This document constitutes an Offering Circular, as amended from time to time, in respect of non-equity securities within the meaning of Article 8 of Regulation (EU) 2017/1129 (the "**Offering Circular**").

OFFERING CIRCULAR as amended on 24 May 2023 and on 21 February 2024 and on [•] February 2025

VCL MASTER POLAND DAC

(a designated activity company limited by shares incorporated with limited liability under the laws of Ireland with registered number 698760)
as Issuer

PLN 3,300,000,000 Programme for the Issuance of Notes (the "Programme")

Under this Programme, VCL Master Poland DAC (the "**Issuer**") may from time to time issue asset backed floating rate Notes (the "**Notes**") denominated in Polish zloty (subject always to compliance with all legal and/or regulatory requirements).

The Issuer will issue the Notes in series with different issue dates, interest rates and scheduled repayment dates (but having the same interest payment dates) (each a "**Series**").

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

The proceeds of any Notes will be used to finance the purchase by the Issuer of the Lease Receivables from Volkswagen Financial Services Polska Sp. z o.o. ("**VWFS PL**") pursuant to the Receivables Purchase Agreement.

Each Note entitles the holder to demand the payment of a particular amount of interest and/or principal only, if and to the extent such amounts have been received by the Issuer as Gross Distribution Amount or from the enforcement of the Security with respect to the Lease Receivables. The sum of the Nominal Amount of the Notes plus the overcollateralisation amount plus the Subordinated Loan equals the value of the Outstanding Principal Balance of the Purchased Lease Receivables. In case of payment in full by the respective Lessees in accordance with the underlying Lease Contracts and/or utilisation of the Cash Collateral Account to the extent any shortfall of Purchased Lease Receivables is fully covered thereby, each holder of a Note is entitled to payment of the principal amount plus interest calculated at a percentage rate *per annum* being the sum of one-month WIBOR plus the applicable Margin, in each case with reference to the principal amount of each Note remaining outstanding immediately prior to the time of each payment and published pursuant to Condition 12 of the Conditions of the Cleared Notes and Condition 12 of the Conditions of the Uncleared Notes. Payments of principal and interest on each series of Notes will be made monthly in arrears on the 25th day of each month in each year or, in the event such date is not a Business Day, on the next following Business Day unless that day falls in the next calendar month in which case the date will be the first preceding day that is a Business Day.

This Offering Circular does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and the European Council of 14 June 2017 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 (as amended from time to time, the "**Prospectus Regulation**") and the complimentary German legislation in form of the Securities Prospectus Act (*Wertpapierprospektgesetz*) or within the meaning of the Capital Investment Act (*Vermögensanlagengesetz*) and therefore has not been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") or the Luxembourg Commission de Surveillance du Secteur Financier ("**CSSF**") or any other authority and application for approval by any such authority is not contemplated.

The Notes may only be offered and distributed under circumstances which do not require a publication of a prospectus in terms of the Prospectus Regulation or the German Capital Investment Act (*Vermögensanlagengesetz*). Persons into whose possession this Memorandum comes are required to inform themselves about and to observe any restrictions which have been imposed on the offer and sale of the Notes.

Any website referred to in this Offering Circular does not form part of this Offering Circular and has not been scrutinised or approved by the CSSF.

Each of the Notes in the denomination of PLN 1,000,000 will be governed by the laws of Germany and will be represented by a global registered note (each a "**Global Note**"), without interest coupons. Each Global Note for any Series of Cleared Notes shall be deposited with a Common Depository for Clearstream Banking *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") to be held in classical global note form ("**CGN**") and which will be registered in the name of a nominee of the Common Depository. Each Global Note for any series of Uncleared Notes shall be delivered or caused to be delivered to the relevant Note Purchaser with a copy thereof to the Registrar and the Registrar will enter the names and addresses of the respective registered holders of the Uncleared Notes in the Register. The Notes represented by the Global Notes will not be exchangeable for definitive notes. See "*OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES – Global Notes*."

'Amounts payable under the Notes will be calculated by reference to the Warsaw Interbank Offered Rate ("**WIBOR**"), which is provided by GPW Benchmark S.A., with its office in Warsaw, Poland (the "**Administrator**"). As at the date of this Offering Circular, 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, in its capacity as originator, will whilst any of the Notes remain outstanding retain for the life of the Programme a material net economic interest of not less than 5 per cent. with respect to the Programme in accordance with Article 6(3)(d) of Regulation (EU) 2017/2402 as amended (the "**Securitisation Regulation**") and undertakes that it will not reduce, hedge or otherwise mitigate its credit exposure to the material net economic interest for the purposes of Article 6(1) of the Securitisation Regulation and Article 12 of the Commission Delegated Regulation (EU) 625/2014 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, p**rovided 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. As at the Closing Date, such interest will, in accordance with Article 6(3)(d) 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 (1) VWFS PL's interest in the overcollateralisation as first loss tranche, (2) its interest as Subordinated Lender in the Subordinated Loan, and (3) the funding of the Cash Collateral Account with a sum equal to the Specified General Cash Collateral Account Balance, so that the retention equals in total not less than 5 per cent. of the nominal value of the securitised exposures.

The Servicer will prepare Monthly Investor 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 its capacity as originator, with a view to complying with Article 7 of the Securitisation Regulation.

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

Pursuant to Article 27(1) of the Securitisation Regulation, the Seller, in its capacity as originator, notified the European Securities Markets Authority ("**ESMA**") that the Programme meets the requirements of Articles 19 to 22 of the Securitisation Regulation (the "**STS Notification**"). The purpose of the STS Notification is to set out how in the opinion of the Seller, in its capacity as originator, each requirement of Articles 19 to 22 of the Securitisation Regulation has been complied with. As the Programme is classified as STS, the most recent STS Notification is available for download on the website of ESMA. The STS Notification has been made in accordance with the requirements of Commission Delegated Regulation (EU) 2020/1226. The STS status of this transaction is not static and investors should verify the current status of this transaction on ESMA's website. 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, in its capacity as originator, 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 Offering Circular headed "BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES POLSKA SP. Z O.O." 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 Offering Circular 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 Offering Circular headed "DESCRIPTION OF THE PORTFOLIO";

(d) policies and procedures in relation to risk mitigation techniques, as to which please see further the sections of this Offering Circular headed "BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES POLSKA SP. Z O.O." 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 Offering Circular and certain interpretation rules, see "*THE MASTER DEFINITIONS SCHEDULE*".

ARRANGER
Banco Santander, S.A.
LEAD MANAGER
Banco Santander, S.A.

The date of this Offering Circular is 22 February 2023 as amended on 24 May 2023, 21 February 2024 and on [•] February 2025.

