favour of VWL. VWL has then sold and transferred such expectancy rights to VCL Master Residual Value. VCL Master Residual Value has further transferred for security purposes such expectancy rights to the Expectancy Rights Trustee. Such expectancy rights shall not be affected by the transfer of the title for security purposes from the VCL Master Security Trustee to the Issuer under the Receivables Purchase Agreement and further from the Issuer to the Security Trustee under the Trust Agreement.

The Security Trustee has agreed to maintain and manage the Security, or, as the case may be, to realise them. However, until revocation by the Security Trustee the management/exercise of the Security remains vested in the Servicer, *provided that* the Issuer fulfils its obligations under the Notes.

The parties to the Trust Agreement have agreed that the Security Trustee, as regards the Security Trustee's tasks under the Trust Agreement, shall act exclusively for the benefit of the Transaction Creditors, except as regards the realisation of the Leased Vehicles and the distribution of the realisation proceeds achieved thereby.

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 of the Notes or any other agreement to which the Issuer is a party.

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.

The Trust Agreement does not obligate the Security Trustee to take any action (except to hold and realise the Security) unless any of the following events occur:

- (i) with respect to VCL Multi-Compartment S.A., an Insolvency Event occurs;
- (ii) the Issuer defaults in the payment of any interest on the most senior Class of Notes when the same becomes due and payable, and such default continues for a period of five (5) Business Days; or
- (iii) the Issuer defaults in the payment of principal of any Note on the Legal Maturity Date.

Amounts generally, except interest on the Class A Notes, will not be due and payable on any Note on any Payment Date prior to the Legal Maturity Date of that Note except to the extent there are sufficient funds in

the Available Distribution Amount to pay such amounts in accordance with the Order of Priority of distributions described above.

The Security Trustee shall without undue delay give notice to the Expectancy Rights Trustee, Noteholders of the relevant Class and the Subordinated Lender and notify the Rating Agencies of the occurrence of a Foreclosure Event.

VWL will be entitled to amend the Trust Agreement as provided for in clause 39 of the Trust Agreement.

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

#### DATA PROTECTION TRUSTEE

The Issuer has entered into a Data Protection Trust Agreement with Data Custody Agent Services B.V. and VWL.

Data Custody Agent Services B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, has been appointed as Data Protection Trustee under the Data Protection Trust Agreement. The managing directors of Data Custody Agent Services B.V. are A.J. Vink, T.T.B. Leenders and D.H. Schornagel. The sole shareholder of Data Custody Agent Services B.V. is Intertrust (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands.

The information in the preceding paragraph has been provided by Data Custody Agent Services B.V. for use in this Prospectus and Data Custody Agent Services B.V. is solely responsible for the accuracy of the preceding paragraph, *provided that*, with respect to any information included herein and specified to be sourced from the Data Protection Trustee (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 above Information available to it from the Data Protection Trustee, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the foregoing paragraph, Data Custody Agent Services B.V. in its capacity as Data Protection Trustee, and its Affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.

## RATINGS

The Class A Notes are expected to be rated AAA(sf) by DBRS and AAA(sf) by Fitch.

The Class B Notes are expected to be rated AA(low)(sf) by DBRS and AA(sf) by Fitch.

The rating of "AAA(sf)" is the highest rating DBRS assigns to long term debts and "AAA(sf)" is the highest rating Fitch assigns to long term debts. The suffix "sf" denotes an issue that is a structured finance transaction.

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

The ratings assigned to the 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 the 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.

### Meaning of Ratings

Rating	Rating Agency	Meaning
AAA(sf)	DBRS	An obligation rated 'AAA' has the highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.
AAA(sf)	Fitch	'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA(low)(sf)	DBRS	An obligation rated 'AA' denotes a superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.
AA(sf)	Fitch	'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

The Issuer has not requested a rating of the 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 DBRS and Fitch in this Prospectus shall refer to [www.dbrsmorningstar.com](http://www.dbrsmorningstar.com) and [www.fitchratings.com](http://www.fitchratings.com), respectively.

## THE ISSUER

### 1. General

VCL Multi-Compartment S.A., a public company with limited liability (Société Anonyme), was incorporated for the purpose, amongst others, of issuing asset backed securities under the laws of Luxembourg on 16 September 2009, for an unlimited period and with registered office at 22-24 boulevard Royal, L-2449 Luxembourg (telephone: (+352) 2602 491), acting for and on behalf of its specific Compartment VCL 34, duly created by resolutions of its Board of Directors on 18 August 2021. VCL Multi-Compartment S.A. is registered with the Luxembourg trade and companies register under registration number B 148436. The Issuer has been established as a special purpose vehicle whose objects and purposes are primarily the issue of securities.

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

The Legal Entity Identifier (LEI) of the Issuer is: 5299008QAF8H66VI9L59.

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

Further information on the Transaction including this Prospectus, can be obtained on the website of Circumference FS (Luxembourg) S.A. (<https://circumferencefs-luxembourg.com>), whereby it should be noted that the information on the website does not form part of this Prospectus and has not been scrutinised or approved by the competent authority unless that information is incorporated by reference into this Prospectus.

### 2. Corporate Purpose of the Issuer

VCL Multi-Compartment S.A. has as its business purpose securitisations in its widest sense within the meaning of the Luxembourg Securitisation Law, which shall apply to VCL Multi-Compartment S.A. VCL Multi-Compartment S.A. 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. VCL Multi-Compartment S.A. may enter into any agreement and perform any action necessary or useful for the purpose of carrying out transactions permitted by the Luxembourg Securitisation Law, including, without limitation, disposing of its assets in accordance with the relevant agreements. VCL Multi-Compartment S.A. 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 VCL Multi-Compartment S.A. may, in accordance with the terms of the Luxembourg Securitisation Law, and in particular its Article 5, create one or more compartments within VCL Multi-Compartment S.A. Each compartment shall, unless otherwise provided for in the resolution of the Board of Directors creating such compartment, 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 VCL Multi-Compartment S.A., 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 VCL Multi-Compartment S.A. shall be treated as a separate entity. Rights of creditors and investors of VCL Multi-Compartment S.A. that (i) have been designated as relating 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 VCL Multi-Compartment S.A. whose rights are not related to a specific compartment of VCL Multi-Compartment S.A. shall have no rights to the assets of such compartment.

Unless otherwise provided for in the resolution of the Board of Directors of VCL Multi-Compartment S.A. creating such compartment, no resolution of the Board of Directors of VCL Multi-Compartment S.A. 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 VCL Multi-Compartment S.A. may be separately liquidated without such liquidation resulting in the liquidation of another compartment of VCL Multi-Compartment S.A. or of VCL Multi-Compartment S.A. itself.

Fees, costs, expenses and other liabilities incurred on behalf of VCL Multi-Compartment S.A. as a whole shall be general liabilities of VCL Multi-Compartment S.A. and shall not be payable out of the assets of any compartment. If the aforementioned fees, costs, expenses and other liabilities cannot be otherwise funded, they shall be apportioned pro rata among the compartments of VCL Multi-Compartment S.A. upon a decision of the board of directors.

#### 4. **Business Activity**

VCL Multi-Compartment S.A. has not previously carried out any business or activities other than those incidental to its incorporation, and other than entering into certain transactions prior to the Issue Date with respect to previously created Compartments and the securitisation transaction contemplated herein.

In respect of Compartment VCL 34, the principal activities of the Issuer will be the issue of the Notes in connection with the Transaction, the granting of the Security, the entering into the Subordinated Loan Agreement, 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 Cash Collateral Account and the exercise of related rights and powers and other activities reasonably incidental thereto.

In respect of Compartments other than Compartment VCL 34 the principal activities of VCL Multi-Compartment S.A. will be or, as the case may be, have been the operation as a multi-issuance securitisation conduit for the purposes of, on an on-going basis, purchasing assets, directly or via intermediary purchasing entities, from several selling entities, or assuming the credit risk in respect of assets in any other way, and funding such purchases or risk assumptions in particular in the asset-backed markets. Each such securitisation transaction can be structured as a singular or as a revolving purchase of assets (or other assumption of credit risk) and shall be separate from all other securitisations entered into by VCL Multi-Compartment S.A. To that end, each securitisation carried out by VCL Multi-Compartment S.A. shall be allocated to a separate Compartment.

#### 5. **Corporate Administration and Management**

The current directors of VCL Multi-Compartment S.A. as appointed by the sole shareholder of VCL Multi-Compartment S.A. are as follows:

<b>Director</b>	<b>Business address</b>	<b>Principal activities outside the Issuer</b>
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
Helene Grine-Siciliano	22-24 boulevard Royal, L-2449 Luxembourg	Professional in the domiciliation business

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

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

**6. Capital, Shares and shareholders**

The subscribed share capital of VCL Multi-Compartment S.A. is set at EUR 31,000 divided into 3,100, fully paid up, registered shares with a par value of EUR 10 each.

The sole shareholder of VCL Multi-Compartment S.A. 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 Strozilaan 101, 1083HN Amsterdam, The Netherlands. Stichting CarLux is registered with the trade register of the Chamber of Commerce in Amsterdam under number 34283304.

**7. Capitalisation**

The current share capital of VCL Multi-Compartment S.A. as at the date of this Prospectus is as follows:

Share Capital

Authorised, issued and fully paid up: EUR 31,000

**8. Indebtedness**

VCL Multi-Compartment S.A. has no material indebtedness, contingent liabilities and/or guarantees as at the date of the Prospectus, other than that which it has incurred or shall incur in relation to its Compartments and the transactions including the one contemplated in this Prospectus and its compartment VCL 34.

**9. Holding Structure**

Stichting CarLux, prenamed	3,100 shares
Total	<u>3,100 shares</u>

**10. Subsidiaries**

VCL Multi-Compartment S.A. has no subsidiaries or Affiliates.

**11. Name of the VCL Multi-Compartment S.A. financial auditors**

PricewaterhouseCoopers Société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg  
Luxembourg

PricewaterhouseCoopers Société coopérative is a member of the Institut des Réviseurs d' Entreprises.

The Issuer's financial auditors until 31 December 2019 was:

PricewaterhouseCoopers Société Cooperative  
2, rue Gerhard Mercator  
L-2182 Luxembourg  
Luxembourg



PricewaterhouseCoopers Société Cooperative is a member of the *Institut des Réviseurs d' Entreprises agréés*.

As of 1 January 2020 the Issuer's financial auditors has changed to:

Ernst & Young Luxembourg S.A.

35E, Avenue John F. Kennedy  
L-1855 Luxembourg

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

## 12. **Main Process for Director's Meetings and Decisions**

VCL Multi-Compartment S.A. 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 sole shareholder or by the general meeting of the shareholders.

The Board of Directors may elect from among its members a chairman.

The Board of Directors convenes upon call by the chairman, as often as the interest of VCL Multi-Compartment S.A. 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 VCL Multi-Compartment S.A.

## 13. **Financial Statements**

Audited financial statements will be published by VCL Multi-Compartment S.A. on an annual basis.

The accounting year of VCL Multi-Compartment S.A. extends from 1 January to 31 December of each year. The first business year began on 16 September 2009 and ended on 31 December 2009, so that the first annual general meeting of the shareholders was held in 2010. PricewaterhouseCoopers Société coopérative, as the auditor of VCL Multi-Compartment S.A., audited the annual accounts of VCL Multi-Compartment S.A. for the period from 1 January 2019 to 31 December 2019 and for the period from 1 January 2020 to 31 December 2020.

In the opinion of PricewaterhouseCoopers Société coopérative, the below annual accounts gave, in conformity with Luxembourg legal and regulatory requirements, a true and fair report of the financial position of VCL Multi-Compartment S.A. as at (i) 31 December 2019 and of the result of its operations from 1 January 2019 to 31 December 2019 and (ii) 31 December 2020 and of the result of its operations from 1 January 2020 to 31 December 2020.

The Financial statements of the Issuer for the fiscal years ended on 31 December 2019 and on 31 December 2020 are incorporated by reference into this Prospectus. See "DOCUMENTS INCORPORATED BY REFERENCE".

**14. Inspection of Documents**

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

- (a) the Articles of Incorporation of VCL Multi-Compartment S.A.;
- (b) minutes of the meetings of the Board of Directors of VCL Multi-Compartment S.A. approving the creation of the Compartment VCL 34, the issue of the Notes, the issue of the Prospectus and the Transaction as a whole;
- (c) the Prospectus, the Master Definitions Schedule and all the Transaction Documents referred in this Prospectus; and
- (d) the historical financial information of VCL Multi-Compartment S.A.

and may be inspected at the Issuer's registered office at 22-24 boulevard Royal, L-2449 Luxembourg or made available upon request by means of electronic distribution.

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

## CORPORATE ADMINISTRATION AND ACCOUNTS

### Corporate Administration

Pursuant to the Corporate Services Agreement dated 21 October 2009, VCL Multi-Compartment S.A. has appointed Circumference FS (Luxembourg) S.A., 22-24 boulevard Royal, L-2449 Luxembourg as Corporate Services Provider to provide, amongst others, management, secretarial and administrative services to VCL Multi-Compartment S.A. including the provision of directors of VCL Multi-Compartment S.A. The Corporate Services Provider is a public limited liability company (*Société Anonyme*) incorporated in Luxembourg. It is not in any manner associated with VCL Multi-Compartment S.A. or with the Volkswagen Group. The Corporate Services Provider will, *inter alia*, provide the following services:

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

The Corporate Services Provider will, furthermore on behalf of the Issuer, fulfil or cause to be fulfilled all the obligations of the Issuer under the contracts to which it is a party and which are mentioned in this Prospectus, which are as follows:

- Receivables Purchase Agreement;
- Servicing Agreement;
- Trust Agreement and Security Assignment Deed;
- Data Protection Trust Agreement;
- Agency Agreement;
- Swap Agreements;
- Subordinated Loan Agreement; and
- Account 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 NOTES".

**ACCOUNT BANK, CASH ADMINISTRATOR, CALCULATION AGENT, PAYING AGENT,  
INTEREST DETERMINATION AGENT AND REGISTRAR**

This description of Account Bank, Cash Administrator, Paying Agent, Calculation Agent and the Interest Determination Agent 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 Account Agreement, the Agency Agreement and the other Transaction Documents.

THE BANK OF NEW YORK MELLON (formerly The Bank of New York)

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at 240 Greenwich Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

The Bank of New York Mellon's corporate trust business services USD 12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than USD 26 trillion in assets under custody and administration and more than USD 1.4 trillion in assets under management. Additional information is available at [bnymellon.com](http://bnymellon.com).

To the best knowledge and belief of the Issuer, the above information about the Account Bank, the Cash Administrator, Calculation Agent, the Interest Determination Agent and the Paying Agent has been accurately reproduced. The Issuer is able to ascertain from such information published by the Account Bank, the Cash Administrator, Calculation Agent, the Interest Determination Agent and the Paying Agent that no facts have been omitted which would render the reproduced information inaccurate or misleading.

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of The Bank of New York Mellon since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

## REGISTRAR

This description of the Registrar 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 Account Agreement, the Agency Agreement and the other Transaction Documents.

The Registrar will be The Bank of New York Mellon SA/NV, Luxembourg Branch. The Bank of New York Mellon SA/NV ("**BNYM SA/NV**") is a Belgian public limited liability company, authorized and regulated as a credit institution by the National Bank of Belgium ("**NBB**") with company number 0806.743.159 and with registered office at 46 Rue Montoyer, B-1000 Brussels, Belgium. BNYM SA/NV, an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation, holds a banking licence and is regulated by the NBB and supervised by the European Central Bank. The Luxembourg branch of BNYM SA/NV is located in the Grand Duchy of Luxembourg at Vertigo Building - Polaris – 2-4 rue Eugène Ruppert -L-2453 Luxembourg and registered in the "*Registre de Commerce et des Sociétés*" in Luxembourg with the number B 105087.

As part of an internal restructuring to rationalise its legal entity structure and to streamline its operations, The Bank of New York Mellon (Luxembourg) S.A. merged into The Bank of New York Mellon SA/NV (the "**Merger**") on 1 April 2017. As a result of the Merger, the activities of The Bank of New York Mellon (Luxembourg) S.A. were allocated to the Luxembourg branch of BNYM SA/NV.

The Merger took place in accordance with the European Union Directive on Cross-Border Mergers of Limited Liability Companies (2005/56/EC) as implemented by Luxembourg and Belgium. Pursuant to the Merger, the assets and liabilities of The Bank of New York Mellon (Luxembourg) S.A. were acquired by BNYM SA/NV and The Bank of New York Mellon (Luxembourg) S.A. was dissolved without going into liquidation.

The purpose of The Bank of New York Mellon SA/NV is the carrying out of all banking and savings activities pursuant to Article 3 § 2 of the Belgian Law of 22 March 1993 on the legal status and supervision of credit institutions, and more particularly to receive deposits in cash, financial instruments and other assets, to extend credits in any form whatsoever, to conclude any transactions relating to currencies, financial instruments and precious metals, to provide all financial and administrative services, as well as to hold interests in other companies and to carry out all other financial, movable and immovable transactions which directly or indirectly relate to its purpose or facilitate its achievement.

The Bank of New York Mellon SA/NV, Luxembourg Branch is authorised to carry out all Banking activities as well as the activity of administrative agent of the Financial Sector.

The Bank of New York Mellon SA/NV, Luxembourg Branch is a member of the following organisations:

- (a) the Luxembourg Banking and Bankers Association, ("**ABBL**");
- (b) the Luxembourg Stock Exchange; and
- (c) the Association of the Luxembourg Fund Industry ("**ALFI**").

The Corporate Trust Department of The Bank of New York Mellon SA/NV, Luxembourg Branch services a wide scope of debt instruments and fiduciary transactions as (principal) paying agent, custodian, listing agent, fiduciary, registrar, transfer agent and conversion and exchange agent.

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

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of The Bank of New York Mellon since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

## 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 "MASTER DEFINITIONS SCHEDULE". In case of any overlap or inconsistency in the definition of a term or expression in the Conditions and elsewhere in this 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". For Annex B referred to under the Conditions of the Class A Notes see "MASTER DEFINITIONS SCHEDULE".

### 1. Form and Nominal Amount

- (1) The issue by VCL Multi-Compartment S.A., acting for and on behalf of its Compartment VCL 34 (the "**Issuer**") in an aggregate nominal amount of EUR 941,100,000 (the "**Nominal Amount**") is divided into

9,411 Class A Notes issued in registered global note form  
(the "**Class A Notes**"),  
each having a nominal amount of EUR 100,000

- (2) The Class A Notes are issued in registered form and represented by a global note (the "**Global Note**") without coupons attached. 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 signature(s) of at least one duly authorised director of VCL Multi-Compartment S.A. and will be authenticated by one or more employees or attorneys of The Bank of New York Mellon SA/NV, Luxembourg Branch (the "**Registrar**") and will be effectuated by the Common Safekeeper.
- (3) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the name and address of the Registered Holder (as defined below) and the particulars of such Class A Notes held by them and all transfers and payments (of interest and principal) of such Class A Notes. The rights of the Registered Holder (as defined below) evidenced by the Global Note and title to the Global 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.
- (4) Notwithstanding paragraph (3) 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).
- (5) Notwithstanding paragraph (3) 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.
- (6) Simultaneously with the Class A Notes the Issuer has issued EUR 21,500,000 Class B Floating Rate Notes 2021/2027 (the "**Class B Notes**" and together with the Class A Notes, the "**Notes**"), which, upon the occurrence of an Enforcement Event, rank junior to the Class A Notes with respect to payment of interest and principal as described in the Order of Priority.

- (7) The Issuer will borrow from the Subordinated Lender the Subordinated Loan in the nominal amount of EUR 32,904,957.96, which ranks junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.
- (8) The Notes are subject to the provisions of the Trust Agreement between, *inter alia*, the Issuer, the Security Trustee and VWL. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Conditions. The Trust Agreement is available for inspection during normal business hours at the specified offices of the Paying Agent.

## 2. Status and Ranking

- (1) The Class A Notes constitute direct, unconditional and secured obligations of the Issuer. The Class A Notes rank *pari passu* among themselves.
- (2) 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.

## 3. The Issuer

VCL Multi-Compartment S.A. is a public company incorporated with limited liability as a special purpose vehicle under the laws of Luxembourg and its Compartment VCL 34 is set up solely for the purpose of issuing the Notes and raising the Subordinated Loan and concluding and executing various agreements in connection with the Issue of the Notes and the raising of the Subordinated Loan.

## 4. Assets of the Issuer for the Purpose of Payments on the Notes and on the Subordinated Loan, Provision of Security, Limited Payment Obligation, Non Petition

- (1) The Issuer will use the proceeds of the Issue of the Notes and of the Subordinated Loan to acquire from VWL (a) pursuant to the Receivables Purchase Agreement (i) the Purchased Lease Receivables and ancillary rights arising from Lease Contracts which VWL has concluded with private individual and commercial Lessees and (ii) claims against the insurer pursuant to loss insurance policies covering the respective Leased Vehicles, damage claims arising from a breach of contract or in tort against a respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage to or loss of the Leased Vehicles and the right to require VWL to repurchase the Purchased Lease Receivables in case of a breach of warranties and (b) pursuant to the Receivables Purchase Agreement the Collateral Ownership Interest in the Leased Vehicles. The Issuer has transferred the Collateral Ownership Interest in the Leased Vehicles to the Security Trustee pursuant to the Trust Agreement and, in exchange thereof, it has obtained the right to receive a defined share of the realisation proceeds, if any. The collection and administration of the Purchased Lease Receivables and Lease Collateral, to which VWL has reserved itself the right and assumed the duty in the Receivables Purchase Agreement, shall be carried out on the basis of the Servicing Agreement between the Issuer, VWL (in this capacity, the "**Servicer**") and the Security Trustee. In addition, subject to revocation by the Security Trustee, VWL is entitled and obliged according to the provisions of the Trust Agreement to realise the Leased Vehicles on behalf of the Security Trustee as necessary. Furthermore, the Issuer has entered into additional agreements in connection with the acquisition of the Purchased Lease Receivables and Lease Collateral and the Issue of the Notes and the raising of the Subordinated Loan, in particular, the Subordinated Loan Agreement with an Affiliate of Volkswagen AG, the Data Protection Trust Agreement with the Data Protection Trustee and the Security Trustee, the Agency Agreement with VWL and the Paying Agent, two Swap Agreements with the Swap Counterparty, and the Account Agreement with the Account Bank. The agreements and documents referred to in this paragraph (1) are collectively referred to as the "**Transaction Documents**" and the creditors of the Issuer under these Transaction Documents are referred to as "**Transaction Creditors**".