The Issuer accepts responsibility for the information contained in this Offering Circular:

(1) only the Seller and Servicer is responsible for the information in this Offering Circular relating to the Lease Receivables, the disclosure of servicing related risk factors, risk factors relating to the Lease Receivables, the information contained in "DESCRIPTION OF THE PORTFOLIO" on pages 78 et seqq., "BUSINESS AND ORGANISATION OF VOLKSWAGEN FINCANCIAL SERVICES POLSKA SP. Z O.O." on pages 102 et seq., and "BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES POLSKA SP. Z O.O." on pages 104 et seqq.;

(2) only the Security Trustee is responsible for the information in this Offering Circular contained in "THE SECURITY TRUSTEE" on pages 112 et seq.;

(3) only the Corporate Services Provider is responsible for the information in this Offering Circular contained in the "CORPORATE ADMINISTRATION AND ACCOUNTS" on pages 118 et seq.;

(4) the Cash Administrator, the Interest Determination Agent, the Principal Paying Agent, the Registrar and the Account Bank is responsible for the information in this Offering Circular contained in the "CASH ADMINISTRATOR, INTEREST DETERMINATION AGENT, PRINCIPAL PAYING AGENT, REGISTRAR AND ACCOUNT BANK" on page 66;

(5) only the Data Protection Trustee is responsible for the information in this Offering Circular contained in "THE DATA PROTECTION TRUSTEE" on page 114;

provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and only the relevant third party accepts the responsibility for the accuracy thereof.

The Issuer hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Issuer is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Seller and Servicer hereby declare that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Seller and Servicer is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Security Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Security Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Corporate Services Provider hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Corporate Services Provider is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Cash Administrator, the Interest Determination Agent, the Principal Paying Agent, the Registrar and the Account Bank hereby declare that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Cash Administrator, the Interest Determination Agent, the Principal Paying Agent, the Registrar and the Account Bank are responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Data Protection Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Data Protection Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the importance of such information.

No person has been authorised to give any information or to make any representations, other than those contained in this Offering Circular, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Seller and Servicer, the Cash Administrator, the Interest Determination Agent, the Principal Paying Agent, the Registrar, the Account Bank, the Data Protection Trustee and the Security Trustee (all as defined below) or by the financial institution shown on the cover page (the "Arranger") or by any other party mentioned herein.

The Lead Manager does not take responsibility for the subscription, sale or other matters in connection with the issue of any Notes under this Offering Circular except to the extent that the Lead Manager takes part in such issue as manager, underwriter, selling agent or in similar capacity. The delivery of this Offering Circular does not imply any assurance by the Issuer, VWFS PL, the Security Trustee, the Servicer, the Data Protection Trustee, the Lead Manager or by the Arranger shown on the cover page or any other parties described in this Offering Circular that this Offering Circular will continue to be correct

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 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 UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK 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.

*The Issuer will not be regulated by the Central Bank of Ireland (the "**Central Bank**") by virtue of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank or any other government guarantee scheme.*

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 Cleared Notes has led to the conclusion that: (i) the target market for the Cleared Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Cleared Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Cleared 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 Cleared 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 Cleared Notes has led to the conclusion that: (a) the target market for the Cleared 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 Cleared 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 Cleared 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 Cleared Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

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

The Notes at all times may not be purchased, without the prior consent of the Seller, by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). "**U.S. Risk Retention Rules**" means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended. Prospective investors should note that the definition of "**U.S. person**" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "**U.S. person**" in Regulation S. Each purchaser of Notes, including beneficial interests therein, will be deemed to, and in certain circumstances will be required to, represent and agree that (1) it is not a Risk Retention U.S. Person (2) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note to a U.S. person; and (3) it is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules. The Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except (i) pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act and (ii) in accordance with an exemption from the U.S. Risk Retention Rules.

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

Neither the delivery of this Offering Circular or any Final Terms nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Offering Circular 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 VWFS PL since the date of this Offering Circular or the balance sheet date of the most recent relevant financial statements or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

No action has been taken by the Issuer, the Lead Manager and the Arranger other than as set out in this Offering Circular that would permit a public offering of the Notes, or possession or distribution of this Offering Circular, any Final Terms or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular (or any part hereof) or any Final Terms, nor any advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with Applicable Laws, orders, rules and regulations, and the Issuer, the Lead Manager and the Arranger have represented that all offers and sales by them have been made on such terms.

Neither this Offering Circular nor any Final Terms constitutes an offer to sell or the solicitation of an offer to buy any securities. The distribution of this Offering Circular (or of any part thereof) or any Final Terms and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular (or any part thereof) comes are required by the Issuer, the Lead Manager and the Arranger to inform themselves about and to observe any such restrictions. Neither this Offering

Circular nor any Final Terms constitute, or may be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Offering Circular (or of any part thereof) or any Final Terms see "*SUBSCRIPTION AND SALE*".

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, NOR HAS THE ISSUER BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT"). THE ISSUER WILL BE RELYING ON AN EXCLUSION OR EXEMPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT CONTAINED IN SECTION 3(C)(1) OF THE INVESTMENT COMPANY ACT, ALTHOUGH THERE MAY BE ADDITIONAL STATUTORY OR REGULATORY EXCLUSIONS OR EXEMPTIONS AVAILABLE TO THE ISSUER.

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

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

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

Neither the Arranger nor the Lead Manager has verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arranger or the Lead Manager as to the accuracy or completeness of the information contained in this Offering Circular and any Final Terms, except for such information for which a responsibility of the Arranger or the Lead Manager is explicitly provided for. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved.

OVERVIEW

Revolving Period	The period from (and including) the Initial Issue Date and ending on (but excluding) the earlier of (i) the Series Revolving Period Expiration Date of the last outstanding Series of Notes and (ii) the occurrence of an Early Amortisation Event.
Expected Ratings on Initial Issue Date and any Further Issue Date for all Series of Cleared Notes	The Notes will not be rated. .
Form	Global registered notes (i) held in relation to the Cleared Notes by a common depository for Euroclear and Clearstream Luxembourg and (ii) held in relation to the Uncleared Notes by the Registrar and each relevant holder of Uncleared Notes entered as Registered Holder of Uncleared Notes.
Clearing for the Cleared Notes	Clearstream, Luxembourg/ Euroclear

Key minimum required rating during the term of the Programme

	Short-term ratings	**Long-term ratings**
Account Bank Required Rating	short-term deposit rating of at least "F1" (or its replacement) (or, if it does not have a short-term deposit rating assigned by Fitch, an issuer default rating of at least "F1" (or its replacement)) from Fitch; and an unsecured, unguaranteed and unsubordinated short-term debt obligations rating of at least "P-1" (or its replacement) by Moody's from Moody's	alternatively to a short-term deposit rating of at least "F1" by Fitch (see left), a long-term deposit rating of at least "A" (or its replacement) (or, if it does not have a long-term deposit rating assigned by Fitch, an issuer default rating at least "A" (or its replacement)) from Fitch;

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GENERAL DESCRIPTION OF THE PROGRAMME

The following section, which constitutes the general description of the Programme pursuant to Article 25 of Commission Delegated Regulation (EU) 2019/980, must be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere herein and in the relevant Final Terms. Any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole. Capitalised terms not specifically defined in this "GENERAL DESCRIPTION OF THE PROGRAMME" shall have the respective meanings set out in the section "MASTER DEFINITIONS SCHEDULE".

The Programme is a PLN 3,300,000,000 Programme for the issuance of the Notes under which the Issuer may from time to time issue asset backed floating rate notes denominated in Polish zloty (subject always to compliance with all legal and/or regulatory requirements) in cleared and uncleared form. The applicable terms of any Notes will be agreed between the Issuer and the relevant purchaser prior to the issue of the Notes and will be set out in the Terms and Conditions of the Cleared Notes and the Terms and Conditions of the Uncleared Notes attached to, or incorporated by reference into, the relevant Global Note representing such Cleared Notes and Uncleared Notes, as completed by the applicable Final Terms attached to, or incorporated by reference into, such Global Note (see "TERMS AND CONDITIONS OF THE NOTES – 1. Form and Nominal Amount of the Notes" below for further detail).

THE PARTIES

Issuer	VCL Master Poland DAC, a designated activity company incorporated with limited liability under the laws of Ireland, having its registered address at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Ireland and registered with the Companies Registration Office under number 698760. The Notes will be funding the securitisation transaction of the Issuer. The Legal Entity Identifier (LEI) of the Issuer is 635400ITRGPSKJDIIG41.
Shareholder	The entire issued share capital of the Issuer is held by or on behalf of Walkers Global Shareholding Services Limited in its capacity as trustee of the charitable trust established pursuant to the terms of a declaration of trust dated 24 June 2021. Walkers Global Shareholding Services Limited was incorporated in Ireland on 26 October 2010 and has its registered office at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Ireland and is registered with the Companies Registration Office, under number 490594.
Seller	Volkswagen Financial Services Polska Sp. z o.o., Rondo 1, Rondo ONZ 1, 00-124 Warszawa, Poland, a wholly-owned subsidiary of Volkswagen Financial Services AG.
Servicer	Volkswagen Financial Services Polska Sp. z o.o., Rondo 1, Rondo ONZ 1, 00-124 Warszawa, Poland, a wholly-owned subsidiary of Volkswagen Financial Services AG.
Arranger	Banco Santander, S.A., Avda. de Cantabria, 3 – 28660 Boadilla del Monte – Madrid.
Lead Manager	Banco Santander, S.A., Avda. de Cantabria, 3 – 28660 Boadilla del Monte – Madrid.
Subordinated Lender	Volkswagen Financial Services Polska Sp. z o.o., Rondo 1, Rondo ONZ 1, 00-124 Warszawa, Poland, a wholly-owned subsidiary of Volkswagen Financial Services AG.

Cash Collateral Account Bank	U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), a designated activity company limited by shares, incorporated under the laws of Ireland, having its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland, and registered in Ireland under registration number 418442.
Distribution Account Bank	U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), a designated activity company limited by shares, incorporated under the laws of Ireland, having its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland, and registered in Ireland under registration number 418442.
Accumulation Account Bank	U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), a designated activity company limited by shares, incorporated under the laws of Ireland, having its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland, and registered in Ireland under registration number 418442.
Cash Administrator	U.S. Bank Global Corporate Trust Limited, a private limited company with share capital, registered under company number 05521133 with its registered office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR.
Security Trustee	Intertrust Trustees Limited, a company with limited liability incorporated in England and Wales (registered number 7359549) whose registered office is at 1 Bartholomew Lane, London EC2N 2AX, United Kingdom.
Data Protection Trustee	Intertrust Trustees GmbH, a company with limited liability incorporated under the laws of Germany and registered in the commercial register of the local court of Frankfurt am Main under registration number HRB 98921 and having its office at Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany.
Principal Paying Agent	U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), a designated activity company limited by shares, incorporated under the laws of Ireland, having its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland, and registered in Ireland under registration number 418442.
Interest Determination Agent	U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), a designated activity company limited by shares, incorporated under the laws of Ireland, having its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland, and registered in Ireland under registration number 418442.
Calculation Agent	U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), a designated activity company limited by shares, incorporated under the laws of Ireland, having its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland, and registered in Ireland under registration number 418442.
Registrar	U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), a designated activity company limited by

	shares, incorporated under the laws of Ireland, having its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland, and registered in Ireland under registration number 418442.
Corporate Services Provider	Walkers Corporate Services (Ireland) Limited, a private company limited by shares incorporated under the laws of Ireland, having its registered address at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Ireland and registered with the Companies Registration Office under number 578927.
Process Agent	Intertrust (Deutschland) GmbH, a company with limited liability incorporated under the laws of Germany and registered in the commercial register of the local court of Frankfurt am Main under registration number HRB 75344 and having its office at Eschersheimer Landstraße 14, 60322 Frankfurt am Main, Germany.
Clearing Systems in relation to the Cleared Notes	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 Euroclear Bank NV./SA., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

THE NOTES

Notes	The subject of this Offering Circular are the Notes which may be issued under the Programme by the Issuer on any date prior to the Payment Date falling in February 2034 (the "**Programme Maturity Date**"), all as further described herein. With respect to payment of interest and principal, the Notes rank *pari passu* amongst themselves. The Notes will not be rated.
Issue Dates	A Series of Notes may be issued on any Payment Date falling (i) in the case of Further Notes of an existing Series of Notes prior to (but excluding) the Series Revolving Period Expiration Date applicable to such Series, or (ii) in the case of Further Notes of a different Series on any Payment Date prior to the Programme Maturity Date (each such Payment Date a "**Further Issue Date**").
Capital structure:	The capital structure with regards to the issuance of Further Notes under this Offering Circular shall be as follows: Notes Increase Amount: 79.50%* Subordinated Loan increase percentage 16.50%* Further Lease Receivables Overcollaterisation Percentage: 4.00%* Total: 100%*