- (2) The Issuer has transferred or pledged the Purchased Lease Receivables and Lease Collateral, the right to receive a defined share of the realisation proceeds of the Leased Vehicles and all of its claims arising under the Transaction Documents to the Security Trustee as Security for its obligations under the Notes and the Subordinated Loan Agreement and other obligations specified in the Trust Agreement. As to the form and contents of such provision of security, reference is made to the provisions of the Trust Agreement.
- (3) All payment obligations of the Issuer under the Class A Notes, the Class B Notes and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount in accordance with the Order of Priority as generated, *inter alia*, by payments to the Issuer by the Lessees and by the Swap Counterparty under the Swap Agreement(s), as available on the respective Payment Dates according to the Order of Priority. The Class A Notes shall not 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 in the Distribution Account in accordance with clause 21 of the Trust Agreement. Further, the Issuer will on or before the Issue Date establish and thereafter maintain the Cash Collateral Account pursuant to clause 23 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 Class A Notes may, subject always to the provisions of these Conditions of the Class A Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights, funds in the Distribution Account and the General Cash Collateral Amount are insufficient to satisfy in full the claims of all Transaction Creditors any claims remaining unpaid shall be extinguished at the Class A Legal Maturity Date which is at least 12 months after the Class A Scheduled Repayment Date and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the Class A Noteholders nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid according to the Order of Priority.
- (4) The enforcement of the payment obligations under the Class A Notes, the Class B Notes, the Swap Agreements and the Subordinated Loan Agreement pursuant to paragraph (3) shall only be effected by the Security Trustee for the benefit of all Class A Noteholders, Class B Noteholders, the Swap Counterparty, the Subordinated Lender and the other Secured Creditors. The Security Trustee is required to foreclose on the Security upon the occurrence of a Foreclosure Event, on the conditions and in accordance with the terms set forth in clauses 17 through 19 of the Trust Agreement.
- (5) The other parties to the Transaction Documents shall not be liable for the obligations of the Issuer.
- (6) No shareholder, officer, director, employee or manager of the Issuer or of Volkswagen AG or its Affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Transaction Documents. Any recourse against such a person is excluded accordingly.

#### **5. Further Covenants of the Issuer**

- (1) 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 develop any activities described in clause 38 of the Trust Agreement.
- (2) The counterparties of the Transaction Documents are not liable for covenants of the Issuer.

#### **6. Payment Date, Payment Related Information**

- (1) The Issuer shall inform the Class A Noteholders, not later than on the "Servicer Report Performance Date" which is the 16<sup>th</sup> day of each calendar month or in the event this day is not a Business Day, then on the next succeeding Business Day by means of the publication



provided for under Condition 11, with reference to the Payment Date (as described below) of such month, as follows:

- (i) the repayment of the nominal amount payable on each of the Class A Notes (if any) and the amount of interest calculated and payable on the Class A Notes on the succeeding 21<sup>st</sup> day of such calendar month or, if this is not a Business Day, on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each respectively a "**Payment Date**");
- (ii) the nominal amount remaining outstanding on each of the Class A Notes as per each respective Payment Date and the amount of interest remaining unpaid, if any, on the Class A Notes as from such Payment Date;
- (iii) the Class A Notes Factor, which shall be calculated as follows:

$$NF = \frac{941,100,000 - KR}{941,100,000}$$

whereby NF means the Class A Notes Factor which is calculated to six decimal places and KR means the total of all repayments of the nominal amount of all Class A Notes paid respectively on each Payment Date up to each respective Payment Date;

- (iv) the remaining General Cash Collateral Amount; and
  - (v) in the event of the final Payment Date with respect to the Class A Notes, the fact that this is the last Payment Date.
- (2) The Issuer shall make available for inspection by the Class A Noteholders, in its registered office at 22-24 boulevard Royal, L-2449 Luxembourg and during normal business hours, the documents from which the figures reported to the Class A Noteholders are calculated.

## 7. **Payments of Interest**

- (1) Subject to the limitations set forth in Condition 4(3) the outstanding principal amount in respect of the Class A Notes shall bear interest from (and including) 25 November 2021 (the "**Issue Date**") until (and including) the day preceding the day on which the principal amount has been reduced to zero.
- (2) The amount of interest payable in respect of all Class A Notes on any Payment Date shall be calculated by applying the Class A Notes Interest Rate to be determined by the Interest Determination Agent for the relevant Interest Period to the principal amount outstanding of the Class A Notes immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest full cent, all as determined by The Bank of New York Mellon, London Branch as calculation agent (the "**Calculation Agent**").
- (3) The interest rate calculated pursuant to paragraph (2) shall be the EURIBOR rate for one month Euro deposits plus 0.70 per cent. *per annum*, subject to a floor of zero, (the "**Class A Notes Interest Rate**"). For the Interest Period commencing on the Issue Date and ending on the date (calendar day) preceding the first Payment Date (both days inclusive), EURIBOR shall mean the rate which is the result of the straight-line interpolation between (i) the rate for deposits in Euro for a period of one (1) week and (ii) the rate for deposits in Euro for a period of one (1) month, both rates appearing on the Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters 3000 page EURIBOR01.
- (4) Accrued Interest not paid on the Class A Notes on the Payment Date related to the Interest Period in which it accrued will be an "**Interest Shortfall**" with respect to the Class A Notes and will constitute a Foreclosure Event as defined in clause 17.1 of the Trust Agreement.

8. **Payment obligations, Agents**

- (1) On each Payment Date, the Issuer shall, subject to Condition 4 (3), pay to the Class A Noteholders Interest at the Class A Notes Interest Rate on the principal amount of the Class A Notes outstanding immediately prior to the respective Payment Date or, with respect to the first Payment Date, EUR 941,100,000 and redeem the principal amount of the Class A Notes by applying the remaining Available Distribution Amount thereafter 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.
- (2) All payments to the Class A Noteholders shall be subject to the condition that, if a payment is made to a Class A Noteholder in breach of the Order of Priority the Issuer shall make future payments to the Noteholders hereunder only in such a way that any over- or underpayments made in breach of clause 22 (*Order of Priority*) of the Trust Agreement are set off by correspondingly increased or decreased payments on the immediately following Payment Date (and, to the extent necessary, on all subsequent Payment Dates).
- (3) Sums which are to be paid to the Class A Noteholders shall be rounded down to the nearest full cent amount for the Class A Notes. The amount of such rounding down to the nearest full cent shall be used on the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to any amount resulting from rounding differences of less than EUR 500 remaining on the Legal Maturity Date (as defined below).
- (4) Payments of principal and interest, if any, on the Notes shall be made by the Paying Agent on the Issuer's behalf for further payment to Clearstream Luxembourg and Euroclear. All payments in respect of any Note made by, or on behalf of, the Issuer to Euroclear or Clearstream Luxembourg shall discharge the liability of the Issuer under such Note to the extent of sums so paid.

The first Payment Date shall be 21 December 2021. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date following the Monthly Period which includes the last day on which a lease payment on outstanding Purchased Lease Receivables becomes due, falling August 2026 (the "**Class A Scheduled Repayment Date**"). All payments of interest on and principal of the Class A Notes will be due and payable at the latest in full on the Legal Maturity Date of the Class A Notes, which shall be at least 12 months after the Class A Scheduled Repayment Date and which shall be the Payment Date falling September 2027 (the "**Class A Legal Maturity Date**").

- (5) Payments by the Paying Agent, which may also include a substitute or alternative paying agent pursuant to paragraph (6), shall be made from the Issuer's accounts with The Bank of New York Mellon, Frankfurt Branch (the "**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 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 Accounts Bank any amounts not claimed by the Class A Noteholders upon maturity.
- (6) The Bank of New York Mellon, London Branch in its capacity as Paying Agent, Calculation Agent and Interest Determination Agent, The Bank of New York Mellon, Frankfurt Branch in its capacity as Cash Administrator and The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as Registrar shall act solely as the agents of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class B Notes by performing its duties in connection with the Notes. The Issuer may appoint a new paying agent, registrar, calculation agent and/or an interest determination agent, or if there are grounds to do so, appoint an alternative paying agent, registrar, calculation agent and/or an alternative interest determination agent and revoke the appointment of the Paying Agent and/or the Registrar and/or the Interest Determination Agent and/or Calculation Agent. Appointments and revocations thereof shall be announced pursuant to Condition 11. The Issuer will ensure that during the term of the Notes and as long as the Notes are listed on the official list and

are admitted to trading on the regulated market of the Luxembourg Stock Exchange a paying agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

9. **Taxes**

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

10. **Replacement of Issuer**

- (1) 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 Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Class A Notes, the Class B Notes, the Subordinated Loan Agreement, the Receivables Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust Agreement, the Account Agreement, the Swap Agreements and the Agency Agreement by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Security Trustee for the purpose of securing the obligations of the New Issuer, (ii) no further expenses or legal disadvantages of any kind arise for the Class A Noteholders, the Class B Noteholders or the Subordinated Lender from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the Class A Noteholders, the Class B Noteholders or the Subordinated Lender as a whole, and (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Security Trustee considers necessary for the effectiveness of the replacement. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer vis-à-vis the holders of the Class A Notes under or in connection with the Class A Notes, the holders of the Class B Notes under or in connection with the Class B Notes and the Subordinated Lender under or in connection with the Subordinated Loan Agreement.
- (2) Such replacement of the Issuer must be published in accordance with Condition 11.
- (3) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Class A Notes shall be deemed to be a reference to the New Issuer.

11. **Notices**

- (1) Notices to the Noteholders will be validly given if transmitted individually to the address set out in the Register for such Noteholder.
- (2) 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.
- (3) 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](http://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](http://www.bourse.lu)). Should an official listing be absent, then such notices shall be published in the German Federal Gazette (*Bundesanzeiger*).

- (4) Additionally, investor reports with the information set forth in Condition 6 will be made available to the Noteholders via the website of Volkswagen Financial Services AG (<https://www.vwfs.com/investor-relations/volkswagen-leasing-gmbh/refinancing.html#>). The Prospectus relating to the Conditions will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## 12. **Miscellaneous**

- (1) The form and content of the Class A Notes and all of the rights and obligations of the Class A Noteholders, the Issuer, the Registrar, the Paying Agent and the Servicer under these Class A Notes shall be governed by and subject in all respects to the laws of Germany.
- (2) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force.
- (3) The place of performance and venue for legal proceedings is Frankfurt am Main, Germany. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.
- (4) For any legal proceedings brought in connection with these Conditions of the Notes which have been initiated against the Issuer in a court of Germany, the Issuer grants Intertrust (Deutschland) GmbH, authority to accept service of process. The Issuer undertakes to maintain an agent for accepting such service in Germany for as long as any of the Class A Notes are outstanding.
- (5) The Class A Noteholders may agree to amendments of the Conditions of the Class A Notes by majority vote and appoint a noteholders' representative (*gemeinsamer Vertreter*) for all Class A Noteholders for the preservation of their rights pursuant to the provisions of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*) (section 5 (1) sentence 1 SchVG).
- (6) Subject to giving ten (10) Business Days prior notice to the Noteholders, by publishing such notice with the Luxembourg Stock Exchange ([www.bourse.lu](http://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 Joint Lead Managers, 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 Transaction to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein or in any regulatory technical standards adopted under the Securitisation Regulation.

## 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 "MASTER DEFINITIONS SCHEDULE". In case of any overlap or inconsistency in the definition of a term or expression in the Conditions and elsewhere in this 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". For Annex B referred to under the Conditions of the Class B Notes see "MASTER DEFINITIONS SCHEDULE".

### 1. Form and Nominal Amount

- (1) The issue by VCL Multi-Compartment S.A., acting for and on behalf of its Compartment VCL 34 (the "**Issuer**") in an aggregate nominal amount of EUR 21,500,000 (the "**Nominal Amount**") is divided into

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

- (2) The Class B Notes are issued in registered form and represented by a global note (the "**Global Note**") without coupons attached. 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 signature(s) of at least one duly authorised director of VCL Multi-Compartment S.A. and will be authenticated by one or more employees or attorneys of The Bank of New York Mellon SA/NV, Luxembourg Branch (the "**Registrar**").
- (3) The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which will be entered the name and address of the Registered Holder (as defined below) and the particulars of such Class B Notes held by them and all transfers and payments (of interest and principal) of such Class B Notes. The rights of the Registered Holder (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 Global Notes will be issued in the name of a nominee of the common depository for Clearstream Luxembourg and Euroclear (the "**Registered Holder**"). The Registered Holder will be registered as Noteholder in the Register.
- (4) Notwithstanding paragraph (3) 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).
- (5) Notwithstanding paragraph (3) 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.
- (6) Simultaneously with the Class B Notes the Issuer has issued EUR 941,100,000 Class A Floating Rate Notes 2021/2027 (the "**Class A Notes**" and together with the Class B Notes, the "**Notes**"), which, upon the occurrence of an Enforcement Event, rank senior to the Class B Notes with respect to payment of interest and principal as described in the Order of Priority.

- (7) The Issuer will borrow from the Subordinated Lender the Subordinated Loan in the nominal amount of EUR 32,904,957.96, which ranks junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.
- (8) The Notes are subject to the provisions of the Trust Agreement between, *inter alia*, the Issuer, the Security Trustee and VWL. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Conditions. The Trust Agreement is available for inspection during normal business hours at the specified offices of the Paying Agent.

## 2. **Status and Ranking**

- (1) The Class B Notes constitute direct, unconditional and secured obligations of the Issuer. The Class B Notes rank *pari passu* among themselves.
- (2) 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.

## 3. **The Issuer**

VCL Multi-Compartment S.A. is a public company incorporated with limited liability as a special purpose vehicle under the laws of Luxembourg and its Compartment VCL 34 is set up solely for the purpose of issuing the Notes and raising the Subordinated Loan and concluding and executing various agreements in connection with the Issue of the Notes and the raising of the Subordinated Loan.

## 4. **Assets of the Issuer for the Purpose of Payments on the Notes and on the Subordinated Loan, Provision of Security, Limited Payment Obligation, Non Petition**

- (1) The Issuer will use the proceeds of the Issue of the Notes and of the Subordinated Loan to acquire from VWL (a) pursuant to the Receivables Purchase Agreement (i) the Purchased Lease Receivables and ancillary rights arising from Lease Contracts which VWL has concluded with private individual and commercial Lessees and (ii) claims against the insurer pursuant to loss insurance policies covering the respective Leased Vehicles, damage claims arising from a breach of contract or in tort against a respective Lessee, in particular claims to lump-sum damages in case of default of the Lessee as well as any interest due and claims against third parties due to damage to or loss of the Leased Vehicles and the right to require VWL to repurchase the Purchased Lease Receivables in case of a breach of warranties and (b) pursuant to the Receivables Purchase Agreement the Collateral Ownership Interest in the Leased Vehicles. The Issuer has transferred the Collateral Ownership Interest in the Leased Vehicles to the Security Trustee pursuant to the Trust Agreement and, in exchange thereof, it has obtained the right to receive a defined share of the realisation proceeds, if any. The collection and administration of the Purchased Lease Receivables and Lease Collateral, to which VWL has reserved itself the right and assumed the duty in the Receivables Purchase Agreement, shall be carried out on the basis of the Servicing Agreement between the Issuer, VWL (in this capacity, the "Servicer") and the Security Trustee. In addition, subject to revocation by the Security Trustee, VWL is entitled and obliged according to the provisions of the Trust Agreement to realise the Leased Vehicles on behalf of the Security Trustee as necessary. Furthermore, the Issuer has entered into additional agreements in connection with the acquisition of the Purchased Lease Receivables and Lease Collateral and the Issue of the Notes and the raising of the Subordinated Loan, in particular, the Subordinated Loan Agreement with an Affiliate of Volkswagen AG, the Data Protection Trust Agreement with the Data Protection Trustee and the Security Trustee, the Agency Agreement with VWL and the Paying Agent, two Swap Agreements with the Swap Counterparty and the Account Agreement with the Account Bank. The agreements and documents referred to in this paragraph (1) are collectively referred to as the "**Transaction Documents**" and the creditors of the Issuer under these Transaction Documents are referred to as "**Transaction Creditors**".

- (2) The Issuer has transferred or pledged the Purchased Lease Receivables and Lease Collateral, the right to receive a defined share of the realisation proceeds of the Leased Vehicles and all of its claims arising under the Transaction Documents to the Security Trustee as Security for its obligations under the Notes and the Subordinated Loan Agreement and other obligations specified in the Trust Agreement. As to the form and contents of such provision of security, reference is made to the provisions of the Trust Agreement.
- (3) All payment obligations of the Issuer under the Class A Notes, the Class B Notes and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount in accordance with the Order of Priority as generated, *inter alia*, by payments to the Issuer by the Lessees and by the Swap Counterparty under the Swap Agreement(s), as available on the respective Payment Dates according to the Order of Priority. The Class B Notes shall not 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 in the Distribution Account in accordance with clause 21 of the Trust Agreement. Further, the Issuer will on or before the Issue Date establish and thereafter maintain the Cash Collateral Account pursuant to clause 23 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 Class B Notes may, subject always to the provisions of these Conditions of the Class B Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the General Cash Collateral Amount are insufficient to satisfy in full the claims of all Transaction Creditors any claims remaining unpaid shall be extinguished at the Class B Legal Maturity Date which is at least 12 months after the Class B Scheduled Repayment Date and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the Class B Noteholders nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid according to the Order of Priority.
- (4) The enforcement of the payment obligations under the Class A Notes, the Class B Notes, the Swap Agreements and the Subordinated Loan Agreement pursuant to paragraph (3) shall only be effected by the Security Trustee for the benefit of all Class A Noteholders, Class B Noteholders, the Swap Counterparty, the Subordinated Lender and the other Secured Creditors. The Security Trustee is required to foreclose on the Security upon the occurrence of a Foreclosure Event, on the conditions and in accordance with the terms set forth in clauses 17 through 19 of the Trust Agreement.
- (5) The other parties to the Transaction Documents shall not be liable for the obligations of the Issuer.
- (6) No shareholder, officer, director, employee, or manager of the Issuer or of Volkswagen AG or its Affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Transaction Documents. Any recourse against such a person is excluded accordingly.

#### **5. Further Covenants of the Issuer**

- (1) 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 develop any activities described in clause 38 of the Trust Agreement.
- (2) The counterparties of the Transaction Documents are not liable for covenants of the Issuer.

#### **6. Payment Date, Payment Related Information**

- (1) The Issuer shall inform the Class B Noteholders, not later than on the "Servicer Report Performance Date" which is the 16<sup>th</sup> day of each calendar month or in the event this day is not a Business Day, then on the next succeeding Business Day by means of the publication

provided for under Condition 11, with reference to the Payment Date (as described below) of such month, as follows:

- (i) the repayment of the nominal amount payable on each of the Class B Notes (if any) and the amount of interest calculated and payable on the Class B Notes on the succeeding 21<sup>st</sup> day of such calendar month or, if this is not a Business Day, on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each respectively a "**Payment Date**");
- (ii) the nominal amount remaining outstanding on each of the Class B Notes as per each respective Payment Date and the amount of interest remaining unpaid, if any, on the Class B Notes as from such Payment Date;
- (iii) the Class B Notes Factor, which shall be calculated as follows

$$NF = \frac{21,500,000 - KR}{21,500,000}$$

whereby NF means the Class B Notes Factor which is calculated to six decimal places and KR means the total of all repayments of the nominal amount of all Class B Notes paid respectively on each Payment Date up to each respective Payment Date;

- (iv) the remaining General Cash Collateral Amount; and
  - (v) in the event of the final Payment Date with respect to the Class B Notes, the fact that this is the last Payment Date.
- (2) The Issuer shall make available for inspection by the Class B Noteholders, in its registered office at 22-24 boulevard Royal, L-2449 Luxembourg and during normal business hours, the documents from which the figures reported to the Class B Noteholders are calculated.

## 7. **Payments of Interest**

- (1) Subject to the limitations set forth in Condition 4(3) the outstanding principal amount in respect of the Class B Notes shall bear interest from (and including) 25 November 2021 (the "**Issue Date**") until (and including) the day preceding the day on which the principal amount has been reduced to zero.
- (2) The amount of interest payable in respect of all Class B Notes on any Payment Date shall be calculated by applying the Class B Notes Interest Rate to be determined by the Interest Determination Agent for the relevant Interest Period to the principal amount outstanding of the Class B Notes immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest full cent, all as determined by The Bank of New York Mellon, London Branch as calculation agent (the "**Calculation Agent**").
- (3) The interest rate calculated pursuant to paragraph (2) shall be the EURIBOR rate for one month Euro deposits plus 0.80 per cent. *per annum*, subject to a floor of zero, (the "**Class B Notes Interest Rate**"). For the Interest Period commencing on the Issue Date and ending on the date (calendar day) preceding the first Payment Date (both days inclusive), EURIBOR shall mean the rate which is the result of the straight-line interpolation between (i) the rate for deposits in Euro for a period of one (1) week and (ii) the rate for deposits in Euro for a period of one (1) month, both rates appearing on the Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters 3000 page EURIBOR01.
- (4) 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 and will be carried over to the next Payment Date and, if any Class A Note is still outstanding, will not constitute a Foreclosure Event as defined in clause 17.1 of the Trust Agreement.



8. **Payment obligations, Agents**

- (1) On each Payment Date the Issuer shall, subject to Condition 4 (3), pay to the Class B Noteholders Interest at the Class B Notes Interest Rate on the principal amount of the Class B Notes outstanding immediately prior to the respective Payment Date or, with respect to the first Payment Date, EUR 21,500,000 and redeem the principal amount of the Class B Notes by applying the remaining Available Distribution Amount thereafter 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.
- (2) All payments to the Class B Noteholders shall be subject to the condition that, if a payment is made to a Class B Noteholder in breach of the Order of Priority the Issuer shall make future payments to the Noteholders hereunder only in such a way that any over- or underpayments made in breach of clause 22 (*Order of Priority*) of the Trust Agreement are set off by correspondingly increased or decreased payments on the immediately following Payment Date (and, to the extent necessary, on all subsequent Payment Dates).
- (3) Sums which are to be paid to the Class B Noteholders shall be rounded down to the nearest full cent amount for the Class B Notes. The amount of such rounding down to the nearest full cent shall be used on the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to any amount resulting from rounding differences of less than EUR 500 remaining on the Legal Maturity Date (as defined below).
- (4) Payments of principal and interest, if any, on the Notes shall be made by the Paying Agent on the Issuer's behalf for further payment to Clearstream Luxembourg and Euroclear. All payments in respect of any Note made by, or on behalf of, the Issuer to Euroclear or Clearstream Luxembourg shall discharge the liability of the Issuer under such Note to the extent of sums so paid.