	* Percentages are in relation to the Further Outstanding Principal Balance Furthermore, along with each issuance of Further Notes under the Programme the Cash Collateral Account balance shall be increased so as to be equal to 2.60 per cent. of the aggregate outstanding principal amount of the Notes as of the relevant Further Issue Date after application of the applicable Order of Priority on such Further Issue Date.
Interest and Principal	Each Note entitles the Noteholder thereof to receive from the Available Distribution Amount on each Payment Date interest at the rate specified in the relevant Final Terms (the interest rates for all Notes collectively referred to as the "**Notes Interest Rate**") on the nominal amount of each such Note outstanding immediately prior to such Payment Date. As a consequence of the structure of the Notes and the Notes being governed by German law, the Notes Interest Rate cannot become negative. With respect to payments of interest and principal, particular attention should be paid to the risk factor descriptions as set forth in "RISK FACTORS" and in particular the risk factor outlined under "RISK FACTORS - Liability and Limited Recourse under the Notes".
Aggregate Outstanding Principal Balance	The sum of the Outstanding Principal Balances for all Purchased Lease Receivables.
Outstanding Principal Balance	As of the end of any Monthly Period the aggregate value of the remaining Principal Portion of the Purchased Lease Receivables then outstanding (excluding any Written Off Purchased Lease Receivables).
Order of Priority	All payments of the Issuer under the Programme Documents have to be made subject to, and in accordance with, the Order of Priority. See "*TRUST AGREEMENT*".
Payment Dates	Each 25th day of a calendar month or, in the event such day is not a Business Day, then the next following Business Day, unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day, (each a "**Payment Date**").
Business Day	Business Day means any day on which T2 is open for business, **provided that** this day is also a day on which banks are open for business in Warsaw, London, Luxembourg and Dublin.
Revolving Period	The Revolving Period means the period from (and including) the Initial Issue Date and ending on (but excluding) the earlier of (i) the Series Revolving Period Expiration Date of the last outstanding Series of Notes and (ii) the occurrence of an Early Amortisation Event.
Series Revolving Period Expiration Date	The Series Revolving Period Expiration Date means with respect to each Series of Notes the revolving period expiration date as specified for such Series in the applicable Final Terms.

Available Distribution Amount	The "**Available Distribution Amount**" on each Payment Date shall equal the sum of the following amounts: (a) the Gross Distribution Amount; plus (b) interest accrued on the Accumulation Account and the Distribution Account; plus (c) payments from the Cash Collateral Account as provided for in clause 23.3 (*Cash Collateral Account*) of the Trust Agreement; plus (d) the amounts standing to the credit of the Accumulation Account after the preceding Payment Date; plus (e) any amounts provided for or converted into another currency which are not used and reconverted (if applicable) in accordance with clause 22.5 (*Order of Priority*) of the Trust Agreement; plus (f) any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Notes in accordance with Condition 9(b) of the Conditions of the Cleared Notes and Condition 9(b) of the Conditions of the Uncleared Notes.
Distribution Account	The Distribution Account of the Issuer is maintained with U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), into which the Servicer remits and will remit Collections.
Governing law	The Notes are governed by the laws of Germany.
Tax Status of the Notes	See "*TAXATION*".
Selling Restrictions	See "*SUBSCRIPTION AND SALE - Selling Restrictions*".
Clearing Codes for the Cleared Notes	The Clearing Codes for Cleared Notes will be set out in the relevant Final Terms.

ASSETS AND COLLATERAL

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

Lease Receivables	Under the Receivables Purchase Agreement between the Issuer (as purchaser) and VWFS (as seller) (the "**Receivables Purchase Agreement**"), (i) the Issuer agreed to purchase effective as of the Closing Date from VWFS PL the Initial Lease Receivables, and (ii) during the Revolving Period VWFS PL has the right to sell and transfer at its option at each Additional Purchase Date Additional Lease Receivables (the Initial Lease Receivables and the Additional Lease Receivables together the "**Lease Receivables**").

	Under each Lease Contract, the Lessees make monthly payments to amortise, over the life of such Lease Contract, the difference between the purchase price of the relevant Leased Vehicle (net of any initial down payment) and such Leased Vehicle's predetermined calculation of the Residual Value at the expiration of the Lease Contract. The Lease Receivables to be purchased by the Issuer comprise lease instalments payable under the Lease Contracts (including the Principal Portion and the Interest Portion), but excluding VAT thereon and excluding any Excluded Rights, namely, rights in respect of any incidental (not scheduled in advance) fees, commissions or recoverable expenses payable under a Lease Contract. Further, no rights representing the Residual Value nor title to the Leased Vehicles will be transferred to the Issuer as a part of the Programme (although the Seller will create the Registered Pledge).
Warranties relating to Lease Receivables	The Seller provides certain warranties in the Receivables Purchase Agreement (for a detailed description of the warranties and eligibility criteria which apply to the Lease Receivables, see DESCRIPTION OF THE PORTFOLIO – The Purchased Lease Receivables under the Receivables Purchase Agreement, and DESCRIPTION OF THE PORTFOLIO – Warranties in relation to the sale of the Purchased Lease Receivables). If the Initial Lease Receivables partially or totally fail to conform with these warranties at the Closing Date or if the Additional Lease Receivables partially or totally fail to conform with these warranties at the applicable Additional Purchase Date, to and such failure materially and adversely affects the interests of the Issuer or the Noteholders resulting in an imbalance of the obligations of the Issuer vis-à-vis the Noteholders, then the Seller shall be obliged to cure or correct such breach or failure until the end of the Monthly Period following the Monthly Period in which the Seller became aware or was notified of the same. Any such breach or failure will not be deemed to have a material and adverse effect if such breach or failure does not affect the ability of the Issuer to receive and retain timely payment in full on the related Lease Contract. If the Seller does not cure or correct such breach prior to such time, then the Seller shall repurchase any Purchased Lease Receivables affected by such breach which materially and adversely affects the interests of the Issuer or the Noteholders on the Payment Date following the expiration of such period.
Outstanding Principal Balance	As of the end of any Monthly Period the aggregate value of the remaining Principal Portion of the Purchased Lease Receivables then outstanding (excluding any Written Off Purchased Lease Receivables).
Initial Cut-Off Date	31 January 2023
Registered Pledge	As security for the Issuer's Secured Claims (including without limitation payment of any Collections), VWFS PL has agreed to establish a registered pledge over a collection of the Transaction Leased Vehicles. The claims intended to be secured with the Registered Pledge will be assigned to the Security Trustee under the Security Assignment Agreement, therefore the Registered Pledge will be created in favour of the Security Trustee.