The first Payment Date shall be 21 December 2021. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date following the Monthly Period which includes the last day on which a lease payment on outstanding Purchased Lease Receivables becomes due, falling in August 2026 (the "**Class B Scheduled Repayment Date**"). All payments of interest on and principal of the Class B Notes will be due and payable at the latest in full on the Legal Maturity Date of the Class B Notes, which shall be at least 12 months after the Class B Scheduled Repayment Date and which shall be the Payment Date falling in September 2027 (the "**Class B Legal Maturity Date**").

- (5) Payments by the Paying Agent, which may also include a substitute or alternative paying agent pursuant to paragraph (6), shall be made from the Issuer's accounts with The Bank of New York Mellon, Frankfurt Branch (the "**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 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 Accounts Bank any amounts not claimed by the Class B Noteholders upon maturity.
- (6) The Bank of New York Mellon, London Branch in its capacity as Paying Agent, Calculation Agent and Interest Determination Agent, The Bank of New York Mellon, Frankfurt Branch in its capacity as Cash Administrator and The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacity as Registrar shall act solely as the agents of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class A Notes by performing its duties in connection with the Notes. The Issuer may appoint a new paying agent, registrar, calculation agent and/or an interest determination agent, or if there are grounds to do so, appoint an alternative paying agent, registrar, calculation agent and/or an alternative interest determination agent and revoke the appointment of the Paying Agent and/or the Registrar and/or the Interest Determination Agent and/or Calculation Agent. Appointments and revocations thereof shall be announced pursuant to Condition 11. The Issuer will ensure that during the term of the Notes and as long as the Notes are listed on the official list and

are admitted to trading on the regulated market of the Luxembourg Stock Exchange a paying agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

9. **Taxes**

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

10. **Replacement of Issuer**

- (1) 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 Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Class A Notes, the Class B Notes, the Subordinated Loan Agreement, the Receivables Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust Agreement, the Account Agreement, the Swap Agreements and the Agency Agreement by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Security Trustee for the purpose of securing the obligations of the New Issuer, (ii) no further expenses or legal disadvantages of any kind arise for the Class A Noteholders, the Class B Noteholders or the Subordinated Lender from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the Class A Noteholders, the Class B Noteholders or the Subordinated Lender as a whole, and (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Security Trustee considers necessary for the effectiveness of the replacement. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer vis-à-vis the holders of the Class A Notes under or in connection with the Class A Notes, the holders of the Class B Notes under or in connection with the Class B Notes and the Subordinated Lender under or in connection with the Subordinated Loan.
- (2) Such replacement of the Issuer must be published in accordance with Condition 11.
- (3) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Class B Notes shall be deemed to be a reference to the New Issuer.

11. **Notices**

- (1) Notices to the Noteholders will be validly given if transmitted individually to the address set out in the Register for such Noteholder.
- (2) 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.
- (3) 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 B 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](http://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](http://www.bourse.lu)). Should an official listing be absent, then such notices shall be published in the German Federal Gazette (*Bundesanzeiger*).

- (4) Additionally, investor reports with the information set forth in Condition 6 will be made available to the Noteholders via the website of Volkswagen Financial Services AG (<https://www.vwfs.com/investor-relations/volkswagen-leasing-gmbh/refinancing.html#>). The Prospectus relating to the Conditions will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## 12. **Miscellaneous**

- (1) The form and content of the Class B Notes and all of the rights and obligations of the Class B Noteholders, the Issuer, the Registrar, the Paying Agent and the Servicer under these Class B Notes shall be governed by and subject in all respects to the laws of Germany.
- (2) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force.
- (3) The place of performance and venue for legal proceedings is Frankfurt am Main, Germany. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.
- (4) For any legal proceedings brought in connection with these Conditions of the Notes which have been initiated against the Issuer in a court of Germany, the Issuer grants Intertrust (Deutschland) GmbH, authority to accept service of process. The Issuer undertakes to maintain an agent for accepting such service in Germany for as long as any of the Class B Notes are outstanding.
- (5) The Class B Noteholders may agree to amendments of the Conditions of the Class B Notes by majority vote and appoint a noteholders' representative (*gemeinsamer Vertreter*) for all Class B Noteholders for the preservation of their rights pursuant to the provisions of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*) (section 5 (1) sentence 1 SchVG).
- (6) Subject to giving ten (10) Business Days prior notice to the Noteholders, by publishing such notice with the Luxembourg Stock Exchange ([www.bourse.lu](http://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 Joint Lead Managers, 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 Transaction to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein or in any regulatory technical standards adopted under the Securitisation Regulation.

## TRUST AGREEMENT

The following is the text of the material terms of the Trust Agreement between the Issuer, the Security Trustee, the VCL Master Security Trustee, VCL Master, acting for and on behalf of its Compartment 1, VCL Master Residual Value, the Expectancy Rights Trustee, the Joint Lead Managers, the Managers, the Arranger, the Subordinated Lender, the Data Protection Trustee, the Corporate Services Provider, the Paying Agent, the Interest Determination Agent, the Swap Counterparty, the Calculation Agent, the Cash Administrator, the Registrar, the Account Bank and VWL. The text is attached to the Conditions 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 Prospectus, the definition contained in the Trust Agreement will prevail.

### 1. Definitions, Interpretation, Common Terms and Effective Date

#### 1.1 Definitions

- a) Unless otherwise defined herein or the context requires otherwise, capitalised terms used in this Agreement have the meanings ascribed to them in clause 1 of the Master Definitions Schedule (the "**Master Definitions Schedule**") set out in the Incorporated Terms Memorandum (the "**Incorporated Terms Memorandum**") which is dated on or about the date of this Agreement and signed, for purposes of identification, by each of the Transaction Parties. The terms of the Master Definitions Schedule are hereby expressly incorporated into this Agreement by reference.
- b) In the event of any conflict between the Master Definitions Schedule and this Agreement, this Agreement shall prevail.

#### 1.2 Interpretation

Terms in this Agreement, except where otherwise stated or where the context otherwise requires, shall be construed in the same way as set forth in clause 2 of the Master Definitions Schedule.

#### 1.3 Common Terms

##### (a) Incorporation of Common Terms

Except as provided below, the Common Terms apply to this Agreement and shall be binding on the parties to this Agreement as if set out in full in this Agreement.

##### (b) Common Terms

If there is any conflict between the provisions of the Common Terms and the provisions of this Agreement, the provisions of this Agreement shall prevail, subject always to compliance with clause 10 (*Non-petition and limited recourse*) of the Common Terms.

##### (c) Governing law and jurisdiction

This Agreement and all matters (including non-contractual duties and claims) arising from or connected with it shall be governed by German law in accordance with clause 13 (*Governing law*) of the Common Terms. Clause 14 (*Jurisdiction*) of the Common Terms applies to this Agreement as if set out in full in this Agreement.

**Part A.**

**DUTIES AND POSITION OF THE SECURITY TRUSTEE**

**2. Duties of the Security Trustee**

This Agreement establishes the rights and obligations of the Security Trustee to carry out the tasks assigned to it in this Agreement. Unless otherwise set forth in this Agreement, the Security Trustee is not obligated 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 VCL Multi-Compartment S.A.

**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 trustee for the benefit of the Transaction Creditors. The Security Trustee shall exercise its 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 Noteholder(s).

3.2 This Agreement grants all Transaction Creditors the right to demand that the Security Trustee performs its duties under clause 2 and all its other duties hereunder in accordance with this Agreement and therefore this Agreement constitutes, in favour of the Transaction Creditors that are not (validly) parties to this Agreement (in particular the Noteholders), a contract for the benefit of a third party pursuant to section 328 (*echter Vertrag zugunsten Dritter*) of the German Civil Code. The rights of the Issuer pursuant to clause 4.3 shall not be affected.

**4. Position of the Security Trustee in relation to the Issuer**

4.1 With respect to the Security, the Security Trustee is legally a secured party (*Sicherungsnehmer*) in relation to the Issuer. Accordingly, to the extent that the Purchased Lease Receivables and the Lease Collateral will be transferred by the Issuer to the Security Trustee for collateral purposes in accordance with clause 5, in insolvency proceedings on the Security Trustee's estate, such rights would be segregated (*Aussonderungsrecht*) as assets of the Issuer held in trust.

4.2 The Issuer hereby grants the Security Trustee a separate Trustee Claim, entitling the Security Trustee to demand from the Issuer:

- (a) that any present or future obligation of the Issuer in relation to the Noteholders shall be fulfilled;
- (b) that any present or future obligation of the Issuer in relation to a Transaction Creditor of the Transaction Documents shall be fulfilled; and
- (c) (if the Issuer is in default in respect of any Secured Obligation(s) and insolvency proceedings have not been instituted against the estate of the Security Trustee) that any payment owed under the respective Secured Obligation will be made to the Security Trustee for on-payment to the Transaction Creditors and discharge the Issuer's obligation accordingly.

The right of the Issuer to make payments to the respective Transaction Creditor shall remain unaffected. The Trustee Claim in whole or in part may be enforced separately from the relevant Transaction Creditor's claim related thereto. In the case of a payment pursuant to clause (c), the Issuer shall have a claim against the Security Trustee for on-payment to the respective Transaction Creditors.

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 clause 4.1, clause 4.2, fourth sentence, clause 10, clause 33 and clause 38.

4.4 The parties acknowledge that VCL Master Residual Value has granted a separate claim to the Expectancy Rights Trustee to demand from VCL Master Residual Value that any present and future obligations of VCL Master Residual Value in relation to its creditors shall be fulfilled and that (if VCL

Master Residual Value is in default with any secured obligation(s) and insolvency proceedings have not been instituted against the estate of the VCL Master Security Trustee) any payment owed under the respective secured obligation will be made to the VCL Master Security Trustee (acting on behalf of the Expectancy Rights Trustee) for on-payment to the creditors of VCL Master Residual Value.

## Part B.

### GRANTING OF COLLATERAL

#### 5. Assignment for security purposes; transfer of title for security purposes

- 5.1 The Issuer hereby assigns or transfers (as applicable) the Collateral Rights other than those pledged pursuant to clause 6 below to the Security Trustee for security purposes.
- 5.2 The right of the Security Trustee under section 402 of the German Civil Code to demand from VWL information and/or documents is limited to such information and data to be provided by VWL to the Issuer pursuant to clause 2.6 of the Receivables Purchase Agreement in accordance with the relevant provisions of the Data Protection Trust Agreement.
- 5.3 The Security Trustee hereby accepts the assignment and, in particular, recognises the obligations of the Issuer to release the Purchased Lease Receivables and Lease Collateral, including, but not limited to, the resolutive condition (*auflösende Bedingung*) subject to which such Lease Collateral has been granted, pursuant to the provisions of the Receivables Purchase Agreement, and confirms to be bound by such obligations as if such obligations were directly owed to VWL by the Security Trustee.
- 5.4 The assignment for security purposes in accordance with clause 5.1 is subject to the condition precedent that the transfer of the relevant rights from VWL to the Issuer under the Receivables Purchase Agreement becomes effective.
- 5.5 If an express or implied current account relationship exists or is later established between the Issuer and a third party, the Issuer hereby assigns to the Security Trustee - without prejudice to the generality of the provisions in clause 5.1 - the right to receive a periodic account statement and the right to payment of present or future balances (including a final net balance determined upon the institution of any insolvency proceedings according to the Applicable Insolvency Law regarding the estate of VCL Multi-Compartment S.A.), as well as the right to terminate the current account relationship and to the determination and payment of the closing net balance upon termination.
- 5.6 Together with the rights assigned in accordance with this clause 5, all of the Lease Collateral securing such rights, as well as the rights arising from the underlying contracts (including the rights to alter the legal relationship), are hereby transferred to the Security Trustee, who hereby accepts such transfer.
- 5.7 The Issuer hereby transfers to the Security Trustee the Collateral Ownership Interest. To effect such transfer, the Issuer and the Security Trustee agree that:
- (a) any transfer of possession (*Übergabe*) necessary to transfer title to the relevant Leased Vehicles is replaced by:
    - (i) in the event that the Issuer has direct possession (*unmittelbaren Besitz*) of the relevant assets over which the security is created, the Issuer holding the relevant assets for the benefit of the Security Trustee (*Verwahrung*); and/or
    - (ii) in the event that the Issuer has indirect possession (*mittelbaren Besitz*) or otherwise a claim for return (*Herausgabeanspruch*) of the relevant assets over which the security is created, assigning hereby to the Security Trustee all claims for surrender (*Abtretung des Herausgabeanspruchs*) against the relevant persons which are in actual possession of such assets;
  - (b) any other action to be performed or done or form or registration to be perfected will be promptly performed, done and/or perfected, at the cost of the Issuer save where failure to do so will not,

in the opinion of the Security Trustee, be materially prejudicial to the interests of the Noteholders,

*provided that* the Collateral Ownership Interest is transferred solely for the purposes set out in clause 7 below. The transfer of title for security purposes is subject to the resolutive condition (*auflösende Bedingung*) of the occurrence of a Lease Contract Termination Event. The parties hereto agree that the transfer of title to the Leased Vehicles shall not affect the expectancy rights to such Leased Vehicles transferred from VCL Master Residual Value to the Expectancy Rights Trustee (section 161 (2) of the German Civil Code).

If new parts are added to or replaced in any Leased Vehicle, the ownership of which has been transferred for security purposes, they shall, as a result of their incorporation, come into the ownership of the Security Trustee for security purposes. The aforementioned rule shall apply to accessories, *mutatis mutandis*, except to assets owned by the respective Lessee. The Security Trustee shall act in this respect in both the interests of VWL and the interests of the Issuer. Accordingly, VWL and the Issuer shall, in the event of realisation of the Leased Vehicles, participate in the realisation proceeds to the extent described in clause 18 and shall, to such extent, acquire direct and independent claims against the Security Trustee. For the purposes of realisation of the Leased Vehicles contemplated in clause 18 below, the Servicer shall be authorised to dispose (*verfügen*) of the Leased Vehicles.

## 6. Pledge

The Issuer hereby pledges to the Security Trustee all its present and future claims against the Security Trustee arising under this Agreement, as well as its present and future claims under the Distribution Account, the Counterparty Downgrade Collateral Account and the Cash Collateral Account. The Issuer hereby gives notice to the Security Trustee of such pledge and the Security Trustee hereby confirms the receipt of such notice. The Issuer has informed the Account Bank of this pledge, and the Account Bank has confirmed receipt of such notification in the Account Agreement.

## 7. Security purpose

The assignment and/or transfer for security purposes pursuant to clauses 5.1 through 5.7 and, subject to clause 21.4 below, the pledge pursuant to clause 6 serve to secure the Trustee Claim. In addition, the assignment and/or transfer pursuant to clauses 5.1 through 5.7 is made for the purpose of securing the rights of the Transaction Creditors against the Issuer arising under the Funding and the Transaction Documents and any potential obligations on the grounds of any invalidity or unenforceability of any Funding or any Transaction Documents, in particular claims on the grounds of unjustified enrichment (*ungerechtfertigte Bereicherung*).

## 8. Authority to collect; assumption of obligations; further assignment

- 8.1 The Issuer is authorised to collect, to have collected, to realise and to have realised in the ordinary course of business, or otherwise to use, the rights assigned for security purposes pursuant to clause 5 and the rights pledged pursuant to clause 6 and to exercise or have exercised the unilateral rights (*Gestaltungsrechte*) pertaining to such rights.
- 8.2 The collection authority granted in clause 8.1 above is deemed to be granted only to the extent that all obligations of the Issuer are fulfilled in accordance with the Order of Priority prior to a Foreclosure Event. The authority may be revoked by the Security Trustee if this is necessary in the opinion of the Security Trustee to avoid endangering the Security or their value. The authority shall automatically terminate upon the occurrence of a Foreclosure Event pursuant to clause 17 below.
- 8.3 The Security Trustee shall, in its relationship to the Issuer and to VWL, comply with the continuing duties of care of the Issuer arising from the Receivables Purchase Agreement and the Servicing Agreement (including the treatment of the transfer to the Issuer as silent assignment and compliance with security agreements entered into between VWL and the Lessees). Such continuing duties shall, for the avoidance of doubt, not include the obligation of the Issuer for (i) payment of the Purchase Price pursuant to clause 3.2 (*Assignment of Purchased Lease Receivables and Closing Date*) of the Receivables Purchase Agreement or (ii) payment of any compensation for damages.

#### 8.4

- (a) The Security Trustee is authorised to assign and transfer the Purchased Lease Receivables and Lease Collateral assigned to it under clause 5 for security purposes:
  - (i) in the event the Security Trustee is replaced and all Purchased Lease Receivables are assigned to a new security trustee (the "**New Security Trustee**"); or
  - (ii) upon the occurrence of a Foreclosure Event pursuant to clause 17; or
  - (iii) if the Foreclosure Event pursuant to clause 17 threatens to occur because taxes are levied by Germany and/or Luxembourg on payments under the Purchased Lease Receivables, or if such levy is to be introduced, and if the negative consequences thereof can be avoided in whole or in part through the transfer, or
  - (iv) if – as long as VWL is the Servicer - VWL has given its consent to such assignment or if it unreasonably withholds its consent; such a withholding of consent shall as a rule be considered unreasonable if a transfer does not affect the interests of VWL, the Lessees or the Issuer and the Transaction Creditors risk substantial disadvantages without such a transfer.
- (b) In the case of an assignment pursuant to 8.4(a) above, the Security Trustee shall agree with the respective transferee that the transferee:
  - (i) in the case of an assignment pursuant to 8.4(a)(i), shall assume the obligations of Security Trustee pursuant to clause 8.3 above, and
  - (ii) in all other cases under 8.4(a) with regard to the sold Purchased Lease Receivables or the Lease Collateral, shall assume the rights and continuing obligations of the Issuer under the Receivables Purchase Agreement and under the Servicing Agreement (within the meaning of clause 8.3 above).

#### 9. **Representation of the Issuer**

9.1 The Issuer represents to the Security Trustee that:

- (a) subject to the provisions set out in clause 2.2 (Purchase agreement concerning the Purchased Lease Receivables) of the Receivables Purchase Agreement, 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 section 280 (1) in connection with section 280 (3) (*Schadensersatz statt der Leistung*) of the German Civil Code if the legal existence of the Security transferred for security purposes in accordance with this Agreement is invalid as a consequence of an action by the Issuer contrary to clause 9.1 above.

#### 10. **Representations of the Security Trustee**

The Security Trustee represents to the Issuer that it is legally competent and in a position to perform the duties assigned to it in this Agreement in accordance with the provisions of this Agreement, and that, as of the time of concluding this Agreement, a ground for termination pursuant to clause 31 has neither occurred nor is foreseen.

#### 11. **Release of Security**

Without prejudice to clause 5.7 and as soon as the Issuer has fully and finally discharged all obligations secured by this Agreement, the Security Trustee shall promptly retransfer any remaining Security transferred to it under this Agreement and that it still holds at such time to or to the order of the Issuer. The Security Trustee undertakes to notify the shareholder of the Issuer of the full satisfaction of all obligations secured hereunder and of the retransfer of the Security. For the purpose



of release, the Security Trustee may rely on evidence which shows that all moneys necessary for the satisfaction of the obligations secured by this Agreement have been transferred to the Paying Agent who then forwarded the proceeds. A confirmation of the Paying Agent will be sufficient evidence for the purpose of the preceding sentence.

### **Part C.**

#### **DUTIES OF THE SECURITY TRUSTEE PRIOR TO OCCURRENCE OF THE FORECLOSURE EVENT**

##### **12. Acceptance, safekeeping, and review of documents; notification of the Issuer**

12.1 The Security Trustee shall accept the documents which are delivered to it in connection with the reporting of VWL pursuant to clause 2.5 (*Purchase agreement concerning the Purchased Lease Receivables*) of the Receivables Purchase Agreement and clause 9 (*Reporting duties, duties under the Swap Agreements and Benchmark determination*) of the Servicing Agreement and shall:

- (a) keep such documents for one year after the termination of this Agreement and, at the discretion of the Issuer, thereafter either destroy such documents or deliver the same to the Issuer or to VWL; or
- (b) forward the documents to the New Security Trustee if the Security Trustee is replaced in accordance with clauses 31 through 33.

12.2 The Security Trustee shall, to a reasonable extent, check the conformity of the documents provided to it in accordance with clause 9 (*Reporting duties, duties under the Swap Agreements and Benchmark determination*) of the Servicing Agreement without being obligated 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 VCL Multi-Compartment S.A. thereof. The right of the Security Trustee to obtain additional information from VWL shall not be affected hereby.

##### **13. Accounts**

13.1 Should one of the Accounts be terminated either by the Account Bank or by the Issuer, the Issuer shall promptly inform the 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 agreed with the Account Bank. The Successor Bank shall have at least the Account Bank Required Ratings or an Account Bank Required Guarantee. The Issuer shall, with the consent of the Security Trustee, conclude a new Account Agreement with the Successor Bank as counterparty. The new Account Agreement shall include an undertaking by the Successor Bank to promptly notify the other contract parties of any drop in its rating.

13.2 For the avoidance of doubt, in case one of the Accounts is at any time held with a Successor Bank, and the Issuer or the Security Trustee receives a notice pursuant to clause 13.1 with regard to the Successor Bank, then the procedure laid out in clauses 13.1 and 13.2 shall also apply for such Successor Bank.

##### **14. Actions of the Issuer requiring consent**

If the Issuer requests that the Security Trustee grant its consent as required pursuant to clause 38, 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 hereof.

##### **15. Breach of obligations by the Issuer**

15.1 If the Security Trustee in the course of its activities becomes aware that the existence or the value of the Security is at risk due to any failure of the Issuer to properly comply with its obligations under this Agreement, the Security Trustee shall, subject to the provisions in clause 15.2 below, 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 discretion, take or induce all actions which in the opinion of the Security Trustee are warranted to avoid such threat. To the extent that the Issuer does not comply with its obligations pursuant to clause 36 in respect of the Security and does not remedy such failure within the 90-days period after the notice set forth above, the Security Trustee is particularly authorised and obligated to exercise all rights arising under the Transaction Documents on behalf of the Issuer.

- 15.2 The Security Trustee shall only intervene in accordance with clause 15.1 above 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, obligations, and attempts to bring any action in or out of court. Clause 34 shall not be affected hereby.

16. **Power of Attorney**

The Issuer hereby grants by way of security power of attorney to the Security Trustee, waiving the restrictions set forth in section 181 of the German Civil Code, and with the right to grant substitute power of attorney, to act in the name of the Issuer with respect to all rights of the Issuer arising under the Transaction Documents (except for the rights *vis-à-vis* the Security Trustee). Such power of attorney is irrevocable. It shall expire as soon as a New Security Trustee has been appointed pursuant to clauses 31 through 33 and the Issuer has issued a power of attorney to such New Security Trustee having the same contents as the above power of attorney. The Security Trustee shall only act under this power of attorney in the context of its rights and obligations pursuant to this Agreement.

**Part D.**

**DUTIES OF THE SECURITY TRUSTEE AFTER OCCURRENCE OF A FORECLOSURE EVENT AND REALISATION OF LEASED VEHICLES**

17. **Foreclosure on the Security; Foreclosure Event**

- 17.1 Subject to clause 18, the Security shall be subject to foreclosure upon the occurrence of a Foreclosure Event. A Foreclosure Event shall occur when:

- (a) with respect to the Issuer, an Insolvency Event occurs;
- (b) the Issuer defaults in the payment of any interest on the most senior Class of Notes when the same becomes due and payable, and such default continues for a period of five (5) Business Days; or
- (c) the Issuer defaults in the payment of principal of any Note on the Legal Maturity Date.

It is understood that 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 Legal Maturity Date, except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority.

The Security Trustee shall without undue delay give notice to the Expectancy Rights Trustee, Noteholders of the relevant Class and the Subordinated Lender and notify the Rating Agencies of the occurrence of a Foreclosure Event and of the occurrence of an Enforcement Event and the corresponding change to the Order of Priority.

- 17.2 After the occurrence of a Foreclosure Event, the Security Trustee will at its reasonable discretion and in case of Leased Vehicles for which expectancy rights have been transferred to the Expectancy Rights Trustee with consent of the Expectancy Rights Trustee foreclose or enforce or cause the foreclosure or enforcement of the Security. Unless compelling grounds to the contrary exist, the foreclosure shall be performed by collecting payments made into the Accounts on the Security or, *inter alia*, by assignment pursuant to clause 8.4(a). The provisions of the Corporate Services

Agreement shall be unaffected by the foreclosure of the Security (subject to the provisions of clause 8.4(a)).

- 17.3 Within fifteen (15) days after the occurrence of a Foreclosure Event, the Security Trustee shall give notice to the Expectancy Rights Trustee, the Noteholders, each Swap Counterparty and the Subordinated Lender, specifying the manner in which it intends to foreclose on the Security, in particular, whether it intends to sell the Security, and apply the proceeds from such foreclosure to satisfy the obligations of the Issuer, subject to the Order of Priority set out in clause 22.2(c). If, within sixty (60) days after the publication of such notice, the Security Trustee receives written notice from a Noteholder or Noteholders representing more than 50 per cent. of the outstanding principal amount of the Notes, objecting to the action proposed in the Security Trustee's notice, the Security Trustee shall not undertake such action (other than the collection of payments on the accounts for 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 Lease Receivables at market value.

#### 18. Realisation of the Leased Vehicles

- 18.1 The Expectancy Rights Trustee has been appointed to exclusively hold, *inter alia*, the expectancy rights purchased by VCL Master Residual Value. The Expectancy Rights Trustee herewith authorises the Security Trustee to realise and to have realised, to administer and to do such other acts as are necessary in connection with the holding, administration and realisation of such expectancy rights assigned to the Expectancy Rights Trustee.

- 18.2 The Leased Vehicles the ownership of which has been transferred for security purposes (*Sicherungseigentum*) to the Security Trustee shall be realised by the Security Trustee or by agents of the Security Trustee (including VWL) and in case of the expectancy rights with consent of the Expectancy Rights Trustee upon the occurrence of an event described in clause 5.7 (irrespective of the occurrence of a Foreclosure Event), as follows:

Proceeds which VWL has received from the realisation of Leased Vehicles or proceeds from the Lessee paid due to the premature termination of a Lease Contract VWL received on its own behalf or for the account of the Issuer and/or VCL Master Residual Value and proceeds from a realisation of the Lease Collateral which VWL has received for the account of the Issuer and/or VCL Master Residual Value or for the account of the Security Trustee or the Expectancy Rights Trustee, as applicable, or which the Security Trustee or the Expectancy Rights Trustee have received on their own behalf shall be allocated by VWL to the Purchased Lease Receivables and the expectancy rights held in the Leased Vehicles by VCL Master Residual Value on a proportionate basis as provided for below. Upon the occurrence of a Servicer Insolvency Event the Security Trustee and the Expectancy Rights Trustee shall jointly allocate Realisation Proceeds or proceeds from the Lessee paid due to the premature termination of a Lease Contract to the Purchased Lease Receivables and the Purchased Expectancy Rights on a proportionate basis as provided for under this clause.

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

In general proceeds resulting from any realisation of Leased Vehicles shall be allocated as follows:

- (a) in case of "Open End Lease Contracts" (*Verträge mit Gebrauchtwagenabrechnung*), on a proportionate basis between (A) VCL Master Residual Value the present value of the residual value of the Leased Vehicle as assessed by a vehicle expert (*Kraftfahrzeugsachverständiger*) at return of the car for the point in time of the originally agreed expiration of the Lease Contract and (B) the Issuer the present value of the outstanding Purchased Lease Receivables; and

- (b) in case of "Closed End Lease Contracts" (*Verträge ohne Gebrauchtwagenabrechnung*), on a proportionate basis between (A) VCL Master Residual Value the present value of the residual value of the Leased Vehicle "as pre-agreed with the respective dealer" and (B) the Issuer the present value of the outstanding Purchased Lease Receivables.

In case of excess proceeds resulting from any realisation, such excess proceeds shall, *provided that* all amounts due to the Issuer under the Receivables Purchase Agreement in the context of the Purchased Lease Receivables and all amounts due to VCL Master Residual Value with respect to the purchased expectancy rights representing the residual values of the Leased Vehicles related to such Purchased Lease Receivables have been paid, be allocated to VWL.

- 18.3 If and to the extent the Issuer, VCL Master Residual Value and VWL are entitled to participate in the realisation proceeds in accordance with clause 18.2, the Issuer, VCL Master Residual Value, and VWL shall each have a direct and independent claim against the Security Trustee to receive payment. VWL may at any time unrestrictedly dispose of the right it is entitled to.
- 18.4 Proceeds from the realisation of the Leased Vehicles and collections on Purchased Lease Receivables which can be collected after the Write-Off shall be allocated to VWL.
- 18.5 With respect to any proceeds collected by the Issuer from insurance enterprises as a result of the assignment of claims under clause 3.4 (*Assignment of Purchased Lease Receivables and Closing Date*) of the Receivables Purchase Agreement, the Issuer will allocate such collections on a *pro rata* basis in relation to the Discounted Receivables Balance and the Discounted Expectancy Rights Balance outstanding on the respective Lease Contract and will allocate such fractional amounts which refer to the outstanding Discounted Receivables Balance to the Issuer and such fractional amounts which refer to the outstanding Discounted Expectancy Rights Balance to VCL Master Residual Value which provided VCL Master Residual Value owns expectancy rights related to the respective Leased Vehicle(s) and in all other cases to VWL.

## 19. **Payments upon occurrence of a Foreclosure Event**

- 19.1 Upon the occurrence of a Foreclosure Event, the Security may be claimed exclusively by the Security Trustee. Payments on such Security from this moment on will have effect only if made to the Security Trustee. The Security Trustee shall invest the payments which it receives in this manner, as provided for in clause 22, until they are paid out to the Transaction Creditors of the Issuer.
- 19.2 As of the Foreclosure Event, payments on the obligations of the Issuer may not be made as long as, in the opinion of the Security Trustee, such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer with higher rank.
- 19.3 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 relevant Class of Notes 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 Paying Agent. In order to do so, the Security Trustee shall rely on the records of the Registrar in relation to any determination of the principal amount outstanding of each Global Note and 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.
- 19.4 After all Secured Obligations have been fulfilled the Security Trustee shall pay out any remaining amounts to the Issuer.

## 20. **Continuing duties**

Clauses 12 through 15 shall continue to apply after the Foreclosure Event has occurred.

**Part E.**

**ACCOUNTS; ORDER OF PRIORITY**

21. **Distribution Account; Swap Termination Payment Account; Counterparty Downgrade Collateral Account; Interest Rate Swap Provisions**
- 21.1 The Distribution Account shall be used for the fulfilment of the payment obligations of the Issuer.
- 21.2 The Issuer shall ensure that all payments made to the Issuer (other than the collateral under the Swap Agreements and Swap Termination Payments) shall be made by way of a bank transfer to or deposit or in any other way into the Distribution Account.
- 21.3 The Issuer has entered into the Swap Agreements to hedge the floating rate interest expenses on the Class A Notes and the Class B Notes. The Issuer may, from time to time, enter into one or more replacement Swap Agreements with one or more replacement Swap Counterparty in the event that a Swap Agreement is terminated prior to its scheduled expiration pursuant to an "event of default" or "termination event" under the Swap Agreement. The Class A Swap Agreement will have an initial notional amount equal to the aggregate principal amount of the Class A Notes on the Closing Date. The Class B Swap Agreement will have an initial notional amount equal to the aggregate principal amount of the Class B Notes on the Closing Date. The notional amount of each Swap Agreement will decrease by the amount of any principal repayments on the applicable Class A Notes or Class B Notes.
- 21.4 In the event that the 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 Swap Counterparty. The Counterparty Downgrade Collateral Account shall be separated from the Distribution Account and from the general cash flow of the Issuer. Collateral deposited in the Counterparty Downgrade Collateral Account shall not constitute Available Distribution Amounts. Amounts standing to the credit of the Counterparty Downgrade Collateral Account shall secure solely the payment obligations of the Swap Counterparty to the Issuer under the applicable Swap Agreement. The amounts in the Counterparty Downgrade Collateral Account will be applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the respective Swap Agreement. Any Excess Swap Collateral owing to the respective Swap Counterparty pursuant to the applicable Swap Agreement shall not be available to Transaction Creditors and shall be returned to such Swap Counterparty in accordance with the applicable Swap Agreement and outside of the Order of Priority. The Swap Counterparty shall bear any costs and expenses in connection with the Counterparty Downgrade Collateral Account. If the Issuer incurs any liabilities, costs or expenses in connection with the Counterparty Downgrade Collateral Account, the Swap Counterparty shall reimburse the Issuer immediately upon request from the Issuer.
- 21.5 The Servicer shall calculate and provide, by delivery of the Monthly Report, written notification to each Swap Counterparty and to the Security Trustee of the notional amount of each Swap Agreement as of each Payment Date on or before the reporting date in the month of the related Payment Date. The Interest Determination Agent shall provide the Servicer with the calculation of EURIBOR who shall provide the calculation of EURIBOR to the Security Trustee under this Trust Agreement and shall calculate the amount, for each Payment Date, of all Net Swap Payments, Net Swap Receipts and Swap Termination Payments payable in accordance with clause 22.2(a) below on each Payment Date and shall provide written notification of such amounts to the Swap Counterparty and to the Security Trustee prior to such Payment Date. The parties hereto hereby acknowledge that with respect to the obligations under each Swap Agreement of the parties thereto, all calculations shall be performed by the calculation agent thereunder.
- 21.6 In the event of any early termination of the transaction under any Swap Agreement (i) the Issuer shall instruct the Security Trustee to establish a Swap Termination Payment Account in respect thereof, (ii) 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 such Swap Termination Payment Account.

- 21.7 The Issuer shall promptly, following the early termination of the transaction under any Swap Agreement due to an "event of default" or "termination event" (each as defined in the applicable initial Swap Agreement) and in accordance with the terms of such Swap Agreement, enter into a replacement Swap Agreement with an Eligible Swap Counterparty to the extent possible and practicable through application of funds available in the Swap Termination Payment Account.
- 21.8 On each Payment Date after the creation of a Swap Termination Payment Account, the funds therein shall be used to cover any shortfalls in the amounts payable under items *first* through *eleventh* according to the Order of Priority, *provided that* the amount withdrawn from the Swap Termination Payment Account on any Payment Date may not exceed the amount of Net Swap Receipts the Issuer would have been entitled to receive on such Payment Date under the terminated Swap Agreement had there been no termination of such Swap Agreement.
- 21.9 Any Swap Replacement Proceeds received by the Issuer or the Security Trustee on behalf of the Issuer from a replacement Swap Counterparty will be remitted directly to the Swap Termination Payment Account and shall be applied in payment of any Swap Termination Payments to the Swap Counterparty under the initial Swap Agreement outside of the 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.
- 21.10 Upon payment of all amounts payable under the Notes the sums remaining in the Swap Termination Payment Account shall be paid according to the following order of priority:
- first*, to the Subordinated Lender amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);
  - second*, to the Subordinated Lender, until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
  - third*, to pay all remaining excess to VWL by way of a final success fee.

## 22. Order of Priority

- 22.1 Prior to the full discharge of all obligations of the Issuer to the Transaction Creditors, any credit in the Distribution Account (the "**Credit**") and the Cash Collateral Account (other than repayments due to VWL in accordance with clause 10.2 (*Payments, repayment claims*) of the Receivables Purchase Agreement) shall be applied exclusively in accordance with clauses 22.2 and 23.

### 22.2

- (a) Prior to the occurrence of an Enforcement Event, distributions will be made on each Payment Date from the Available Distribution Amount according to the following Order of Priority:

*first*, amounts payable in respect of taxes (if any) by VCL Multi-Compartment S.A. other than any tax filing fees and any annual return or exempt company status fees;

*second*, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clause 31 or 32 of this Agreement or under any agreement replacing the Trust Agreement;

*third*, to the Servicer the Servicer Fee;

*fourth*, of equal rank amounts payable (i) to the directors of VCL Multi-Compartment S.A.; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iv) to each Agent and the Registrar under the Agency Agreement; (v) to the Account Bank and the Cash Administrator under the Account Agreement and the Custodian under the Custody Agreement, if any; (vi) to the Rating Agencies the fees for the monitoring of the Issue; (vii)

to the Banks under the Note Purchase Agreement and (viii) 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;

*fifth*, amounts payable by the Issuer to the Swap Counterparty in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreements (if any and *provided that* the Swap Counterparty is not the defaulting party (as defined in the relevant Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade); if the amounts paid by the Issuer to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

*sixth*, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on the Class A Notes;

*seventh*, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on the Class B Notes;

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

*ninth*, after a German Trade Tax Increase Event, to the Cash Collateral Account, until the amount of funds in the Cash Collateral Account is equal to the sum of the Specified Cash Collateral Account Balance plus the Increased German Trade Tax Risk Reserve Amount plus the unused amount of the VWL Risk Reserve;

*tenth*, to the holders of the Class A Notes, an aggregate amount equal to the Class A Principal Payment Amount for such Payment Date;

*eleventh*, to the holders of the Class B Notes, an aggregate amount equal to the Class B Principal Payment Amount for such Payment Date;

*twelfth*, by the Issuer to the Swap Counterparty, any payments under the Swap Agreements other than those made under item *fifth* above; if the amounts paid by the Issuer to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

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

*fourteenth*, to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and

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

- (b) Distribution will be made from the Cash Collateral Account on any Payment Date on which the General Cash Collateral Amount exceeds the Specified Cash Collateral Account Balance *provided that* no Credit Enhancement Increase Condition is in effect:

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

*second*, to the Subordinated Lender, until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and

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

- (c) Following the occurrence of an Enforcement Event, distributions will be made by the Security Trustee from the Available Distribution Amount according to the following Order of Priority:

*first*, amounts payable in respect of taxes (if any) by VCL Multi-Compartment S.A. other than any tax filing fees and any annual return or exempt company status fees;

*second*, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to clause 31 or 32 of this Agreement or under any agreement replacing the Trust Agreement;

*third*, to the Servicer the Servicer Fee;

*fourth*, of equal rank amounts payable (i) to the directors of VCL Multi-Compartment S.A.; (ii) to the Corporate Services Provider under the Corporate Services Agreement; (iii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iv) to each Agent and the Registrar under the Agency Agreement; (v) to the Account Bank and the Cash Administrator under the Account Agreement and the Custodian under the Custody Agreement, if any; (vi) to the Rating Agencies the fees for the monitoring of the Issue; (vii) to the Banks under the Note Purchase Agreement and (viii) 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;

*fifth*, amounts payable by the Issuer to the Swap Counterparty in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreements (if any and *provided that* the Swap Counterparty is not the defaulting party (as defined in the relevant Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade); if the amounts paid by the Issuer to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;

*sixth*, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on the Class A Notes;

*seventh*, to the holders of the Class A Notes in respect of principal until the Class A Notes are redeemed in full;

*eighth*, amounts payable in respect of (a) interest accrued during the immediately preceding Interest Period plus (b) Interest Shortfalls (if any) on the Class B Notes;

*ninth*, to the holders of the Class B Notes in respect of principal until the Class B Notes are redeemed in full;

*tenth*, by the Issuer to the Swap Counterparty, any payments under the Swap Agreements other than those made under item *fifth* above; if the amounts paid by the Issuer to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreements, such payments by the Issuer will be used first for payments due under the Class A Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Swap Agreement;



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

*twelfth*, to the Subordinated Lender, principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and

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

- 22.3 Notwithstanding the provisions of clause 22.2 above, any obligations referred to in clause 22.2(a) under *first* through *fourth* (other than the German Trade Tax Risk Reserve) may be satisfied on any date other than a Payment Date from any funds available on the Accounts in the Order of Priority.

### 23. **Cash Collateral Account**

- 23.1 The Issuer will on the date of this Agreement in accordance with clause 12 (*Cash Collateral Account*) of the Receivables Purchase Agreement establish at the Account Bank the Cash Collateral Account to be used for the cash collateral in the initial amount of EUR 12,000,000. This amount of EUR 12,000,000 (1.2 per cent. of the Aggregate Cut-Off Date Discounted Receivables Balance) serves as the initial General Cash Collateral Amount. VWL shall pay an amount of EUR 11,000,000 as VWL Risk Reserve into the Cash Collateral Account on the Issue Date. The VWL Risk Reserve shall exclusively secure the VWL Secured Obligations. The VWL Risk Reserve includes an amount required to cover potential trade tax risk exposure of the Issuer. Such amount constitutes the German Trade Tax Risk Reserve. The German Trade Tax Risk Reserve shall be used to cover the potential tax risk exposure upon the occurrence of a German Trade Tax Event in case VWL breaches its obligation under the Receivables Purchase Agreement to indemnify the Issuer against any liabilities, costs, claims and expenses resulting from such trade tax claims (except those penalties and interest surcharges that are due to the gross negligence or wilful misconduct of the Issuer).

- 23.2 On each Payment Date prior to the occurrence of an Enforcement Event, after the payment of interest on the Notes and certain other amounts payable by the Issuer, the Available Distribution Amount remaining after item *seventh* of the Order of Priority will be credited to the Cash Collateral Account pursuant to item *eighth* of the Order of Priority until the General Cash Collateral Amount is equal to the Specified Cash Collateral Account Balance. On each such Payment Date the General Cash Collateral Amount shall be used (a) to cover any shortfalls in the amounts payable under items *first* through *seventh* according to the Order of Priority above and (b), on the earlier of (i) the Legal Maturity Date or (ii) the date on which the Aggregate Discounted Receivables Balance has been reduced to zero, for amounts payable under items *tenth*, *eleventh*, *thirteenth* and *fourteenth* of the Order of Priority above.

- 23.3 Upon the earlier of (i) the Legal Maturity Date, (ii) an exercise of the Clean-Up Call, or (iii) all Notes having been redeemed in full, the Cash Collateral Account shall be closed and VWL shall be entitled to the sums remaining in the Cash Collateral Account together with interest accrued thereon. After the closing of the Cash Collateral Account, VWL is entitled to any Purchased Lease Receivables still being collected.

- 23.4 Upon the occurrence of a German Trade Tax Decrease Event, the German Trade Tax Risk Reserve Decrease Amount will be released from the German Trade Tax Risk Reserve which is no longer required to cover potential German trade tax risk exposure following such German Trade Tax Decrease Event, subject to prior information of the Rating Agencies.

### 24. **Relation to third parties; overpayment**

- 24.1 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 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.

- 24.2 The Order of Priority set forth in clause 22 shall also be applicable if the claims are transferred to a third party by assignment, subrogation into a contract, or otherwise.

- 24.3 All payments to Transaction Creditors shall be subject to the condition that, if a payment is made to a creditor in breach of the Order of Priority such 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 - out the moneys so received in the way that they were payable in accordance with the aforementioned Order of Priority on the relevant Payment Date. If such overpayment is not repaid at the Payment Date of the Funding, following the overpayment or if the claim to repayment is not enforceable, the Security Trustee is authorised and obliged to adapt the distribution provisions pursuant to clause 22 in such a way that any over- or underpayments made in breach of clause 22 are set off by correspondingly increased or decreased payments on such Payment Date (and, to the extent necessary, on all subsequent Payment Dates).

## **Part F.**

### **DELEGATION; ADVISORS**

#### **25. Delegation**

- 25.1 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 it in performing the duties assigned to it under this Agreement, by delegating the entire or partial performance of the following duties:
- (a) the undertaking of individual measures pursuant to clause 15, specifically the enforcement of certain claims against the Issuer or a Transaction Creditor;
  - (b) the foreclosure on Security pursuant to clause 17;
  - (c) the settlement of payments pursuant to clause 19; and
  - (d) the settlement of overpayments pursuant to clause 24.3 (*Relation to the third parties; overpayment*).
- 25.2 If third parties are retained pursuant to clause 25.1, 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 of the third party, provided that the Security Trustee has assigned his claims against the third party to the relevant damaged party of this Agreement.
- 25.3 The Security Trustee shall promptly notify the Rating Agencies of every hiring pursuant to clause 25.1.