CREDIT ENHANCEMENT

Cash Collateral Account	The outstanding balance of the Cash Collateral Account on each Payment Date, (i) during the Revolving Period an amount being equal to 2.6 per cent. of the aggregate outstanding principal amount of all Notes after application of the applicable Order of Priority on the preceding Payment Date and (ii) after the Revolving Period, the lesser of (a) the Specified General Cash Collateral Account Balance as of the last Payment Date of the Revolving Period and (b) the aggregate outstanding principal amount of the Notes after application of the applicable Order of Priority on the preceding Payment Date. Drawings from the Cash Collateral Account will be made in accordance with the Order of Priority.
Subordinated Loan	The Subordinated Lender has granted the Subordinated Loan in a total initial nominal amount of PLN 334,829,992.00 to the Issuer on the Closing Date. Subject to the terms of the Subordinated Loan Agreement, the Subordinated Lender may agree from time to time to grant additional advances up to a total amount of the Subordinated Loan of PLN 385,000,000 **provided that** the Subordinated Lender shall be required to grant additional advances to the extent required to increase the loan amount by the Subordinated Loan Increase Amount. The Subordinated Loan serves as credit enhancement and ranks below the Notes with respect to payment of interest and principal.
Overcollateralisation	As at the Closing Date, the Aggregate Outstanding Principal Balance exceeded the sum of the Nominal Amount of the Notes and the nominal amount of the Subordinated Loan to provide overcollateralisation to the Notes. During the Revolving Period, overcollateralisation is also expected to be provided to the Notes.

IMPORTANT PROGRAMME DOCUMENTS AND PROGRAMME FEATURES

Receivables Purchase Agreement	Pursuant to the provisions of the agreement for the purchase of Lease Receivables entered into by VWFS PL and the Issuer (the "**Receivables Purchase Agreement**"), the Issuer has acquired from VWFS PL on the Initial Issue Date the Initial Lease Receivables. During the Revolving Period VWFS PL may also sell at its discretion Additional Lease Receivables on each Payment Date (each an "**Additional Purchase Date**") (by way of offer and acceptance) based on the terms and conditions described in the Receivables Purchase Agreement.
Early Settlement Event	Pursuant to the Receivables Purchase Agreement and the Servicing Agreement, the Issuer is, upon the occurrence of an Early Settlement Event, entitled to demand an Early Settlement Amount to be paid to it by the Seller or the Servicer. These circumstances relate to: (a) clause 5.5 (*Limitation of representations and warranties and remedies for the breach of*

representations and warranties and Non-Permitted Amendments) of the Receivables Purchase Agreement;

(b) clause 8.2 (*Restructuring Call Option*) of the Receivables Purchase Agreement; or

(c) clause 8.3 (*Insurance Call Option*) of the Receivables Purchase Agreement.

Each Early Settlement Event may lead to earlier payments of the Notes than would be the case in the event of amortization 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".

Term Takeout

The Issuer may on any Payment Date, for the purpose of a Term Takeout, offer to sell and assign to a securitisation vehicle nominated by the Seller (in each case, the "**Transferee**") the Term Takeout Receivables. If such transfer is accepted by the Transferee, the purchase price to be paid by the Transferee acquiring the Term Takeout Receivables will be:

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

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

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

The selection of Term Takeout Receivables will be made on a random basis and the proceeds from any Term Takeout will be paid into the Distribution Account but will not be applied according to the Order of Priority but instead be distributed as separately provided in clause 22.4 (*Order of Priority*) of the Trust Agreement. Any such randomly selected Term Takeout Receivables shall comply with the same warranties as set out in clauses 5.1 and 5.2 (*Warranties by VWFS PL with respect to the Purchased Lease Receivables*) of the Receivables Purchase Agreement at the time of the transfer to the Transferee. For the avoidance of doubt, in case of Non-Amortising Series of Notes any redemption payments will be made in a way to redeem a certain number of Notes in their principal amount of PLN 1,000,000. See "*TRUST AGREEMENT*".

Clean-Up Call

Under the Receivables Purchase Agreement, and after the end of the Revolving Period, VWFS PL has an option to exercise a Clean-Up Call and to repurchase the Purchased Lease Receivables from the Issuer on any Payment Date when the Aggregate Outstanding Principal Balance on a Payment Date is

less than 10 per cent. of the Maximum Outstanding Principal Balance **provided that** the payment obligations under the Notes (items *eighth* through *tenth* pursuant to the Order of Priority) will be thereby fulfilled.

Insurance Call Option

If an Insurance Total Loss Event occurs (in particular, if a Transaction Leased Vehicle has been lost, stolen or totally damaged) and the Insurance Claim covers all or most of the outstanding sum of the Purchased Lease Receivables and the Residual Value, VWFS PL will have an option (but not an obligation) under the Receivables Purchase Agreement to repurchase the Purchased Lease Receivable (including also the Insurance Claims) relating to the Transaction Leased Vehicle against the payment of an amount equal to the aggregate outstanding balance of the Principal Portion as at the repurchase date and part of the Interest Portion representing interest accrued until the Determination Date (and including that date) immediately preceding the repurchase date ("**Insurance Call Option Price**"). Immediately after the Insurance Call Option Price is paid by VWFS PL to the Issuer, the Issuer and VWFS will execute a repurchase agreement and any other documents as VWFS PL may reasonably request to enable VWFS PL to acquire the respective Purchased Lease Receivable (including also the Insurance Claims).

If an Insurance Total Loss Event occurs and the Seller does not exercise its option to repurchase the Purchased Lease Receivable at the Insurance Call Option Price in accordance with clause 8.3 of the Receivables Purchase Agreement, the Seller will be entitled to receive a portion of the Insurance Proceeds representing the Seller's Share.

Registered Pledge Event

If the Registered Pledge Event has occurred, the Seller shall transfer to or confirm the crediting of (as applicable) the Issuer Registered Pledge Event Account (which the Issuer shall open with the Account Bank in case a Registered Pledge Event occurs) the Registered Pledge Reserve immediately after the Registered Pledge Event occurrence.

The Seller shall not be obliged to comply with an obligation referred to above, if:

(a) Volkswagen Group AG controls the Seller and Volkswagen Group AG has a rating of at least BBB- by Fitch; and

(b) Volkswagen Financial Services AG is the direct shareholder of the Seller and Volkswagen Financial Services AG has a rating at Moody's of at least Baa3.

On the Payment Date following the occurrence of a Foreclosure Event all amounts standing to the credit of the Issuer Registered Pledge Event Account will constitute Principal Receipts, and will be applied by the Trustee (on behalf of the Issuer) in accordance with the relevant Order of Priority.

In case the Registered Pledge Event has been remedied by the Seller, immediately upon request of the Seller, the Issuer shall transfer the Registered Pledge Reserve Amount to the bank account indicated by the Seller.