#### **26. Advisors**

- 26.1 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 Germany 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).
- 26.2 The Security Trustee may rely on such information and such advice without having to make its own investigations. The Security Trustee shall not be liable for any damages or losses caused by its acting in reliance on the information or the advice of such Persons. The Security Trustee shall not be liable for any negligence of such Persons.

**Part G.**

**FEES; REIMBURSEMENT OF EXPENSES; INDEMNIFICATION; TAXES**

**27. Fees**

27.1 The Issuer will pay the Security Trustee a fee, the amount of which shall be separately agreed between the Issuer and the Security Trustee.

27.2 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 undertakes tasks, the Issuer shall pay or procure to be paid to the Security Trustee such additional remuneration as shall be agreed between them. 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.

**28. 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 in connection with the performance of its duties under this Agreement, including the costs and disbursements in connection with the creation, holding, and foreclosure on the Security.

**29. Right to indemnification**

29.1 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, profit or gains or any FATCA Deduction)), actions in and out of court, and costs and disbursements incurred by the Security Trustee in connection with this Agreement or any other Transaction Documents, unless such costs and expenses are incurred by the Security Trustee due to a breach of its standard of care pursuant to clause 34.

29.2 Notwithstanding any other provision of this Agreement, the Issuer will have no obligation to indemnify the Security Trustee for any FATCA Deductions.

**30. Taxes**

30.1 The Issuer shall bear all transfer taxes and other similar taxes or charges which are imposed in Germany or in Luxembourg on or in connection with (i) the creation, holding, or foreclosure on Security, (ii) on any measure taken by the Security Trustee pursuant to the Conditions, the Subordinated Loan Agreement or the Transaction Documents, and (iii) the Issue of the Notes, the execution of the Subordinated Loan Agreement or the execution of the other Transaction Documents.

30.2 All payments of fees and reimbursements of reasonable expenses to the Security Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the Security Trustee's own income, profits or gains or any FATCA Deduction, which are imposed in the future on the services of the Security Trustee.

**Part H.**

**REPLACEMENT OF THE SECURITY TRUSTEE**

**31. Termination by the Security Trustee for good cause**

31.1 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 bank in Germany or a reputable German auditing company and/or fiduciary company as successor and such appointee who needs to be experienced in the business of security trusteeship in Germany 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.

- 31.2 Without prejudice to the obligation of the Security Trustee to appoint a successor in accordance with clause 31.1 above, the Issuer shall be authorised to make such appointment in lieu of the Security Trustee.
- 31.3 The appointment of the new Security Trustee pursuant to clause 31.1 or clause 31.2 above shall only take effect if (i) VWL consents 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 VWL in writing, whereby letter, fax or e-mail shall be sufficient, for consent to the appointment and consent is not refused by VWL within five (5) banking days in Frankfurt am Main of having received the request. Consent pursuant to number (ii) shall be deemed granted if the Security Trustee requests the Issuer in writing, whereby letter, fax or e-mail shall be sufficient, for consent to the appointment and consent or proof of reasonable cause for refusing to give consent is not provided within five (5) banking days in Frankfurt am Main after the Issuer receives the request.
- 31.4 A termination pursuant to clause 31.1 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 33 have been assigned to it.
- 31.5 The provisions of this clause 31 shall apply *mutatis mutandis* to the Expectancy Rights Trustee in case the Expectancy Rights Trustee or VCL Master, acting for and on behalf of its Compartment 1 exercise their respective rights under the trust agreement dated 19 January 2010, as amended and restated from time to time and entered into, *inter alios*, between them.
- 31.6 The outgoing Security Trustee 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 Security Trustee is taking effect. In case of a termination by the Issuer for good cause (*aus wichtigem Grunde*) which is attributable to a breach by the Security Trustee of its standard of care set out in clause 34 hereof, the outgoing Security Trustee shall reimburse the Issuer for the costs (including legal costs and administration costs) or pay any costs incurred for the purpose of appointing a new Security Trustee up to a maximum amount of EUR 20,000 (the "**Replacement Cost**"). For the avoidance of doubt, such Replacement Cost shall cover any and all replacement costs occurred in respect of a replacement of Intertrust Trustees GmbH as Security Trustee.

## 32. **Replacement of the Security Trustee**

The Issuer shall be authorised and obligated to replace the Security Trustee with a reputable bank or a reputable German auditing company and/or law firm and/or a fiduciary company who needs to be experienced in the business of security trusteeship in Germany, if the Issuer has been so instructed in writing, whereby letter, fax or e-mail shall be sufficient, by a Noteholder or Noteholders and the Subordinated Lender together owning at least 50 per cent. of the aggregate outstanding Nominal Amount of the Notes and the Subordinated Loan. The Issuer shall be obliged to notify VWL and the Rating Agencies within thirty (30) days upon receipt of such request to replace the Security Trustee.

## 33. **Transfer of Security; costs; publication**

- 33.1 In the case of a replacement of the Security Trustee pursuant to clause 31 or clause 32, 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 (including the pledge rights granted for the same pursuant to clause 6) 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 subject to the condition set forth in sentence 1.

- 33.2 The costs incurred in connection with replacing the Security Trustee pursuant to clause 31 or clause 32 shall be borne by the Issuer. If the replacement pursuant to clause 31 or clause 32 is caused by a violation of obligations of the Security Trustee as set out in clauses 34 and 35, the Issuer shall be entitled, without prejudice to any additional rights, to demand damages from the Security Trustee in the amount of such costs.
- 33.3 The appointment of a New Security Trustee in accordance with clause 31 or clause 32 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.
- 33.4 The Security Trustee shall provide the New Security Trustee with a report regarding its activities within the framework of this Agreement.

#### **Part I.**

### **LIABILITY OF THE SECURITY TRUSTEE**

34. **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*).

35. **Exclusion of liability**

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, (ii) the Notes, the Subordinated Loan, the Purchased Lease Receivables and the Lease Collateral and the Transaction Documents being legal, valid, binding, or enforceable, or for the fairness of the provisions set forth in the Notes, the Subordinated Loan Agreement or in the aforementioned Transaction Documents, (iii) a loss of documents related to the Purchased Lease Receivables unless attributable to a violation of the standard of care set out in clause 34 above of the Security Trustee, and (iv) – without prejudice to the provisions of clause 15 – VWL's failure to meet all or part of its contractual obligations to submit documents to the Security Trustee. In addition, 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, save in the case of such shareholder's, officer's or director's own gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*).

#### **Part J.**

### **UNDERTAKINGS OF THE ISSUER**

36. **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 significant (*wesentlichen*) 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) upon request of the Security Trustee, to mark in its books and documents the transfer for security purposes and the pledge 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 pledge that the transfer for security purposes and the pledge has 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, whereby letter, fax or e-mail shall be sufficient, of the rights of the Security Trustee in the Security; and
- (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.

**37. Other undertakings of the Issuer**

The Issuer undertakes to:

- (a) promptly notify the Security Trustee and the Expectancy Rights Trustee in writing if circumstances occur which constitute a Foreclosure Event pursuant to clause 17;
- (b) submit to the Security Trustee at least once a year and in any event not later than one hundred and twenty (120) days after the end of its fiscal year and at any time upon demand within five (5) days a certificate signed by a director of the Issuer in which such director, in good faith and to the best of his/her knowledge based on the information available represents 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;
- (c) give the Security Trustee at any time such other information it may reasonably demand for the purpose of performing its duties under this Agreement;
- (d) send to the 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 shareholders either at the time of the mailing of those documents to the shareholders or as soon as possible thereafter;
- (e) send or have sent to the Security Trustee a copy of any notice given in accordance with the Conditions and/or the terms of the Subordinated Loan Agreement immediately, or at the latest on the day of the publication of such notice;
- (f) ensure that the 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;
- (g) have at all times at least one (1) director independent from VWL and the Issuer's shareholders;
- (h) correct any known misunderstanding regarding its separate identity; and
- (i) conduct its own business in its own name.

**38. Actions of the Issuer requiring Consent**

As long as the Notes and the Subordinated Loan are outstanding, the Issuer is not authorised without prior written consent of the Security Trustee to:

**38.1 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 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); 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 warranted with respect to the reasonable interests of the Noteholders or the Subordinated Lender in order to ensure that the Conditions or the Subordinated Loan Agreement are always valid;
- 38.2 hold, permit to subsist any subsidiary nor form or acquire any subsidiary (unless in the case of a substitution of the Issuer pursuant to the Conditions and the Subordinated Loan Agreement);
- 38.3 dispose 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 provided otherwise in clause 38.1 above;
- 38.4 pay dividends or make any other distribution to its shareholders;
- 38.5 incur, create, assume or suffer to exist or otherwise become or be liable in respect of any indebtedness, whether present or future;
- 38.6 have any employees or own any real estate assets;
- 38.7 create or permit to subsist any mortgages, or – notwithstanding of its obligations under the Transaction Documents – any liens, pledges or similar rights;
- 38.8 consolidate or merge;
- 38.9 materially amend its Articles of Incorporation;
- 38.10 issue new shares and acquire shares;
- 38.11 open new accounts (other than contemplated in the Transaction Documents);
- 38.12 change its country of incorporation unless in accordance with Condition 10;
- 38.13 effect a substitution of debtors pursuant to the Conditions and the Subordinated Loan Agreement;
- 38.14 permit its assets to become commingled with those of any other party; or
- 38.15 acquire obligations or securities of its affiliates.

## **PART K.**

### **MISCELLANEOUS PROVISIONS**

#### **39. Amendments**

- 39.1 VWL will be entitled to unilaterally amend any term or provision of this Agreement with the consent of the Issuer but without the consent of any Noteholder, any Swap Counterparty, the Subordinated Lender or any other Person, provided that such amendment shall only become valid,
- (a) if it is notified to the Security Trustee, the Expectancy Rights Trustee and the Rating Agencies and the Issuer and VWL have 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
  - (b) if any of the amendments relate to the amount, the currency or the timing of the cash-flow received by the Issuer under the Purchased Lease Receivables, the application of such cash-flow by the Issuer, or the ranking of the Swap Counterparty in the Order of Priority, then the consent of the Swap Counterparty will be required; and

- (c) in case of amendments which materially and adversely affect the interests of the Issuer, the Security Trustee, the Swap Counterparty or the Subordinated Lender if such parties that are materially and adversely affected have consented to such amendment.

39.2

- (a) The Swap Counterparty and the Issuer shall be entitled:
  - (i) to amend the Swap Agreements to ensure that the terms hereof, and the parties obligations thereunder, are in compliance with the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation, as amended from time to time, ("**EMIR**") and/or the then subsisting technical standards under EMIR; or
  - (ii) to amend or waive (subject at all times to Article 15 (Dispute resolution), Chapter VII of the technical standards under EMIR (which relate to, inter alia, non-financial counterparties, risk-mitigation techniques for over the counter derivative contracts not cleared by a central counterparty) any of the time periods set out Part 6(c) of the schedules to the Swap Agreements.
- (b) The Servicer or the relevant Transaction Party(ies), as the case may be, and the Issuer shall be entitled to amend the Servicing Agreement or any other Transaction Documents to ensure that the terms thereof, and the parties obligations thereunder, are in compliance with EMIR and/or the then subsisting technical standards under EMIR;

in each case of (a) and (b) above, with the consent of the Issuer but without the consent of any Noteholder, the Subordinated Lender or any other Person; provided that such amendment or waiver shall only become valid if it is notified to the Security Trustee and the Rating Agencies, and the Issuer and the Swap Counterparty or the Servicer or the relevant Transaction Party(ies), as the case may be, have received a confirmation from the Security Trustee that in the sole professional judgment of the Security Trustee, such amendment or waiver will not be materially prejudicial to the interests of any such Transaction Creditor.

- 39.3 Notwithstanding clauses 39.1 and 39.2 above, VWL will be entitled to amend any term or provision of this Agreement 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 Joint Lead Managers, 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 Transaction to comply with the Securitisation Regulation, including the requirements for simple, transparent and standardised securitisations set out therein or in any regulatory technical standards adopted under the Securitisation Regulation.
- 39.4 The Security Trustee shall have the right to request a reputable international law firm to confirm the legal validity of such amendment and/or to describe the legal effects of such amendment and to incur reasonable expenses for such consultation which shall be reimbursed by VWL.
- 39.5 This Agreement may also be amended from time to time 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 consent of (a) the Issuer and (b) the Class A Noteholders evidencing not less than 75 per cent. of the aggregate outstanding principal amount of the outstanding Class A Notes, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Noteholders; (x) provided that no such amendment shall (i) reduce the interest rate or principal amount of any Note or delay the Scheduled Repayment Date or Legal Maturity Date of any Note without the consent of the respective Noteholder, or (ii) reduce the percentage of the aggregate outstanding principal amount of the Class B Notes without the consent of Class B Noteholders evidencing not less than a majority of the aggregate outstanding principal amount of the outstanding Class B Notes, 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 VWL under the



Purchased Lease 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 meeting of Noteholders or by way of a decision without a meeting of Noteholders (*Abstimmung ohne Versammlung*), in each case as further provided in sections 5 to 21 SchVG. The manner of obtaining any other consents of 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. Upon full redemption of all Class A Notes, the foregoing sentence shall apply with the modification that the required Class A Noteholder consent as set out under (b) shall be replaced by consent of Class B Noteholders evidencing not less than 75 per cent. of the aggregate outstanding principal amount of the outstanding Class B Notes.

40. **Condition precedent**

This Agreement is subject to the condition precedent that the Issue occurs. If by the Closing Date this has not been done then this Agreement shall lose all effect by operation of law.

## SUBSCRIPTION AND SALE

### Subscription of the Notes

Pursuant to the Note Purchase Agreement, the Class A Notes will be underwritten by a syndicate of financial institutions for placement with eligible counterparties and professional clients only, headed by BofA Securities Europe SA, a company organised under the laws of France and with its registered office at 51 rue La Boétie, 75008 Paris, France, Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart, Germany and MUFG Securities Europe N.V., World Trade Center, Tower H Zuidplein 98 Amsterdam 1077 XV, the Netherlands as Bookrunners, lead managed by BofA Securities Europe SA, a company organised under the laws of France and with its registered office at 51 rue La Boétie, 75008 Paris, France, Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart, Germany and MUFG Securities Europe N.V., World Trade Center, Tower H Zuidplein 98 Amsterdam, 1077 XV, the Netherlands and managed by ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082PP Amsterdam, the Netherlands, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany and Landesbank Hessen-Thüringen Girozentrale, Neue Mainzer Straße 52 – 58, 60311 Frankfurt am Main, Germany at an issue price of 100.775 per cent. of their principal amounts. The payment date is 25 November 2021. All rights and obligations of each Joint Lead Manager and Manager under the Note Purchase Agreement are several and not joint.

Pursuant to the Note Purchase Agreement, the Class B Notes will be underwritten by a syndicate of financial institutions for placement with eligible counterparties and professional clients only, headed by BofA Securities Europe SA, a company organised under the laws of France and with its registered office at 51 rue La Boétie, 75008 Paris, France, Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart, Germany and MUFG Securities Europe N.V., World Trade Center, Tower H Zuidplein 98 Amsterdam 1077 XV, the Netherlands as Bookrunners, lead managed by BofA Securities Europe SA, a company organised under the laws of France and with its registered office at 51 rue La Boétie, 75008 Paris, France, Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart, Germany and MUFG Securities Europe N.V., World Trade Center, Tower H Zuidplein 98 Amsterdam 1077 XV, the Netherlands and managed by ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082PP Amsterdam, the Netherlands, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany and Landesbank Hessen-Thüringen Girozentrale, Neue Mainzer Straße 52 – 58, 60311 Frankfurt am Main, Germany at an issue price of 100 per cent of their principal amounts. The payment date is 25 November 2021. All rights and obligations of each Joint Lead Manager and Manager under the Note Purchase Agreement are several and not joint.

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 sold on the Closing Date may not 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 whilst the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to the definition of "U.S. person" in 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.

Each purchaser of Notes, including beneficial interests therein will be deemed, and in certain circumstances will be required, to represent and agree that it (1) is not a Risk Retention U.S. Person (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note to a U.S. person; and (3) 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 (a) on or about the time of the announcement of the securitisation transaction involving the issuance of the Notes and (b) if such representations have not been previously made, as a condition to placing any offer to purchase the Notes. The Issuer, VWL and the Banks will rely on these representations, without further investigation.

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 Bank's knowledge and belief (subject that each Bank shall have no liability to the Issuer or VWL in respect of any non-observance of the U.S. Risk Retention Rules by the Issuer or VWL or any other person). Each Bank has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute the Prospectus, the Preliminary 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 thereof (other than the U.S. Risk Retention Rules), to the best of such Bank's knowledge and belief, and that it will not impose any obligations on the Issuer in connection with the U.S. Risk Retention Rules except as set out in the Note Purchase Agreement provided that, as part of the initial distribution of the Notes, each Bank undertakes to the Issuer and VWL to use reasonable efforts prior to the Closing Date to only, directly or indirectly, sell and deliver the Notes to a prospective investor in the Notes who has provided representations to the Issuer and VWL relating to its status as a Risk Retention U.S. Person. Each prospective investor will be required to provide representations to the Issuer and VWL relating to its status as a Risk Retention U.S. Person: (a) on or about the time of the announcement of the securitisation transaction involving the issuance of the Notes and (b) if such representations have not been previously made, as a condition to placing any offer to purchase the Notes. The Banks, the Issuer and VWFS will rely on the representations each prospective investor will be required to make as outlined in the immediately preceding sentence without further investigation.

Notwithstanding the foregoing, the Banks will not have any liability to the Issuer or VWL for compliance with the U.S. Risk Retention Rules by the Issuer or VWL or any other person except to the extent as set out in the Note Purchase Agreement.

Notwithstanding the foregoing, the Banks acknowledge and agree that the Issuer can, with the consent of, and in reliance on, the Seller, sell a limited portion of the Notes to, or for the account or benefit of, Risk Retention U.S. Persons under the "foreign offering" exemption from the U.S. Risk Retention Rules.

### *Japan*

Each of the Banks has acknowledged that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Bank has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### *United States of America and its Territories*

Each of the Banks has represented and agreed in the Note Purchase Agreement that:

The Notes have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws and under circumstances designed to preclude the issuer from having to register under the Investment Company Act. Each of the Banks has represented and agreed that it has not offered, sold or delivered the Notes, and will not offer or sell the Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and the Closing Date except, in either case, only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Banks nor their respective affiliates (as defined in Rule 501(b) of Regulation D

under the Securities Act) nor any Persons acting on their behalf have engaged or will engage in any "directed selling efforts" with respect to the Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of the sale of Notes, the respective Banks will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of the date the Notes are first offered to Persons other than distributors in reliance on Regulation S and the Closing Date except, in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section have the meaning given to them in Regulation S under the Securities Act.

#### *United Kingdom*

Each of the Banks has represented and agreed 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 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 Banks has represented and agreed in the Note Purchase Agreement that:

- (a) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly or indirectly, any Notes to the public in France other than in accordance with the exemption of article 1(4) of the Prospectus Regulation and article L. 411-2 1° of the French Monetary and Financial Code (*Code monétaire et financier*); and
- (b) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, other than to qualified investors, as defined in Article 2(e) of the Prospectus Regulation, this Prospectus or any other offering material relating to the Notes.

#### *Germany*

Each of the Banks has represented and agreed in the Note Purchase Agreement that the Notes have not been and will not be offered or sold or publicly promoted or advertised by it in Germany other than in compliance with the provisions of the German Asset Investment Act (*Vermögensanlagengesetz*), or of any other laws applicable in Germany governing the issue, offering and sale of securities.

*Prohibition of Sales to EEA Retail Investors*

Each of the Banks has represented and agreed in the Note Purchase Agreement that:

- (a) the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to retail investors in the European Economic Area and the prospectus or any other offering material relating to the Notes has not been distributed or caused to be distributed and will not be distributed or caused to be distributed to retail investors in the European Economic Area.
- (b) For the purposes of this provision:
  - (i) the expression "retail investor" means a person who is one (or more) of the following:
    - (1) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
    - (2) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
    - (3) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and
  - (ii) 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.

*Prohibition of Sales to UK Retail Investors*

Each of the Banks has represented and agreed in the Note Purchase Agreement that:

- (a) the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to retail investors in the United Kingdom and the prospectus or any other offering material relating to the Notes has not been distributed or caused to be distributed and will not be distributed or caused to be distributed to retail investors in the United Kingdom.
- (b) For the purposes of this provision:
  - (i) the expression "retail investor" means a person who is one (or more) of the following:
    - (1) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or
    - (2) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or
    - (3) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; and
  - (ii) 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

### Notes Issue

The Notes issue was authorised by the Board of Directors of VCL Multi-Compartment S.A. on 3 November 2021.

### Governmental, Legal and Arbitration Proceedings

Since its incorporation on 16 September 2009, VCL Multi-Compartment S.A. has not been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which VCL Multi-Compartment S.A. 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 VCL Multi-Compartment S.A. since the date of its last published audited financial statements, the date of which is 31 December 2020.

### Payment Information and Post-Issuance Transaction Information

The Issuer intends to provide post-issuance transaction information regarding the Notes to be admitted to trading and the performance of the underlying assets. The Servicer will publish monthly investor reports regarding the Notes and the performance of the underlying assets. Monthly investor reports will be published by the Servicer on each respective 16<sup>th</sup> day of a calendar month, or in the event this is not a Business Day, then on the next succeeding Business Day, available on <https://www.vwfs.com/investor-relations.html>.

For as long as the Notes are listed on the official list of the Luxembourg Stock Exchange and are admitted to trade on the regulated market of the Luxembourg Stock Exchange, the Issuer will notify the Luxembourg Stock Exchange of the Interest Amounts, Interest 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 6 of the Notes, including monthly information on the development of the Portfolio as set out in Condition 6 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.

All notices concerning the Notes shall be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) insofar as required by the rules of the Luxembourg Stock Exchange and shall be delivered to the applicable clearing systems for communication by them to the Noteholders.

Additionally, investor reports with the information set forth in Condition 6 will be made available to the Noteholders via Bloomberg and the website of Volkswagen Financial Services AG (<https://www.vwfs.com/investor-relations/volkswagen-leasing-gmbh/refinancing.html#>). The Prospectus relating to the Conditions will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of Circumference FS (Luxembourg) S.A. (<https://circumferencefs-luxembourg.com>).

### Listing and Admission to Trading

Application has been made by the Issuer to list the Notes on the official list of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange on the Issue Date. The total expenses related to the admission to trading will approximately amount to EUR 8,700.

## ICSDs

Euroclear Bank S.A./N.V.  
1 Boulevard du Roi Albert II  
B-1210 Brussels  
Belgium

Clearstream Banking S.A.  
42 Avenue JF Kennedy  
L-1885 Luxembourg

## Clearing Codes

### Class A Notes

ISIN: XS2398654702  
Common Code: 239865470  
WKN: A3KXGD  
CFI: DAVNFR  
FISN: VCL MULTI-COMPA/VARASST BKD 2027090

### Class B Notes

ISIN: XS2398654967  
Common Code: 239865496  
WKN: A3KXGE  
CFI: DAVXFR  
FISN: VCL MULTI-COMPA/VARASST BKD 2027090

## Inspection of Documents

Copies of the documents referenced here-below 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 Paying Agent or made available upon request by means of electronic distribution, (i) this Prospectus, (ii) the Trust Agreement, (iii) the Agency Agreement, (iv) the Articles of Incorporation of VCL Multi-Compartment S.A., (v) all historical financial reports of VCL Multi-Compartment S.A. (interim financial reports will not be prepared), and (vi) the Security Assignment Deed. A copy of the Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of Circumference FS (Luxembourg) S.A. (<https://circumferencefs-luxembourg.com>). The Articles of Incorporation of VCL Multi-Compartment S.A. and all historical financial reports of VCL Multi-Compartment S.A. (interim financial reports will not be prepared) will be published on the website of Circumference FS (Luxembourg) S.A. (<https://circumferencefs-luxembourg.com>).

The Servicer will publish monthly investor reports regarding the Notes and the performance of the underlying assets. Monthly investor reports may be published by the Servicer on each respective 16<sup>th</sup> day of a calendar month, or in the event this is not a Business Day, then on the next succeeding Business Day, on <https://www.vwfs.com/investor-relations.html>; such monthly investor reports will provide, *inter alia*, the following information:

- (a) the aggregate amount to be distributed on each Class A Note, on each Class B Note and on the Subordinated Loan on the Payment Date immediately following (in the form defined in Schedule 1 of the Servicing Agreement);

- (b) the repayment of the nominal amount attributed to each Class A Note, to each Class B Note and the Subordinated Loan as distributed together with the interest payment;
- (c) the nominal amount still outstanding on each Class A Note, on each Class B Note and on the Subordinated Loan as of each respective Payment Date;
- (d) the Note Factor of the Class A Notes and Class B Notes;
- (e) the General Cash Collateral Amount and the VWL Risk Reserve still available on the immediately following Payment Date;
- (f) the sums corresponding to the administration fees and servicing fees;
- (g) the Cumulative Net Loss Ratio and whether a Credit Enhancement Increase Condition is in effect;
- (h) the current Class A Actual Overcollateralisation Percentage and the current Class B Actual Overcollateralisation Percentage;
- (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 one month, up to two months, up to three months and more than three months with respect to the number of Delinquent Lease Contracts, the amount of delinquent Purchased Lease Receivables and the total outstanding Discounted Receivables Balance of Delinquent Lease Contracts;
- (k) in the event of the final Payment Date, the fact that such date is the final Payment Date; and
- (l) the confirmation that VWL has complied with its statutory obligation to pay VAT to its tax office on the Purchased Lease Receivables when such VAT became due for payment. Should VWL fail to deliver such confirmation, the Servicer will report the actual VAT deficiency ledger; and
- (m) the Buffer Release Rate.

The Servicer will make the information required by the Securitisation Regulation Disclosure Requirements available via the Securitisation Repository.



## DOCUMENTS INCORPORATED BY REFERENCE

The following information, which has been published and filed with the Commission de Surveillance du Secteur Financier, shall be deemed to be incorporated by reference in, and to form part of, this Prospectus:

### Comparative table of documents incorporated by reference

Page	Section of Prospectus	Document incorporated by reference
145	The Issuer, Financial Statements	<p>The Issuer's audited annual financial statements for the year ended 31 December 2020, prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts. (Page number refer to the PDF page numbers and not the actual document):</p> <p style="text-align: right;">Pages</p> <p>Pages</p> <p>Directors' report ..... 2-7</p> <p>Audit report ..... 8-11</p> <p>Balance sheet as at 31 December 2020 ..... 12-15</p> <p>Profit and loss account for the year ended 31 December 2020 ..... 16-17</p> <p>Notes to the annual accounts ..... 19-32</p> <p><a href="https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:0c3cb3be-1778-4025-b5f9-37a0677181bc">https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:0c3cb3be-1778-4025-b5f9-37a0677181bc</a></p>
		<p>The Issuer's audited annual financial statements for the year ended 31 December 2019, prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of annual accounts. (Page number refer to the PDF page numbers and not the actual document):</p> <p style="text-align: right;">Pages</p> <p>Directors' report ..... 3-6</p> <p>Audit report ..... 7-10</p> <p>Balance sheet as at 31 December 2019 ..... 11-15</p> <p>Profit and loss account for the year ended 31 December 2019 ..... 16-17</p> <p>Notes to the annual accounts ..... 18-40</p> <p><a href="https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:6d1bfe1e-6397-4f7d-a1b1-e2dde7a36ffe">https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:6d1bfe1e-6397-4f7d-a1b1-e2dde7a36ffe</a></p>

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

#### *Availability of incorporated documents*

Any document incorporated herein by reference can be obtained without charge at the offices of VCL Multi-Compartment S.A., acting for and on behalf of its Compartment VCL 34 as set out at the end of this Prospectus. In addition, such documents will be available free of charge from the principal office in London of The Bank of New York Mellon, London Branch for Notes listed on the official list of the Luxembourg Stock

Exchange and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of Circumference FS (Luxembourg) S.A. (<https://circumferencefs-luxembourg.com>).

## MASTER DEFINITIONS SCHEDULE

The following is the text of the Master Definitions Schedule. The text will be attached as Appendix B to the Conditions of both Classes and constitutes an integral part of the Conditions of both Classes. In case of any overlap or inconsistency in the definitions of a term or expression in the Master Definitions Schedule and elsewhere in the Prospectus, the definitions of the Master Definitions Schedule will prevail.

### 1. DEFINITIONS

1.1 The parties to this Master Definitions Schedule agree that, except where expressly stated to the contrary or where the context otherwise requires, the definitions set out below shall apply to terms or expressions referred to but not otherwise defined in each Transaction Document.

**"€STR" or "Euro Short-Term Rate"** means the overnight rate calculated on the basis of unsecured borrowing deposit transactions carried out by the European Central Bank's money market statistical reporting agents with financial corporations calculated by the European Central Bank.

**"Account Agreement"** means the account agreement between the Issuer, the Account Bank, VWL and the Security Trustee governing the Accounts dated on or about the Signing Date.

**"Account Bank"** means the Cash Collateral Account Bank, the Counterparty Downgrade Collateral Account Bank, the Distribution Account Bank and the Swap Termination Payment Account Bank.

**"Account Bank Required Guarantee"** means a guarantee provided to the Account Bank by a party with ratings, solicited or unsolicited, of at least:

- (a) either:
  - (i) a long-term unsecured, unguaranteed and unsubordinated debt obligations rating of "A" from DBRS, or
  - (ii) a DBRS Critical Obligations Rating of "A (high)" in respect of the relevant entity, or
  - (iii) if a rating from DBRS is not available, a DBRS Equivalent Rating with respect to the relevant entity's capacity for timely payment of financial commitments equal to a long-term rating for unsecured and unguaranteed debt of at least "A" from DBRS, and
- (b) 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".

**"Account Bank Required Ratings"** means ratings, solicited or unsolicited of at least:

- (a) either:
  - (i) a long-term unsecured, unguaranteed and unsubordinated debt obligations rating of "A" from DBRS, or
  - (ii) a DBRS Critical Obligations Rating of "A (high)" in respect of the relevant entity, or
  - (iii) if a rating from DBRS is not available, a DBRS Equivalent Rating with respect to the relevant entity's capacity for timely payment of financial commitments equal to a long-term rating for unsecured and unguaranteed debt of at least "A" from DBRS, and
- (b) 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 Cash Collateral Account, the Counterparty Downgrade Collateral Account, the Distribution Account and the Swap Termination Payment Account and relating to and being allocated to Compartment VCL 34 of the Issuer.

**"Accrued Interest"** means in respect of a Note and on any date, the Note interest which has accrued up to such date.

**"Additional Rights"** means under the Receivables Purchase Agreement certain rights purchased or to be purchased by the Issuer associated with the premature termination of the Lease Contracts or with the transfer of Lease Receivables.

**"Adjustment Spread"** means in respect of any Substitute Reference Rate an adjustment spread which is recommended by a responsible authority or used in a material number of bonds after determination of a Benchmark Event and designed to eliminate or minimise any potential transfer of value between parties when the Substitute Reference Rate is applied and eliminate or minimise the risk of manipulation.

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

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

**"Agency Agreement"** means the agency agreement between, *inter alia*, the Issuer, the Paying Agent, the Registrar, the Calculation Agent, the Interest Determination Agent, VWL and the Security Trustee dated on or about the Signing Date.

**"Agents"** means the Calculation Agent, the Interest Determination Agent, the Registrar and the Paying Agent, and "Agent" means any one of them.

**"Aggregate Cut-Off Date Discounted Receivables Balance"** means the Aggregate Discounted Receivables Balance as of the Cut-Off Date.

**"Aggregate Discounted Receivables Balance"** means the sum of the Discounted Receivables Balances for all Lease Contracts of the Transaction.

**"Applicable Insolvency Law"** means any applicable bankruptcy, insolvency or other similar law affecting creditors' rights now or hereafter in effect in any relevant jurisdiction.

**"Arranger"** means BofA Securities Europe SA.

**"Articles of Incorporation"** means the Statutes of VCL Multi-Compartment S.A. under Luxembourg law.

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

- (a) the Collections received or collected by the Servicer in relation to the preceding Monthly Period, inclusive, for avoidance of doubt, the Monthly Collateral (after any relevant netting); plus
- (b) the Issuer's portion in the proceeds from the realisation of Leased Vehicles pursuant to clause 18 (*Realisation of the Leased Vehicles*) of the Trust Agreement; plus
- (c) payments from the Cash Collateral Account as provided for in clause 23.1 (*Cash Collateral Account*) of the Trust Agreement to cover any shortfalls which result from a failure by VWL to pay the VWL Secured Obligations; plus
- (d) Net Swap Receipts under the Class A Swap Agreement and the Class B Swap Agreement and certain other amounts; plus

- (e) any investment earnings from the Distribution Account; plus
- (f) any repurchase price received from VWL pursuant to clause 4.3(c) of the Receivables Purchase Agreement; plus
- (g) any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Notes in accordance with Condition 8(3); plus
- (h) payments from the Cash Collateral Account as provided for in clause 23.2 (*Cash Collateral Account*) of the Trust Agreement and the German Trade Tax Risk Reserve Decrease Amount (if any) as defined herein; less
- (i) the Buffer Release Amount to be paid to VWL *provided that* no Insolvency Event with respect to VWL has occurred.

"**Banks**" means the Joint Lead Managers and the Managers, collectively.

"**Benchmark Event**" means any of the following (i) a public statement by the European Money Markets Institute that it will cease publishing EURIBOR or will not be included in the register under Article 36 of the Benchmarks Regulation permanently or indefinitely (in circumstances where no successor administrator has been appointed or where there is no mandatory administration), or (ii) a public statement by the Belgian Financial Services and Market Authority that EURIBOR has been or will be permanently or indefinitely discontinued; or (iii) the applicability of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which the EURIBOR may no longer be used as a reference rate to determine the payment obligations under the Notes and/or under the Swap Agreements, or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

"**Bloomberg**" means Bloomberg L.P. which is a news company that offers real time and historic prices, trends, and analysis of securities, as well as information and reporting on the economy as a whole.

"**Board of Directors**" means the board of directors of VCL Multi-Compartment S.A., as appointed from time to time pursuant to the provisions of the Articles of Incorporation.

"**BofA Securities**" means Bank of America Securities Europe SA.

"**Bookrunners**" means BofA Securities Europe SA, Landesbank Baden-Württemberg and MUFG Securities Europe N.V.

"**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 Notes and the outstanding principal amount of the Subordinated Loan as of the end of the Monthly Period) of the Class A Swap Fixed Rate, the Class B Swap Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under both Swap Agreements) theoretically needed to swap the floating rate interest payments under the Subordinated Loan, less (iii) the Servicer Fee at a rate of 1 per cent. *per annum*, less (iv) 0.03 per cent. for any administrative costs and fees, 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 The Bank of New York Mellon, London Branch.

"**Capital Gains**" means the gains from a disposal of the Notes (other than Accrued Interest accrued up until the sale of such Note), including gains realised by a secondary or any subsequent acquirer of the Notes upon redemption of the Notes at maturity.

"**Cash Administrator**" means The Bank of New York Mellon, Frankfurt Branch.

"**Cash Collateral Account**" means the interest bearing account with IBAN: DE15503303009949649711, account number: 9949649711 and SWIFT: IRVTDEFX held with the Cash Collateral Account Bank.

"**Cash Collateral Account Bank**" means The Bank of New York Mellon, Frankfurt Branch.

"**Cash Collateral Amount**" means the outstanding balance of the Cash Collateral Account from time to time.

"**Class**" means as the context may require, the Class A Notes or the Class B Notes.

"**Class A Actual Overcollateralisation Percentage**" means, with respect to any Payment Date, one minus the quotient of (a) the Nominal Amount of all outstanding Class A Notes divided by (b) the Aggregate Discounted Receivables Balance as of the end of the Monthly Period.

"**Class A Asset Backed Floating Rate Notes**" means the class A notes issued by the Issuer on the Issue Date with a total nominal amount of EUR 941,100,000, consisting of 9,411 individual Class A Notes, each in the nominal amount of EUR 100,000 and ranking senior to the Class B Notes with respect to the payment of interest and principal.

"**Class A Legal Maturity Date**" means the Payment Date falling in September 2027.

"**Class A Noteholder**" means an institutional investor as holder of the Class A Notes.

"**Class A Notes**" means the Class A Asset Backed Floating Rate Notes.

"**Class A Notes Factor**" shall be calculated as follows:

$$NF = \frac{941,100,000 - KR}{941,100,000}$$

whereby NF means the Class A Notes Factor which is calculated to six decimal places and KR means the total of all principal repayments of the nominal amount of all Class A Notes paid respectively on each Payment Date up to (but excluding) the relevant respective Payment Date.

"**Class A Notes Interest Rate**" means 1-month EURIBOR + 0.70 per cent. *per annum*.

"**Class A Principal Payment Amount**" means 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 Scheduled Repayment Date**" means the Payment Date falling in August 2026.

"**Class A Swap Agreement**" means the class A interest rate swap agreement between the Issuer and the Swap Counterparty pursuant to the 2002 ISDA Master Agreement, the associated schedule and the credit support annex and a confirmation dated 3 November 2021.

"**Class A Swap Fixed Rate**" means 0.3800 per cent. *per annum*.

"**Class A Targeted Note Balance**" means (a) except in the case of (b); the excess of the Aggregate Discounted Receivables Balance as of the end of the Monthly Period over the Class A Targeted Overcollateralisation Amount and (b) zero, if the Aggregate Discounted Receivables Balance as of the end of the Monthly Period is less than 10.00 per cent. of the Aggregate Cut-Off Date Discounted Receivables Balance or if a Servicer Replacement Event occurs.

**"Class A Targeted Overcollateralisation Amount"** means, on each Payment Date, the Class A Targeted Overcollateralisation Percentage multiplied by the Aggregate Discounted Receivables Balance as of the end of the Monthly Period.

**"Class A Targeted Overcollateralisation Percentage"** means:

- (a) 12.25 per cent. until a Credit Enhancement Increase Condition has once occurred;
- (b) 14.00 per cent. if a Level 1 Credit Enhancement Increase Condition has once occurred; and
- (c) 100 per cent. until the Legal Maturity Date if a Level 2 Credit Enhancement Increase Condition has occurred.

**"Class B Actual Overcollateralisation Percentage"** means, with respect to any Payment Date, one minus the quotient of (a) the Nominal Amount of all outstanding Class A Notes and Class B Notes divided by (b) the Aggregate Discounted Receivables Balance as of the end of the Monthly Period.

**"Class B Asset Backed Floating Rate Notes"** means the class B notes issued by the Issuer on the Issue Date with a total nominal amount of EUR 21,500,000, consisting of 215 individual Class B Notes, each in the nominal amount of EUR 100,000 and ranking junior to the Class A Notes with respect to the payment of interest and principal.

**"Class B Legal Maturity Date"** means the Payment Date falling in September 2027.

**"Class B Noteholder"** means an institutional investor as holder of the Class B Notes.

**"Class B Notes"** means the Class B Asset Backed Floating Rate Notes.

**"Class B Notes Factor"** shall be calculated as follows:

$$NF = \frac{21,500,000 - KR}{21,500,000}$$

whereby NF means the Class B Notes Factor which is calculated to six decimal places and KR means the total of all principal repayments of the nominal amount of all Class B Notes paid respectively on each Payment Date up to (but excluding) the relevant respective Payment Date.

**"Class B Notes Interest Rate"** means 1-month EURIBOR + 0.80 per cent. *per annum*.

**"Class B Principal Payment Amount"** means 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 Scheduled Repayment Date"** means the Payment Date falling in August 2026.

**"Class B Swap Agreement"** means the class B interest rate swap agreement between the Issuer and the Swap Counterparty pursuant to the 2002 ISDA Master Agreement, the associated schedule and the credit support annex and a confirmation dated 3 November 2021.

**"Class B Swap Fixed Rate"** means 0.5250 per cent. *per annum*.

**"Class B Targeted Note Balance"** means (a) except in the case of (b); the excess of the Aggregate Discounted Receivables Balance as of the end of the Monthly Period over the sum of the aggregate outstanding principal amount of the Class A Notes (after giving effect to all payments and distributions on such date) and the Class B Targeted Overcollateralisation Amount and (b) zero, if the Aggregate Discounted Receivables Balance as of the end of the Monthly Period is less than 10.00 per cent. of the Aggregate Cut-Off Date Discounted Receivables Balance or if a Servicer Replacement Event occurs.

**"Class B Targeted Overcollateralisation Amount"** means, on each Payment Date, the Class B Targeted Overcollateralisation Percentage multiplied by the Aggregate Discounted Receivables Balance as of the end of the Monthly Period.

**"Class B Targeted Overcollateralisation Percentage"** means:

- (a) 7.50 per cent. until a Credit Enhancement Increase Condition has once occurred;
- (b) 8.25 per cent. if a Level 1 Credit Enhancement Increase Condition has once occurred; and
- (c) 100 per cent. until the Legal Maturity Date if a Level 2 Credit Enhancement Increase Condition has occurred.

**"Clean-Up Call"** means VWL's right at its option to exercise a clean-up call when the Clean-Up Call Condition is satisfied.

**"Clean-Up Call Condition"** means, under the Receivables Purchase Agreement, VWL will have the option to exercise a Clean-Up Call and to repurchase the Lease Receivables from the Issuer at any time when the Aggregate Discounted Receivables Balance is less than 10 per cent. of the Aggregate Cut-Off Date Discounted Receivables Balance *provided that* all payment obligations under the Notes will be thereby fulfilled.

**"Clean-Up Call Settlement Amount"** means the lesser of

- (a) an amount equal to the outstanding Discounted Receivables Balance which would have become due if the Clean-Up Call had not occurred, calculated 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 Lease Receivables remaining to be paid in the future, calculated using a discount rate equal to (i) the weighted average (calculated based on the outstanding principal amount of Notes and the outstanding principal amount of the Subordinated Loan as of the end of the Monthly Period) of the Class A Swap Fixed Rate, the Class B Swap Fixed Rate and an estimate of the hypothetical swap fixed rate (being higher than the fixed rate under both Swap Agreements) theoretically needed to swap the floating rate interest payments under the Subordinated Loan, plus (ii) the Servicer Fee at a rate of 1 per cent. *per annum*, and plus (iii) 0.03 per cent. for administrative costs and fees. It shall be calculated 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 Settlement Amount, the risk of losses inherent to the relevant Purchased Lease Receivables shall be taken into account on the basis of the risk status of such Purchased Lease Receivables assessed by VWL immediately prior to the buyback becoming effective.

**"Clearing"** means clearing through Euroclear and/or Clearstream Luxembourg.

**"Clearstream Luxembourg"** means the Clearstream clearance system for internationally traded securities operated by Clearstream Banking S.A. (CBL), a company incorporated as a société anonyme under the laws of the Grand Duchy of Luxembourg, having its registered office at 42, avenue J.F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-9248 and any successor thereto.

**"Closed End Lease Contract"** means any closed end Lease Contract (*Vertrag ohne Gebrauchtwagenabrechnung*), i.e. a Lease Contract with a fixed residual value (based on the contractual mileage and term of the contract).

**"Closing Date"** means 25 November 2021.

**"Collateral Ownership Interest"** means title for security purposes (*Sicherungseigentum*) to the Leased Vehicles which are described in detail in the Lease Contracts identified in column 1 of Data File A by reference to vehicle identification numbers (*Fahrgestellnummer*).



**"Collateral Rights"** means all the assets and claims of the Issuer allocated to Compartment VCL 34 of the Issuer, which are as follows:

- (a) all Purchased Lease Receivables and Lease Collateral which VWL, authorised by VCL Master, acting for and on behalf of its Compartment 1 and by the VCL Master Security Trustee, transfers to the Issuer pursuant to the provisions of the Receivables Purchase Agreement, and all rights arising from the Purchased Lease Receivables and Lease Collateral and all rights against the Security Trustee of participation in the realisation proceeds pursuant to clause 18 (*Realisation of the Leased Vehicles*) of the Trust Agreement;
- (b) all its claims and other rights arising from the Transaction Documents (including the rights to unilaterally alter a legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future contracts the Issuer has entered or may enter into in connection with the Notes, the Subordinated Loan, the Swap Agreements, or the Purchased Lease Receivables and Lease Collateral; and
- (c) all transferable claims (i) in respect of the Accounts of the Issuer opened pursuant to the Account Agreement and (ii) in respect of all bank accounts which will be opened in the future or have been opened under the Corporate Services Agreement or any of the Transaction Documents in the name of the Issuer.