The "**control**" of the Seller means:

(a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the Seller;

(ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Seller; or

(iii) give directions with respect to the operating and financial policies of the Seller with which the directors or other equivalent officers of the Seller are obliged to comply; or

(b) the holding beneficially of more than 50% of the issued share capital of the Parent (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

Servicing Agreement

Under the Servicing Agreement between the Issuer, the Security Trustee and VWFS PL, VWFS PL (as Servicer) agrees to:

- service and collect the Purchased Lease Receivables in accordance with the Credit and Collection Policy;
- administer the Cash Collateral Account;
- transfer to the Issuer any Collections received, collected or otherwise recovered in a Monthly Period on each relevant Payment Date;
- following the termination or expiry of the term of any Defaulted Purchased Lease Receivable, sell (in its sole discretion) that Defaulted Purchased Lease Receivable in accordance with the Credit and Collection Policy (the fraction of the Principal Portion and Interest Portion received as a purchase price from a third-party bidder will be paid to the Issuer and the Lease Receivables Servicing Fees will be retained by the Servicer); and
- perform other tasks incidental to the above.

Registered Pledge Agreement

Pursuant to the Polish law governed registered pledge agreement VWFS PL (in its capacity as the Seller and the Servicer and owner of the vehicles) has agreed to establish a registered pledge over the Transaction Leased Vehicles in favour of the Security Trustee to secure any Issuer's Secured Claims. The Registered Pledge Agreement will be executed on the Closing Date. The Registered Pledge is subject to registration by the court, which is expected to occur after the Closing Date.

Repossession Benefits

If a Lease Contract is subject to early termination by the Servicer following the Lessee's default thereunder (including without limitation the Lessee's failure to pay an amount payable

in respect of the Purchased Lease Receivable), the Servicer, acting in accordance with the Credit and Collection Policy, shall make reasonable attempts to (i) repossess the Transaction Leased Vehicle and (ii) remarket the same by way of sale to a third party or by concluding a further lease agreement with a third party, failing which the Seller will be entitled to keep the repossessed Transaction Leased Vehicle for its own use.

Upon termination of the Lease Contract as a result of the Lessee's default:

(a) the Lessee will continue to be obliged to pay to the Issuer (via the Servicer) any Past Due Lease Instalments (which the Servicer will continue to collect and enforce in accordance with the Servicing Agreement);

(b) the Lessee will be obliged to pay to the Seller (as lessor) any Early Termination Fees (which, for the avoidance of doubt, are not securitised); and

(c) the Lessee will be obliged to pay (as compensation) the sum of (i) any Future Lease Instalments (assigned to and financed by the Issuer) and (ii) the Residual Value (not assigned to the Issuer and financed by the Seller), **provided that** this compensation payment shall be subject to a reduction by any Repossession Benefits.

If the Seller subsequently repossesses the Transaction Leased Vehicle, the Seller shall pay to the Issuer a portion of Repossession Benefits representing the Issuer's Share, calculated as follows:

(i) if the Transaction Leased Vehicle is sold to a third party within six (6) months following its repossession, the Seller shall pay to the Issuer the Issuer's Share in the actual sale proceeds from the sale of the Leased Vehicle, or

(ii) if the Transaction Leased Vehicle is made subject to a further lease within six (6) months following its repossession, the Seller shall pay to the Issuer the Issuer's Share in the initial value attributed to the Transaction Leased Vehicle in a new lease contract entered into by the Seller (as lessor) with a third party (as lessee), or

(iii) if neither (i) nor (ii) applies, the Seller shall pay to the Issuer the Issuer's Share in the actual market value of the Transaction Leased Vehicle determined by VWFS PL acting in good faith, taking into account the actual condition of the Transaction Leased Vehicle and current market prices of similar vehicles,

provided that in each case the calculation will be based on the sale proceeds, the initial value or the market value of the Transaction Leased Vehicle (as applicable) being (a) presented net of VAT and (b) reduced by any costs incurred by the Seller in connection with the early termination of the relevant Lease Contract and repossession and remarketing of the Transaction Leased Vehicle to the extent such costs have not been paid by

the Lessee as Early Termination Fees or otherwise recovered by the Seller.

For the avoidance of doubt, any Repossession Benefits exceeding the Issuer's Share will be allocated to and retained by the Seller.

Trust Agreement

The Issuer has entered into the Trust Agreement with, *inter alia*, the Security Trustee and VWFS PL under which the Issuer has instructed the Security Trustee to act as trustee (*Treuhänder*) for the Programme Creditors and has entitled the Security Trustee by way of abstract acknowledgement of debt (*abstraktes Schuldanerkenntnis*) to demand from the Issuer

- that any present or future obligation of the Issuer in relation to the Noteholders shall be fulfilled;
- that any present or future obligation of the Issuer in relation to a Programme Creditor under a Programme Document shall be fulfilled; and
- (if the Issuer is in default with 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 Programme Creditors,

and discharge the Issuer's obligation accordingly (the respective "**Trustee Claim**").

To provide collateral for the respective Trustee Claim and the Secured Obligations, the Issuer assigns or transfers, as applicable, to the Security Trustee pursuant to German law, all its claims and other rights arising from the Programme Documents which are governed by German law (including the rights to unilaterally alter the legal relationship (*unselbständige Gestaltungsrechte*) and from all present and future contracts the Issuer has entered or may enter into in connection with the Notes or the Subordinated Loan.

Additionally, pursuant to the terms of the Trust Agreement, the Issuer has pledged to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement as well as its present and future claims in the accounts against the Account Bank.

Security Assignment Agreement

The Issuer has entered into the Polish law governed security assignment agreement with the Security Trustee in order to grant security in respect of the obligations of the Issuer to pay the Trustee Claims and the Secured Obligations. On the basis of the Security Assignment Agreement, the Issuer has (i) undertaken to unconditionally assign the Purchased Lease Receivables to the Security Trustee as soon as it acquires them from the Seller and (ii) assigned to the Security Trustee all rights, receivables and claims arising out of the Receivables Purchase Agreement and the Servicing Agreement, to the extent that such rights, receivables and claims are assignable (jointly the "**Assigned Receivables**"). The Security Trustee is entitled to exercise its rights in respect of the Assigned Receivables following delivery of an enforcement notice. Pursuant to the