For the avoidance of doubt, the recourse of the Transaction Creditors under the relevant Transaction Documents is limited to the Collateral Rights only, in accordance with the Order of Priority, and does not extend to the assets of any other compartment or compartments of the Issuer or to any other assets of the Issuer.

**"Collections"** means (i) all collections on Purchased Lease Receivables (other than Excluded Collections and collections on Written-Off Purchased Lease Receivables) in respect of Principal, Interest, Enforcement Proceeds and Insurance Proceeds, plus (ii) Interest Compensation Payments, Settlement Amounts (except for any repurchase pursuant to clause 4.3(c) of the Receivables Purchase Agreement) and Clean-Up Call Settlement Amounts paid by VWL to the Issuer, minus (iii) Interest Compensation Payments paid by the Issuer to VWL, and (iv) any Monthly Collateral for the respective Monthly Period, unless VWL has transferred the collections referred to in (i) through (ii) for the respective Monthly Period to the Distribution Account.

**"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 the common terms set out under the heading Common Terms in this Incorporated Terms Memorandum and incorporated into the Transaction Documents by reference.

**"Compartment"** means a compartment of VCL Multi-Compartment S.A. or, as the case may be, VCL Master S.A., in each case within the meaning of the Luxembourg Securitisation Law.

**"Compartment 1 Notes"** means the notes issued by VCL Master, acting for and on behalf of its Compartment 1.

**"Compartment 1 Subordinated Loan"** means the subordinated loan granted to VCL Master, acting for and on behalf of its Compartment 1 in the context of the issuance of the Compartment 1 Notes by an Affiliate of Volkswagen AG.

**"Compartment VCL 34"** means the twenty-fifth compartment of the Issuer created in accordance with its Articles of Incorporation, and Article 5 of the Luxembourg Securitisation Law, and designated for the purposes of the Transaction and named Compartment VCL 34.

**"Conditions"** means the terms and conditions of the Notes which are set out in the Prospectus.

**"Corporate Services Agreement"** means the corporate services agreement entered into by VCL Multi-Compartment S.A. as a company and the Corporate Services Provider on 21 October 2009, as amended and/or restated from time to time, under which the Corporate Services Provider is responsible for the day to day activities of VCL Multi-Compartment S.A. and has provided, provides and shall provide secretarial, clerical, administrative and related services to VCL Multi-Compartment S.A. and maintain the books and records of VCL Multi-Compartment S.A. in accordance with applicable laws and regulations of Luxembourg.

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

**"CRA3"** means the Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies.

**"Counterparty Downgrade Collateral Account"** means the interest bearing account with IBAN: DE58503303009949649713, account number: 9949649713 and SWIFT: IRVTDEFX (and each sub-account in respect thereof), held with the Counterparty Downgrade Collateral Account Bank.

**"Counterparty Downgrade Collateral Account Bank"** means The Bank of New York Mellon, Frankfurt Branch.

**"Credit Enhancement Increase Condition"** means either a Level 1 Credit Enhancement Increase Condition or a Level 2 Credit Enhancement Increase Condition.

**"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, the numerator of which is the sum of the Discounted Receivables Balances of all Purchased Lease Receivables (including Lease Receivables which were not received on time and Lease Receivables remaining to be paid in the future) that were the Written-Off Purchased Lease Receivables at the end of the Monthly Period and the denominator of which is the Aggregate Cut-Off Date Discounted Receivables Balance.

**"Custodian"** means, if appointed as may be required from time to time, The Bank of New York Mellon, London Branch.

**"Cut-Off Date"** means 31 October 2021.

**"Data File A"** means an electronic data file comprising the data relevant for the identification of the Purchased Lease Receivables and the related Leased Vehicles, other than the personal data of the Lessees.

**"Data File B"** means an encrypted electronic data file comprising the data relevant for the identification of the Purchased Lease Receivables and the related Leased Vehicles, including the personal data of the Lessees.

**"Data Protection Rules"** means, collectively, the rules of German banking secrecy (*Bankgeheimnis*), the provisions of the German Federal Data Protection Act (*Bundesdatenschutzgesetz*), the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*), the General Data Protection Regulation (*Datenschutzgrundverordnung*) and the provisions of Circular 4/97 (*Rundschreiben 4/97*) of the German Federal Financial Supervisory Authority, as such rules are binding on VWL in its capacity as a German financial institution (*Finanzdienstleistungsinstitut*) with respect to the Lease Receivables and the Lease Collateral from time to time.

**"Data Protection Trust Agreement"** means the data protection trust agreement entered into on or about the Signing Date by VWL, the Data Protection Trustee, the Security Trustee and the Issuer.

**"Data Protection Trustee"** means Data Custody Agent Services B.V., Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.

"**DBRS or DBRS Morningstar**" means (i) for the purpose of identifying the DBRS entity which has assigned the credit rating to the Rated Notes, DBRS Ratings GmbH and any successor to this rating activity, and (ii) in any other case, any entity that is part of DBRS Morningstar, which is either registered or not under the CRA Regulation, as it appears from the last available list published by ESMA on the ESMA website, or any other applicable regulation.

"**DBRS Critical Obligations Rating**" or "**COR**" means, in relation to a relevant entity, the public rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. A COR assigned by DBRS to the relevant entity will be indicated on the website of DBRS ([www.dbrsmorningstar.com](http://www.dbrsmorningstar.com)).

"**DBRS Equivalent Chart**" means:

DBRS	Moody's	S&P Global	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC
CCC	Caa2	CCC	
CCC(low)	Caa3	CCC-	
CC	Ca	CC	
		C	
D	C	D	D

"**DBRS Equivalent Rating**" means with respect to any issuer rating or senior unsecured debt rating (or other rating equivalent), (i) if a Fitch public rating, a Moody's public rating and an S&P Global public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and the lowest rating have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, but public ratings by any two of Fitch, Moody's and S&P Global are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) or paragraph (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P Global is available, such rating will be the DBRS Equivalent Rating (upon conversion on the basis of the DBRS Equivalent Chart).

"**Delinquent Lease Contract**" means any Lease Contract under the Lease Receivable(s) of which one or more scheduled instalments are overdue.

"**Determination Date**" means the second Business Day prior to the first day of an Interest Period.

"**Discounted Expectancy Rights Balance**" means, as of the end of any Monthly Period, the present value of the remaining residual value represented by the expectancy rights held by VCL Master Residual Value calculated using the Expectancy Rights Discount Rate.

**"Discounted Receivables Balance"** means as of the end of any Monthly Period the present value of the Purchased Lease Receivables remaining to be paid in the future, calculated using a discount rate equal to the Discount Rate. For the avoidance of doubt, the Discounted Receivables Balance excludes any Written-Off Purchased Lease Receivables.

**"Discount Rate"** means 5.7016 per cent. *per annum*.

**"Distribution Account"** means the interest bearing account with IBAN: DE42503303009949649710, account number: 9949649710 and SWIFT: IRVTDEFX held with the Distribution Account Bank.

**"Distribution Account Bank"** means The Bank of New York Mellon, Frankfurt Branch.

**"Early Settlement"** means cases in which VWL is to pay certain sums to the Issuer due to a demand of the Issuer *vis-à-vis* VWL to retransfer Purchased Lease Receivables under a contract in certain circumstances as contractual remedy including, *inter alia*, the assertion of invalidity of the Lease Contracts or of rights to refuse to perform by the Lessee as well as a reduction of the Purchased Lease Receivables due to any amendment to the relevant Lease Contract.

**"EC Treaty"** means the Treaty on the Functioning of the European Union, originally named Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on the 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), as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007).

**"EEA"** means the European Economic Area established under the "The Agreement creating the European Economic Area" entered into force on 1 January 2004.

**"Eligible Collateral Bank"** means an international recognised bank with the Account Bank Required Rating or the Account Bank Required Guarantee.

**"Eligible Swap Counterparty"** means any entity:

- (a) the long-term unsecured, unguaranteed and unsubordinated debt obligations or DBRS Critical Obligations Rating of which are rated by DBRS at least (i) "A" or (ii) "BBB" and which posts collateral in the amount and manner set forth in the Swap Agreement; or which obtains a guarantee from a person having long-term unsecured, unguaranteed and unsubordinated debt obligations of which are rated by DBRS at least (x) "A" or (y) "BBB" and, in the case of a rating required pursuant to (y), posts collateral in the amount and manner set forth in the Swap Agreement; or in each case, if the relevant entity's long-term unsecured, unguaranteed and unsubordinated debt obligations are not rated by DBRS or such entity does not have a DBRS Critical Obligations Rating, if applicable, such debt obligations have at least a DBRS Equivalent Rating corresponding to the ratings required pursuant to (i) or (ii) above, respectively; and
- (b) having (i) 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 Amendment"** shall have the meaning given to it in the Swap Agreements.

**"Enforcement Event"** means the event that (in the sole judgment of the Security Trustee) a Foreclosure Event has occurred 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 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 proceeds from the realisation of Leased Vehicles in respect of Purchased Lease Receivables and from the enforcement of any other Lease Collateral.

"**ESMA**" means the European Securities and Markets Authority.

"**EU**" means the European Union.

"**EU Member State**" means, as the context may require, a member state of the European Union or of the European Economic Area.

"**EUR**" or "**EURO**" or "**€**" means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

"**EURIBOR**" (Euro Interbank Offered Rate) means for each Interest Period, except as provided below, the offered quotation (expressed as a percentage rate per annum) for deposits in Euro for that Interest Period which appears on the Reuters screen page EURIBOR1MD (the "**Screen Page**") as of 11:00 a.m. (Brussels time) on the second Business Day prior to the commencement of the relevant Interest Period.

- (a) If the Screen Page is not available or if no such quotation appears thereon, in each case as at such time, and a Benchmark Event has not occurred, the Interest Determination Agent shall determine EURIBOR on the basis of such other screen rate the Interest Determination Agent shall determine in good faith. If the Interest Determination Agent cannot determine EURIBOR on the basis of such other screen rate in good faith, the Interest Determination Agent shall request the principal Euro-zone office of not less than four of the banks indicated by the Issuer (or Servicer on its behalf) (the "**Reference Banks**") whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page to provide the Interest Determination Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in Euro for the relevant Interest Period to leading banks in the interbank market of the Euro-zone at approximately 11.00 a.m. (Brussels time) on the second Business Day prior to the commencement of the relevant Interest Period. If two or more of the Reference Banks provide the Interest Determination Agent with such offered quotations, EURIBOR for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Interest Determination Agent.

If on any second Business Day prior to the commencement of the relevant Interest Period only one or none of the Reference Banks provides the Interest Determination Agent with such offered quotations as provided in the preceding paragraph, EURIBOR for the relevant Interest Period shall be the rate per annum which the Interest Determination Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated to (and at the request of) the Interest Determination Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. (Brussels time) on the second Business Day prior to the commencement of the relevant Interest Period, deposits in Euro for the relevant Interest Period by leading banks in the interbank market of the Euro-zone or, if fewer than two of the Reference Banks provide the Interest Determination Agent with such offered rates, the offered rate for deposits in Euro for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in Euro for the relevant Interest Period, at which, on the second Business Day prior to the commencement of the relevant Interest Period, any one or more banks (which bank or banks is or are in the opinion of the Issuer and the Interest Determination Agent suitable for such purpose) inform(s) the Interest Determination Agent it is or they are quoting to leading banks in the interbank market of the Euro-zone (or, as the case may be, the quotations of such bank or banks to the Interest Determination Agent). If EURIBOR cannot be determined in accordance with the foregoing provisions of this paragraph, EURIBOR shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the second Business Day prior to the commencement of the relevant Interest Period on which such quotations were offered.

- (b) Following a Benchmark Event, the Servicer, on behalf of the Issuer, shall be entitled, in coordination with the Security Trustee, to determine a Substitute Reference Rate in its due discretion which shall replace the EURIBOR affected by such Benchmark Event. Any Substitute Reference Rate shall apply from (and including) the interest determination date determined by the Issuer in its due discretion, which shall be no earlier than on the second Business Day, prior to the commencement of the relevant Interest Period, falling on or immediately following the date of the Benchmark Event, with first effect for the Interest Period for which the Class A Notes Interest Rate and the Class B Notes Interest Rate, as the case may be, is determined. If the Servicer, on behalf of the Issuer, decides to determine a Substitute Reference Rate, the Servicer, on behalf of the Issuer, in coordination with the Security Trustee, shall weigh up the interests of the Noteholders, any Swap Counterparty and the Issuer's own interests and determine the Substitute Reference Rate and any adjustment, if any, in a manner that to the greatest possible extent upholds the economic character of the Notes for either side (the "**Substitution Objective**"). Notwithstanding the generality of the foregoing, the Servicer, on behalf of the Issuer, will in the following sequential order:
- (iv) *firstly*, implement an Official Substitution Concept;
  - (v) *secondly*, if paragraph (i) above is not available, implement an Industry Solution; or
  - (vi) *thirdly*, if paragraphs (i) and (ii) above are not available, implement a Generally Accepted Market Practice; or
  - (vii) *fourthly*, if paragraphs (i) to (iii) above are not available, apply any unsecured or secured overnight money market reference rate calculated by the European Central Bank or any other third party on swap basis (overnight index swap – OIS); or
  - (viii) *fifthly*, if paragraphs (i) to (iv) above are not available, determine €STR for the Relevant Period to be the Substitute Reference Rate.
- (c) If the Servicer, on behalf of the Issuer, determines a Substitute Reference Rate, it shall also be entitled to make, in its due discretion, any such procedural determinations relating to the determination of the current Substitute Reference Rate (e.g. the interest determination date, the relevant time, the relevant screen page for obtaining the Substitute Reference Rate and the fallback provisions in the event that the relevant screen page is not available) and to make such adjustments to the definition of "Business Day" in and the business day convention provisions in which in accordance with the generally accepted market practice are necessary or expedient to make the substitution of the EURIBOR by the Substitute Reference Rate operative. To the extent that the Servicer applies a Substitute Reference Rate, the Servicer, on behalf of the Issuer, shall be entitled to determine an Adjustment Spread for overnight rate calculated on the basis of unsecured borrowing deposit transactions.

If the Servicer (on behalf of the Issuer) uses an overnight rate as Substitute Reference Rate in accordance with (i) above, the interest rate shall be a quote-based rate for tradable EUR interest swaps derived from the respective overnight rate looking forward (rate for overnight indexed swaps) for the relevant Interest Period calculated on such date as determined by the Servicer (on behalf of the Issuer) in its reasonable discretion and in accordance with prevailing market standards, if any.

The Servicer, on behalf of the Issuer, is entitled, but not obliged, to determine, in its due discretion, a Substitute Reference Rate pursuant to this provisions several times in relation to the same Benchmark Event, *provided that* each later determination is better suitable than the earlier one to realise the Substitution Objective and each determination shall be subject to prior coordination with the Security Trustee. This paragraph shall apply *mutatis mutandis* in the event of a Benchmark Event occurring in relation to any Substitute Reference Rate previously determined by the Servicer, on behalf of the Issuer.

If the Servicer, on behalf of the Issuer, has determined a Substitute Reference Rate following the occurrence of a Benchmark Event, it will cause the occurrence of the Benchmark Event, the Substitute Reference Rate determined by it and any further determinations of it pursuant to this paragraph associated therewith to be notified to the Interest Determination Agent, the Paying Agent, the Luxembourg Stock Exchange and to the Noteholders in accordance with Condition 11 as soon as possible, but in no event later than two Business Days following the determination of the Substitute Reference Rate but in no event later than the first day of the Interest Period to which the Substitute Reference Rate applies for the first time. For the avoidance of doubt, if the Servicer, on behalf of the Issuer, should not determine a Substitute Reference Rate, the fallback provisions pursuant to paragraph (a) above shall apply.

(d) For the purpose of this definition the following definitions shall apply:

**"Generally Accepted Market Practice"** means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the EURIBOR or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the EURIBOR in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the EURIBOR as reference rate for the determination of payment obligations.

**"Industry Solution"** means any statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Kreditwirtschaft (DK), the Bundesverband Öffentlicher Banken Deutschlands (VÖB), the Deutsche Sparkassen- und Giroverband (DSGV), the Bundesverband deutscher Banken (BdB), the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), the Deutscher Derivate Verband (DDV) or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the EURIBOR or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the EURIBOR.

**"Official Substitution Concept"** means any binding or non-binding statement by any central bank, supervisory authority or supervisory or expert body of the financial sector established under public law or composed of publically appointed members pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the EURIBOR or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the EURIBOR.

**"Relevant Period"** means the number of weeks until an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practice has been implemented.

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

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

**"Euro-zone"** means the region comprising member states of the European Union that have adopted the single currency, the euro, in accordance with the EC Treaty.

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

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

**"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 Collections"** means collections on a Lease Receivable which relate to (i) the VAT portion contained in such Lease Receivable, or (ii) insurance premiums payable under the relevant Lease Contract, or (iii) payments owed for the service components contained in certain Lease Contracts, such as the services referred to in section II. (*Umfang der vom Leasing-Geber zu erbringenden Dienstleistungen*) of VWL's 'lease terms and conditions for large or special customers' (*Groß-/Sonderkunden-Leasing-Bedingungen der Volkswagen Leasing GmbH*) or as otherwise specified in the respective business conditions of VWL applicable from time to time and including, in particular, maintenance and similar services in respect of Leased Vehicles (*Wartung und Verschleißreparaturen*, *Reifenwechsel nach Bedarf*), or (iv) additional charges for excess kilometres or for an excessive use of a Leased Vehicle.

**"Expectancy Rights Discount Rate"** means 4.338 per cent. *per annum*.

**"Expectancy Rights Trustee"** means Wilmington Trust (London) Limited.

**"FATCA"** means:

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

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

**"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.

**"Fitch"** means Fitch Ratings – a branch of Fitch Ratings Ireland Limited.

**"Foreclosure Event"** means any of the following events:

- (a) with respect to the Issuer an Insolvency Event occurs; or
- (b) the Issuer defaults in the payment of any interest on the most senior Class of Notes when the same becomes due and payable, and such default continues for a period of five (5) Business Days; or
- (c) the Issuer defaults in the payment of principal of any Note on the Legal 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 Legal Maturity Date except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority.



**"Foundation"** means Stichting CarLux, a foundation duly incorporated and validly existing under the laws of The Netherlands, having its registered office at Barbara Strozilaan 101, 1083HN Amsterdam, The Netherlands and registered with the trade register of the Chamber of Commerce in Amsterdam under number 34283304.

**"FSMA"** means the United Kingdom Financial Services and Markets Act 2000.

**"Funding"** means the Class A Notes, the Class B Notes and the Subordinated Loan.

**"Future Discounted Receivables Balance"** means, at the beginning of the Monthly Period, the present value of the Purchased Lease Receivables scheduled to be paid in the future, calculated using a discount rate equal to the Discount Rate.

**"General Cash Collateral Amount"** means all funds in the Cash Collateral Account other than the unused amount of the VWL Risk Reserve, if any.

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

**"German Banking Act"** means the banking act (*Kreditwesengesetz*) of Germany, as amended or restated from time to time.

**"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 Federal Financial Supervisory Authority"** means the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), including its predecessors and any potential successor(s).

**"German Tax Residents"** means Persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany.

**"German Trade Tax Decrease Event"** means a decrease in the amount reserved in the Cash Collateral Account to cover any potential German trade tax risk exposure following a decrease of the municipal trade tax multiplier (*Gewerbesteuerhebesatz*) for the City of Braunschweig at any time prior to the Scheduled Repayment Date of the Notes.

**"German Trade Tax Event"** means at any time prior to the occurrence of a Foreclosure Event, a tax audit is initiated with regard to the Issuer by German tax authorities and the tax audit report (*Betriebsprüfungsbericht*) concludes that the Issuer is subject to trade tax in Germany.

**"German Trade Tax Increase Event"** means an increase in the amount reserved in the Cash Collateral Account to cover any potential German trade tax risk exposure following an increase of the municipal trade tax multiplier (*Gewerbesteuerhebesatz*) for the City of Braunschweig at any time prior to the Scheduled Repayment Date of the Notes.

**"German Trade Tax Risk Reserve"** means such portion of the VWL Risk Reserve as will be required as security to cover any potential German trade tax risk (*Gewerbesteuerrisiko*) of the Issuer.

**"German Trade Tax Risk Reserve Decrease Amount"** means the amount reasonably released from the German Trade Tax Risk Reserve which is no longer required to cover potential German trade tax risk exposure following a German Trade Tax Decrease Event.

**"Germany"** means the Federal Republic of Germany.

**"Global Notes"** means in respect of each Class of Notes the global registered notes without coupons attached representing each such Class as more specifically described in Condition 1(2).

**"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.

**"Increased German Trade Tax Risk Reserve Amount"** means the amount reasonably required to cover potential German trade tax risk exposure following a German Trade Tax Increase Event.

**"Insolvency Event"** means, with respect to VCL Multi-Compartment S.A., VWL, the Servicer or the Security Trustee, as the case may be, each of the following events: (i) the making of an assignment, conveyance, composition or marshalling of assets for the benefit of its creditors generally or any substantial portion of its creditors; (ii) the application for, seeking of, consent to, or acquiescence in, the appointment of a receiver, custodian, trustee, liquidator or similar official for it or a substantial portion of its property; (iii) the initiation of any case, action or proceedings before any court or Governmental Authority against VCL Multi-Compartment S.A., VWL, the Servicer or the Security Trustee under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors, stabilisation, restructuring or other similar laws and such proceedings are not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same; (iv) the levy or enforcement of a distress or execution or other process upon or sued out against the whole or any substantial portion of the undertaking or assets of VCL Multi-Compartment S.A., VWL, 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 (60) days; (v) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to VCL Multi-Compartment S.A., VWL, the Servicer or the Security Trustee under any applicable liquidation, insolvency, composition, bankruptcy, receivership, dissolution, reorganisation, winding-up, relief of debtors or other similar laws; (vi) an order is made against VCL Multi-Compartment S.A., VWL, the Servicer or the Security Trustee or an effective resolution is passed for its winding-up; and (vii) VCL Multi-Compartment S.A., VWL, the Servicer or the Security Trustee is deemed unable to pay its debts within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment (*provided that*, for the avoidance of doubt, any assignment, charge, pledge or lien made by the Issuer for the benefit of the Security Trustee under the Trust Agreement or the Security Assignment Deed shall not constitute an Insolvency Event in respect of VCL Multi-Compartment S.A.).