	Security Assignment Agreement, the Issuer is authorised to exercise its rights in respect of such Assigned Receivables and to further delegate such authorization to the Servicer pursuant to the Servicing Agreement.
Irish Security Deed	Pursuant to the terms of the Irish Security Deed, the Issuer has charged and assigned (as applicable) to the Security Trustee all its rights, title, benefit and interest in the Issuer Accounts and amounts standing to the credit thereof.
Data Protection Trust Agreement	VWFS PL and the Issuer have appointed Intertrust Trustees GmbH as Data Protection Trustee under the provisions of the Data Protection Trust Agreement and has made 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 other than to the Issuer is permissible only to a replacement Servicer or the Qualified Replacement Data Protection Trustee upon request of VWFS PL, the Issuer or the Security Trustee and subject to applicable Data Protection Rules.
Account Agreement	Under the terms of the Account Agreement, the Issuer will hold the Cash Collateral Account with the Cash Collateral Account Bank, the Distribution Account with the Distribution Account Bank and the Issuer Profit Account with the Issuer Profit Account Bank and maintain the Accumulation Account with the Accumulation Account Bank. Should the Cash Collateral Account Bank, the Distribution Account Bank , the Accumulation Account Bank or the Issuer Profit Account Bank (together the "**Account Bank**") cease to have the Account Bank Required Rating, the Account Bank shall within sixty (60) days procure transfer of the accounts held with it to an Eligible Collateral Bank, notified to it by the Issuer.
Corporate Services Agreement	The Issuer has entered into the Corporate Services Agreement with Walkers Corporate Services (Ireland) Limited as Corporate Services Provider, pursuant to which the Corporate Services Provider shall perform certain services for the Issuer, particularly assisting the Issuer in preparation of its financial statements and providing the directors of the Issuer in any company law matters and providing the registered office of the Issuer.
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 Programme Documents, risks relating to the Notes and risks relating to the Issuer. See "*RISK FACTORS*".

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 OFFERING CIRCULAR AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE INVESTORS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, THE LEAD MANAGER OR THE ARRANGER.

The following is a disclosure of risk factors that are material with respect to the Issuer and the Notes issued under the Programme and that may affect the Issuer's ability to fulfil its obligations under the Notes and of risk factors that are related to the Notes (and the assets backing such Notes) issued under this Offering Circular. Prospective purchasers of Notes should consider these risk factors, together with the other information in this Offering Circular before deciding to purchase Notes issued under the Programme.

Prospective purchasers of Notes are also advised to consult their own tax advisors, legal advisors, accountants or other relevant advisors as to the risks associated with, and the consequences of, the purchase, ownership and disposition of Notes, including the effect of any laws of each country in which they are a resident. In addition, investors should be aware that the risks described may correlate and thus intensify one another.

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

Limited Resources

The Issuer is a special purpose financing entity with no business operations other than the issue of the Notes and the entering into of the Programme Documents. The Notes are limited recourse obligations of the Issuer and amounts due in respect of the Notes are payable only to the extent that the Issuer receives monies due to it under the Programme Documents. The Issuer will not have any other funds available to it to meet its obligations under the Notes and its obligations ranking in priority to, or *pari passu* with, the Notes. Following enforcement of the Security, the only funds available to the Security Trustee for and on behalf of the Noteholders and the other Programme Creditors will consist solely of the proceeds of enforcement of the Security. The Noteholders will have no right to proceed directly against, amongst others, the Seller or the Servicer (if different) or to take title to, or possession of, the Security.

In the event that the Issuer is subject to bankruptcy proceedings in Ireland, the bankruptcy laws of Ireland may not be as favourable as, or may otherwise be different from, the laws of other jurisdictions of which Noteholders may be familiar in certain areas, including creditors' rights, priority of creditors, debts mandatorily preferred by law, the ability to obtain post-petition interest and the duration of the insolvency proceeding.

The Issuer is the only entity responsible for making any payments on the Notes. The Notes will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. In particular, the Notes will not be obligations or responsibilities of, and will not be guaranteed by, any of the other Programme Parties or any person affiliated with them.

The Issuer is subject to all risks connected to the performance of the obligations under the Programme Documents. The Issuer's ability to satisfy its obligations under the Notes depends mainly on performance of the Lessees under the Lease Contracts in relation to the Purchased Lease Receivables. Non-performance or late performance may adversely affect the Issuer's ability to make payments on the Notes. If distributions of amounts received by the Issuer under the Programme Documents and, after enforcement of the Security, the proceeds of enforcement of the Security are insufficient to make payments on the Notes in full, no other assets will be available for payment of any such shortfall and, following realisation of the Security, no debt shall be owed by the Issuer in respect of any such shortfall. Although the Security Trustee will hold the benefit of the Security created under the Security Documents for the benefit of the Noteholders, such Security will also be held for the benefit of certain other Programme Creditors that will rank ahead of the Noteholders. The entitlement of the Noteholder will rank junior to (1) payment of all fees, costs, expenses

and all other amounts then due and unpaid to the Security Trustee (including amounts by way of indemnity) and (2) payment *pari passu* and rateably to the Programme Parties due and unpaid to such Programme Parties.

Accordingly, the Noteholders may receive on redemption an amount less than the face value of their Notes and the Issuer may be unable to pay, in full, interest due on the Notes.

Preferred Creditors and floating charges under Irish Law

Under Irish law, if a liquidator or a receiver is appointed to an Irish company such as the Issuer, the claims of a limited category of preferential creditors will take priority over the claims of unsecured creditors and holders of floating security. These preferred claims include taxes, such as income tax and corporation tax payable before the date of appointment of the liquidator or receiver and arrears of VAT, together with accrued interest thereon.

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders and other Secured Parties, the Noteholders (and other Secured Parties) may suffer losses as a result of their subordinated status during such insolvency proceedings.

Under Irish law, upon the insolvency of an Irish incorporated company such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by an examiner of the company (which may include any borrowing made by any examiner to fund the company's requirements for the duration of his/her appointment) which have been approved by the Irish courts. See "Risk Factors - RISK FACTORS WHICH ARE SPECIFIC AND MATERIAL TO THE ISSUER "- "Examinership" below.

The holder of a fixed security over the book debts of an Irish incorporated company (which would include the money standing to the credit of the accounts of the Issuer) may be required by the Irish Revenue Commissioners (the "**Revenue Commissioners**"), by notice in writing from the Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company. Where the holder of the security has given notice to the Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Revenue Commissioners' notice to the holder of fixed security.

The Revenue Commissioners may also attach any debt due to an Irish tax resident company (or any person who is liable to pay, remit or account for tax to the Revenue Commissioners) by another person in order to discharge any liabilities of the company in respect of outstanding tax (whether Irish, EU, or pursuant to a treaty or mutual assistance agreement) whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of an Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable out of the proceeds of such disposal for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer, any security constituted by it under the Programme Documents may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on assets it is necessary to oblige the chargor to pay the proceeds of collection relating to such assets into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Depending on the level of control actually exercised by the chargor, it is possible that security created by the Issuer pursuant to the Programme Documents would be regarded by the Irish courts as creating a floating charge. Under Irish law, floating charges have certain weaknesses including the following:

a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set off;

b) they rank after certain preferential creditors, such as claims of employees and certain taxes on winding up;

c) they rank after certain insolvency remuneration expenses and liabilities;

d) the examiner of a company has certain rights to deal with the property covered by the floating charges;

e) Section 621 of the Companies Act 2014 provides that a charge created as a floating charge by a company will continue to rank as a floating charge on the winding-up of that company, even if that floating charge has crystallised; and

f) they rank after fixed charges.