**"Institution"** means a German credit institution or financial services institution (including a German branch of a non-German credit institution or financial services institution, but excluding a non-German branch of a German credit institution or financial services institution).

**"Insurance Claims"** means any claims against any car insurer in relation to any damaged Leased Vehicle.

**"Insurance Proceeds"** means any proceeds or monetary benefit in respect of any Insurance Claims.

**"Interest"** means in respect of any Lease Receivable, each of the scheduled periodic payments of interest (if any) payable by the Lessee as provided for in accordance with the terms of the relevant Lease Contract.

**"Interest Compensation Payment"** means, until a Servicer Insolvency Event has occurred, the interest compensation payment payable (i) by VWL to the Issuer for the negative difference of the Discounted Receivables Balance before and after extensions, deferrals, amendments, modifications or adjustments on a Lease Contract taking into account all instalments affected by such amendment or (ii) by the Issuer to VWL for the positive difference of the Discounted Receivables Balance before and after extensions, deferrals, amendments, modifications or adjustments on a Lease Contract taking into account all instalments affected by such amendment.

**"Interest Determination Agent"** means The Bank of New York Mellon, London Branch.

**"Interest Period"** shall mean, unless otherwise mutually agreed by the parties, the period from (and including) a Payment Date to (but excluding) the next succeeding Payment Date; *provided that* the initial Interest Period shall be the period from (and including) the Issue Date to (but excluding) first Payment Date.

**"Interest Shortfall"** means the Accrued Interest which is not paid on a Note on the Payment Date related to the Interest Period in which it accrued, including but not limited to any accrued interest resulted from correction of any miscalculation of interest payable on a Note related to the last Interest Period immediate prior to the Payment Date.

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

**"ISIN"** means the international securities identification number pursuant to the ISO - 6166 Standard.

**"ISO"** means the International Organisation for Standardisation.

**"Issue"** means the issue of the Class A Notes and/or the Class B Notes by the Issuer on the Issue Date.

**"Issue Date"** means 25 November 2021.

**"Issue Outstanding Amount"** or **"IOA"** means, in respect of a the 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 Note Factor of the Class A Notes held under the new safekeeping structure (NSS).

**"Issuer"** means VCL Multi-Compartment S.A., a public limited liability company (*société anonyme*), having its registered office at 22-24 boulevard Royal, L-2449 Luxembourg, registered with the Luxembourg trade and companies register under registration number B 148436, acting solely for and on behalf of its Compartment VCL 34.

**"Issuer-ICSDs Agreement"** means the Issuer-ICSDs 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).

**"Joint Lead Managers"** means BofA Securities Europe SA, Landesbank Baden-Württemberg and MUFG Securities Europe N.V.

**"Lease Collateral"** means (i) security title (*Sicherungseigentum*) in respect of Leased Vehicles, (ii) security title to the seizable portion of the respective Lessee's wage and salary receivables, (iii) Insurance Claims, (iv) damage claims arising from a breach of contract or in tort against a Lessee, (v) any claims against third parties due to damage or loss of Leased Vehicles, (vi) and any other collateral provided by the Lessee to VWL under or in connection with the relevant Lease Contract; in each case to the extent and subject as acquired by VWL, or, with respect to the Lease Receivables, by VCL Master, acting for and on behalf of its Compartment 1.

**"Lease Contract"** means each contractual framework, as applicable in the form of standard business terms (*Allgemeine Geschäftsbedingungen*) or otherwise, governing (immediately prior to any transactions under the Receivables Purchase Agreement) VWL's relationship with the respective Lessee(s) with regard to the Lease Receivables.

**"Lease Contract Termination Event"** means the termination of the Lease Contract including, without limitation:

- (a) termination due to contractual lapse of contract (*Ablauf der regulären, ursprünglich vereinbarten Leasingdauer*); or
- (b) rescission of the Lease Contract by the Lessee (*Rücktritt des Leasingnehmers*); or

(c) termination for good cause (*Kündigung aus wichtigem Grund*).

"**Lease Receivable**" means a lease receivable originated under a Lease Contract and comprising claims against Lessees in respect of Principal and Interest, originally sold by VWL to VCL Master, acting for and on behalf of its Compartment 1, and on-transferred for security purposes to the VCL Master Security Trustee, and in respect of which VWL has been authorised (*ermächtigt*) by VCL Master, acting for and on behalf of its Compartment 1 and by the VCL Master Security Trustee to sell and assign such lease receivable to the Issuer, as further specified in the Receivables Purchase Agreement.

"**Leased Vehicles**" means any vehicle leased under a Lease Contract.

"**Lessee**" means, in respect of a Lease Receivable, a Person (including consumers and businesses) to whom VWL has leased one or more autos on the terms of a Lease Contract.

"**Lessee Notification Event**" means the earlier of (i) the institution of Insolvency Proceedings in respect of VWL and/or (ii) non-compliance by VWL with its statutory obligation to transfer any VAT (*Umsatzsteuer*) on the Lease Receivables to the tax office when such VAT becomes due and/or (iii) any notification in connection with a Servicer Replacement Event.

"**Legal Maturity Date**" means the Class A Legal Maturity Date and the Class B Legal Maturity Date collectively.

"**Level 1 Credit Enhancement Increase Condition**" shall be deemed to be in effect if the Cumulative Net Loss Ratio exceeds (i) 0.50 per cent. on any Payment Date before (and including) the Payment Date falling in February 2023 or (ii) 1.15 per cent. on any Payment Date after (but excluding) the Payment Date falling in February 2023 until (and including) the Payment Date falling in November 2023.

"**Level 2 Credit Enhancement Increase Condition**" shall be deemed to be in effect if the Cumulative Net Loss Ratio exceeds 1.60 per cent. for any Payment Date.

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

"**Luxembourg Companies Law**" means the Luxembourg law on companies of 10 August 1915, as amended from time to time.

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

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

"**Managers**" means ABN AMRO Bank N.V., DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main and Landesbank Hessen-Thüringen Girozentrale.

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

"**Monthly Collateral**" means an amount in cash equal to the sum of (i) Purchased Lease Receivables becoming due in the respective Monthly Period and (ii) the expected monthly prepayments of the Purchased Lease Receivables, calculated on the basis of a constant prepayment rate of 5 per cent. *per annum*.

"**Monthly Period**" means the calendar month immediately prior to each Payment Date.

"**Monthly Remittance Condition**" shall no longer be satisfied if any of the following events occur:

(a) Volkswagen Financial Services AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB(high)" from DBRS or if a public rating from DBRS is not available, Volkswagen Financial Services AG receives notification from DBRS that DBRS has

determined Volkswagen Financial Services AG's capacity for timely payment of financial commitments would no longer equal a long-term rating for unsecured and unguaranteed debt of at least "BBB(high)" from DBRS; or

- (b) (i) 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) either of the profit and loss sharing agreement (*Gewinnabführungsvertrag*) between Volkswagen AG and Volkswagen Financial Services AG or between Volkswagen Financial Services AG and VWL ceases to be in effect.

**"Monthly Report"** shall have the meaning ascribed to such term in clause 9.1 (*Reporting duties*) of the Servicing Agreement.

**"Net Swap Payment"** means for the Swap Agreements, 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 Agreements, excluding Swap Termination Payments or any other amounts payable to the Swap Counterparty under the Swap Agreements.

**"Net Swap Receipts"** means for the Swap Agreements, the net amounts received by the Issuer from the Swap Counterparty, if any, on any Payment Date, excluding any Swap Termination Payments. For the avoidance of doubt, this term does not include any amounts transferred as collateral.

**"New Issuer"** means any Person which substitutes the Issuer pursuant to Condition 10.

**"Note Factor"** means the Class A Notes Factor or the Class B Notes Factor or the combination of them.

**"Note Purchase Agreement"** means the note purchase agreement between the Issuer, VWL, the Joint Lead Managers, the Managers and the Security Trustee dated on or about the Signing Date.

**"Notes"** means the Class A Notes and the Class B Notes collectively.

**"Noteholders"** means the Class A Noteholders and the Class B Noteholders.

**"Obligors"** means in respect of a Lease Receivable (i) the Lessee(s) and (ii) those Persons who have guaranteed the obligations of any such Lessee(s) in respect of such Lease Receivable.

**"Offering"** means the offering of the Notes in connection with the Prospectus.

**"Open End Lease Contract"** means any open end Lease Contract (*Vertrag mit Gebrauchtwagenabrechnung*), i.e. a Lease Contract which has no fixed residual value guaranteed by a dealer but where the buy-back of the car is based on the state of the vehicle and the general state of the market at the time of buy-back so that upon re-marketing of the car, the Lessee bears the risk of a loss and partly participates in any profit.

**"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 22.2 (*Order of Priority*) of the Trust Agreement.

**"Paying Agent"** means The Bank of New York Mellon, London Branch.

**"Payment Date"** means, in respect of the first Payment Date, 21 December 2021, and thereafter until the final payment the 21<sup>st</sup> day of each calendar month or, in the event that such day is not a Business Day, the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

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

**"Portfolio"** means the aggregate of all Purchased Lease Receivables that the Issuer has not sold or transferred to any Person other than the Security Trustee under or in connection with the Trust Agreement.

**"Portfolio Decryption Key"** means the decryption key for the Purchased Lease Receivables.

**"Preliminary Prospectus"** means the Prospectus issued by the Issuer in preliminary form dated on or about 13 October 2021.

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

**"Private Vehicle Leasing Agreements"** means Lease Contracts containing leasing conditions with private customers.

**"Process Agent"** means Intertrust (Deutschland) GmbH, Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany.

**"Prospectus"** means the prospectus dated on or about the Signing Date and prepared in connection with the issue by the Issuer of the Notes.

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

**"Purchase Date"** means the Issue Date.

**"Purchased Lease Receivables"** means the Lease Receivables identified in Data File A and Data File B, and sold to the Issuer by VWL, acting with the authority granted pursuant to clause 2.2 (*Purchase agreement concerning the Purchased Lease Receivables*) of the Receivables Purchase Agreement by VCL Master, acting for and on behalf of its Compartment 1 and the VCL Master Security Trustee.

**"Purchase Price"** means EUR 990,798,482.96, which is the sum of EUR 1,000,004,957.96 (equal to the sum of the Purchased Lease Receivables discounted by the Discount Rate (whereas discounting shall take place on the basis of one year of 360 days being equivalent to 12 months, each month consisting of 30 days)), less (i) an amount of EUR 4,500,000 for overcollateralisation purposes (*zusätzliche Absicherung von Portfoliorisiken*), less (ii) an amount of EUR 12,000,000 for the endowment of the Cash Collateral Account, and plus (iii) EUR 7,293,525 being an amount equal to the amount of the issue price of the Class A Notes in excess of 100 per cent.

**"Purchaser"** means the Issuer in its capacity as purchaser of the Lease Receivables secured by the Lease Collateral.

**"Qualified Replacement Data Protection Trustee"** has the meaning given to such term in the Data Protection Trust Agreement.

**"Rating Agencies"** means DBRS and Fitch.

**"Receivables Purchase Agreement"** means the receivables purchase agreement entered into between, *inter alia*, the Issuer, VWL and the Security Trustee dated on or about the Signing Date.

**"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 the nominee of the Common Safekeeper or, as applicable, of the common depository for Euroclear and Clearstream Luxembourg in whose name the Global Note has been registered.

**"Registrar"** means The Bank of New York Mellon SA/NV, Luxembourg Branch

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

**"Scheduled Repayment Date"** means the Class A Scheduled Repayment Date and the Class B Scheduled Repayment Date, collectively.

**"Secured Claim"** means any secured claim of the Issuer against VWL as Servicer under the Servicing Agreement in respect of VWL's obligation under the Servicing Agreement to remit the Collections to the Distribution Account of the Issuer.

**"Secured Obligations"** means all 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 4.2 (*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, 2009/38/EC, 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended by Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021, and any relevant regulatory and/or implementing technical standards adopted by the European Commission in relation thereto, and in each case, any relevant guidance published by the European Banking Authority, the European Securities and Markets Authority (or, in either case, any predecessor authority), the European Commission and by German competent authorities, and any implementing laws or regulations in force in Germany.

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

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

**"Security"** means all the Adverse Claims from time to time created by the Issuer in favour of the Security Trustee (and also for the benefit of the Transaction Creditors) pursuant to the provisions of the Trust Agreement and/or the Security Assignment Deed.

**"Security Assignment Deed"** means the Security Assignment Deed dated the Signing Date among the Issuer and the Security Trustee.

**"Security Documents"** means, collectively, the Trust Agreement and the Security Assignment Deed.

**"Security Trustee"** means Intertrust Trustees GmbH, Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany.

**"Seller"** means Volkswagen Leasing GmbH, Gifhorner Straße 57, 38112 Braunschweig, Germany.

**"Servicer"** means Volkswagen Leasing GmbH unless the engagement of Volkswagen Leasing GmbH as servicer of the Issuer is terminated in which case Servicer shall mean the replacement Servicer, if any.

**"Servicer Fee"** means, for any Monthly Period, one-twelfth of the Servicer Fee Rate multiplied by the Aggregate Discounted Receivables Balance as of the beginning of the Monthly Period.

**"Servicer Fee Rate"** means 1 per cent. *per annum*.

**"Servicer Insolvency Event"** means that the Servicer declares its inability to effect payments (*Zahlungsunfähigkeit*) or overindebtedness (*Überschuldung*) or those insolvency proceedings under the Insolvency Code (*Insolvenzordnung*) are instituted by the insolvency court against the Servicer.

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

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

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

**"Servicer Report Performance Date"** means the 16<sup>th</sup> day of each calendar month or if this is not a Business Day, then the next succeeding Business Day.

**"Servicing Agreement"** means the servicing agreement between the Servicer, the Issuer, the Security Trustee and the Expectancy Rights Trustee dated on or about the Signing Date.

**"Settlement Amount"** means the sum payable, pursuant to certain provisions of the Transaction Documents, by VWL to the Issuer, equal to:

- (a) in case of settlement or repurchase of a Purchased Lease Receivable, the Discounted Receivables Balance of such Purchased Lease Receivable; or
- (b) in case of reduction of a Purchased Lease Receivable, e.g., due to an amendment to the relevant Lease Contract, the difference of the Discounted Receivables Balance of the Purchased Lease Receivable that would have become due under that relevant Lease Contract had such reduction not occurred and the Discounted Receivables Balance of the Purchased Lease Receivable that will be due under the relevant Lease Contract with such reduction.

**"Signing Date"** means 22 November 2021.

**"Specified Cash Collateral Account Balance"** means initially EUR 12,000,000 and, on each Payment Date, the greater of (a) 1.2 per cent. of the Aggregate Discounted Receivables Balance as of the end of the Monthly Period, and (b) the lesser of (i) EUR 10,000,000 and (ii) the aggregate



outstanding principal amount of the Class A Notes and Class B Notes as of the end of the Monthly Period.

**"Stabilising Manager"** means BofA Securities Europe SA.

**"Subordinated Lender"** means the subordinated lender under the Subordinated Loan Agreement, being an Affiliate of Volkswagen AG.

**"Subordinated Loan"** means the EUR 32,904,957.96 loan received (or to be received) by the Issuer under the Subordinated Loan Agreement.

**"Subordinated Loan Agreement"** means the subordinated loan agreement dated on or about the Signing 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.

**"Substitute Reference Rate"** means a rate (expressed as a percentage rate *per annum*) provided by a third party and meeting any applicable legal requirements for being used for determining the payment obligations under the Notes determined by the Servicer, on behalf of the Issuer, in its due discretion, as modified by applying the adjustments (e.g. in the form of premiums or discounts), if any, that may be determined by the Servicer, on behalf of the Issuer, in its due discretion.

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

**"Swap Agreements"** means the Class A Swap Agreement and the Class B Swap Agreement collectively.

**"Swap Counterparty"** means DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60325 Frankfurt am Main, Federal Republic of Germany.

**"Swap Replacement Proceeds"** means any amounts received from a replacement Swap Counterparty in consideration for entering into a replacement Swap Agreement for a terminated Swap Agreement.

**"Swap Termination Payment"** means the payment due to the Swap Counterparty by the Issuer or to the Issuer by the Swap Counterparty, including interest that may accrue thereon, under the Swap Agreements due to a termination of any Swap Agreement due to an "event of default" or "termination event" under that Swap Agreement.

**"Swap Termination Payment Account"** means the interest bearing account with IBAN: DE85503303009949649712, account number: 9949649712 and SWIFT: IRVTDEFX held with the Swap Termination Payment Account Bank.

**"Swap Termination Payment Account Bank"** means The Bank of New York Mellon, Frankfurt Branch.

**"TARGET2"** 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.

**"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 agreement.

**"Terminated Lease Contract"** means any Lease Contract which has been terminated.

**"Transaction"** means the Transaction Documents, together with all agreements and documents executed in connection with the issuance of the Class A Notes and the Class B Notes, the performance thereof and all other acts, undertakings and activities connected therewith.

**"Transaction Creditors"** means Noteholders, the Security Trustee, VWL, the Servicer (if different), the Subordinated Lender, the Joint Lead Managers, the Managers, the Paying Agent, the Swap Counterparty, the Interest Determination Agent, the Calculation Agent, the Account Bank, the Custodian (if any), the Cash Administrator, the Registrar, the Data Protection Trustee, the Arranger and the Corporate Services Provider.

**"Transaction Documents"** means the Conditions, the Trust Agreement, the Security Assignment Deed, the Note Purchase Agreement, the Agency Agreement, the Account Agreement, the Receivables Purchase Agreement, the Servicing Agreement, the Data Protection Trust Agreement, the Swap Agreements, the Subordinated Loan Agreement and the Issuer-ICSDs Agreement.

**"Transaction Party"** means any Person who is a party to a Transaction Document and "Transaction Parties" means some or all parties to the Transaction Documents.

**"Trust Agreement"** means the trust agreement dated on or about the Signing 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 4.2 (*Position of the Security Trustee in relation to the Issuer*) of the Trust Agreement.

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

**"UK CRA Regulation"** means the CRA3 as it was part of the domestic law of the United Kingdom by virtue of the EUWA and as amended by the Credit Rating Agencies (Amendment, etc) (EU Exit) Regulations 2019).

**"United States"** means, for the purpose of issue of the Notes and the 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).

**"VAT"** means value added tax.

**"VCL 34"** means the twenty-fifth compartment of the Issuer, being designated for the purposes of the present Transaction and named VCL 34.

**"VCL Master Account Bank"** means the bank operating the accounts of VCL Master, acting for and on behalf of its Compartment 1.

**"VCL Master Compartment 1 Distribution Account"** means the interest bearing account with IBAN DE50503303008608409711 held by VCL Master for its Compartment 1 with the VCL Master Account Bank.

**"VCL Master Security Trustee"** means Wilmington Trust SP Services (Frankfurt) GmbH.

**"VCL Master Residual Value"** means as VCL Master Residual Value S.A., acting on behalf of its Compartment 2.

**"Volkswagen Group"** means Volkswagen AG and any of its Affiliates.

**"VWL"** means Volkswagen Leasing GmbH.

**"VWL Risk Reserve"** means an amount of EUR 11,000,000 which includes the German Trade Tax Risk Reserve and which is paid into the Cash Collateral Account on the Issue Date as security for the VWL Secured Obligations.

**"VWL Secured Obligations"** means the rights and claims of the Issuer against VWL arising under the Receivables Purchase Agreement, the Servicing Agreement or any other Transaction Document and any potential obligations on the grounds of the invalidity or unenforceability of any Transaction Document, in particular claims on the grounds of unjustified enrichment (*ungerechtfertigte Bereicherung*), *provided that* such claims shall not include or constitute any liability of VWL for the solvency or credit standing (*Ausschluss der Bonitätshaftung*) of the Lessees.

**"Write-Off"** means in respect of any debts owed to VWL by a Lessee under a Lease Contract the action taken by VWL in its capacity as Servicer to finally write-off such debts in accordance with its customary accounting practice in effect from time to time.

**"Written-Off Purchased Lease Receivables"** means Purchased Lease Receivables which have been subject to a Write-Off.

**"2021 ISDA Definitions"** means the definitions and provisions published by the International Swaps and Derivatives Association, Inc.

- 1.2 In this Master Definitions Schedule, words denoting the singular number only shall also include the plural number and vice versa, words denoting one gender only shall include the other genders, and words denoting individuals only shall include firms and corporations and *vice versa*.

## 2. INTERPRETATION

In any Transaction Document, the following shall apply:

- (a) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding". The word "including" shall not be exclusive and shall mean "including, without limitation";
- (b) if any date specified in any 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;
- (c) periods of days shall be counted in calendar days unless Business Days are expressly prescribed;
- (d) the expression "tax" shall be construed so as to include any tax, levy, impost, duty or other charge of similar nature, including, without limitation, any penalty or interest payable in connection with any failure to pay or delay in paying the same;
- (e) a reference to law, treaty, statute, regulation, order, decree, directive or guideline of any governmental authority or agency, or any provision thereof, shall be construed as a reference to such law, statute, regulation, order, decree, directive or guideline, or provision, as the same may have been, or may from time to time be, amended or re-enacted;
- (f) any reference to any Person appearing in any of the Transaction Documents shall include its successors and permitted assigns;
- (g) any reference to an agreement, deed or document shall be construed as a reference to such agreement, deed or document as the same may from time to time be amended, varied, novated, supplemented, replaced or otherwise modified;
- (h) to the extent applicable, the headings of clauses, schedules, sections, articles and exhibits are provided for convenience only. They do not form part of any 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;
- (i) unless specified otherwise, "promptly" or "immediately" shall mean without undue delay (*ohne schuldhaftes Zögern*); and

- (j) "novation" shall, for the purposes of documents governed by German law, be construed as *Vertragsübernahme*. "To novate" shall be interpreted accordingly.

**REGISTERED ADDRESS OF THE ISSUER**

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22-24 boulevard Royal  
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Grand Duchy of Luxembourg

**THE SECURITY TRUSTEE**

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**THE ACCOUNT BANK AND THE CASH ADMINISTRATOR**

**The Bank of New York Mellon, Frankfurt Branch**  
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Friedrich-Ebert-Anlage 49  
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THE INTEREST DETERMINATION AGENT**

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to the Issuer

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