Centre of Main Interests

Pursuant to Regulation (EU) 2015/848 on insolvency proceedings (recast) ("**Recast Regulation**"), which came into force on 26 June 2017, the centre of main interests ("**COMI**") of a debtor shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties. In the case of a company or legal person, the place of the registered office shall be presumed to be the centre of main interests in the absence of proof to the contrary. That presumption shall only apply if the registered office has not been moved to another Member State within the 3-month period prior to the request for the opening of insolvency proceedings. The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its COMI is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in the then applicable Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate service provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

Not a bank deposit

The Issuer will not be regulated by the Central Bank by virtue of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank or any other government guarantee scheme.

Examinership

Examinership is a court procedure available under the Companies Act 2014 (as amended) to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the

voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his/her appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his/her appointment. Furthermore, the examiner may sell assets which are the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection (which is for an initial period of 70 days and may be extended to 100 days at the discretion of the court), the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by either the Irish Circuit Court or the Irish High Court (as applicable, and each, a "**relevant Irish Court**") when at least one class of creditors whose interests or claims would be impaired by the implementation of the proposals has voted in favour of the proposals and the relevant Irish Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unduly prejudicial to the interests of any interested party.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Security Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes), the Security Trustee would be in a position to reject any proposal which was unfavourable to the Noteholders. The Security Trustee would only be obliged to reject any proposal act if (i) it were instructed to do so by the Noteholders) and (ii) it were indemnified and/or secured and/or prefunded to its satisfaction against any liabilities which it may incur by so acting. To the extent so instructed and indemnified and/or secured and/or prefunded, the Security Trustee may be entitled to argue, on behalf of the Programme Creditors, at any Irish Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders or the other Programme Creditors, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Noteholders or the other Programme Creditors or resulted in Noteholders or the other Programme Creditors receiving less than they would have if the Issuer was wound up. If an examiner were appointed to the Issuer, there are a number of risks to the Noteholders. One such risk is that the Security Trustee may not be able to enforce the Security during the period of examinership. Further, if an examiner were appointed to the Issuer, any scheme of arrangement approved may involve the writing down or rescheduling of the debt due by the Issuer to the Noteholders and the other Programme Creditors as secured pursuant to the Security Documents or if a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish Court) will take priority over the amounts secured by the charges held for the benefit of the Noteholders and the other Programme Creditors under the Security Documents. The Noteholders are also subject to the risk that the examiner would seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period.

In addition, in an examinership, a creditor cannot withhold performance of, terminate, accelerate or in any other way modify an executory contract between a creditor and the company solely by reason of the making of an application by petition to appoint an examiner, the appointment of an interim examiner or an examiner to the company or the appointment of an examiner to a related company. An executory contract is one between a company and one or more creditors under which the parties still have obligations to perform at the commencement of the protection period.

SCARP Rescue Process

The Companies (Rescue Process for Small and Micro Companies) Act 2021 inserts a new Part 10A into the Companies Act 2014 to provide for an administrative rescue process for small and micro companies, called the Small Companies Administrative Rescue Process. To avail of the rescue process, a company must meet the following criteria:

(a) the company must be a small or micro company as defined under sections 280A and 280D respectively of Companies Act 2014;

a small or micro company is one which meets two of the following three conditions:

(i) no more than 50 employees;

(ii) turnover must not exceed €12 million; and

(iii) balance sheet must not exceed €6 million;

(b) the company is, or is likely to be, unable to pay its debts;

(c) the company must not be in liquidation;

(d) the company must not have appointed an examiner or process adviser in the previous 5 years; and

(e) if a receiver has been appointed to the company, the company is eligible only if that receiver has been appointed for a period of less than 3 working days.

Accordingly, in light of the bankruptcy remoteness nature of the Issuer and its expected balance sheet size and turnover, it is unlikely that it would meet the criteria of a small or micro company. An overview of the rescues process is set out below for completeness.

Overview of SCARP process

A process adviser (who must be a qualified insolvency practitioner) is appointed by the directors of the company who must furnish the process adviser with a sworn statement of affairs in order to assess the viability of the company. Once satisfied that the company is viable, the rescue process is commenced by way of a directors' resolution rather than by an application to the court in order to minimize the costs of a Court-led process. The process adviser will be appointed in order to engage with the company's creditors and to formulate a rescue plan for the company although the company will continue to be managed by its directors.

A process adviser will normally have a 70 day period to complete the process – 49 days for the process adviser to formulate a rescue plan and for creditors to vote on the plan and then 21 days for objections to be raised.

During the period of appointment, the process adviser is entitled to apply to court for an order prohibiting certain steps being taken against the company after their appointment. Such steps include the prevention of proceedings being initiated against the company, the enforcement of security over the company's property, the appointment of a receiver or order that a receiver ceases to act from a specific date, if the Court deems it necessary for the survival of the company. The court cannot make an order prohibiting any such steps without affording each creditor affected by any such prohibitions the opportunity to be heard.

There is no automatic stay on proceedings upon appointment of the process adviser. As such, creditors are not immediately impaired by the virtue of a company entering into the process and could continue to enforce and exercise self-help remedies under security documents.

Treatment of Secured Assets

As part of the rescue plan, secured assets can be disposed by the process adviser to the court but only where the court is satisfied that the disposal of that asset would be likely to facilitate the survival of the whole or any of the company as a going concern. The proceeds of the disposal of the secured asset must be applied towards discharging the amount owing to the secured creditor.

Impact on Guarantees

As a general rule, the rescue plan will not affect the liability of guarantors. However if the creditor wishes to enforce, by legal proceedings or otherwise, the obligations of the guarantor, the creditor must offer to transfer the creditor's rights to vote on the rescue plan at the relevant class of creditors meeting to the guarantor.

Repudiation of Contracts

The rescue process includes a mechanism that allows for the repudiation of contracts, where the process adviser considers that repudiation is necessary for the survival of the company and the whole or any part of its undertaking as a going concern. The repudiation is either on application to court by the process adviser or via an out-of-court engagement with the impacted creditor.

Where the out-of-court engagement is chosen, the process adviser must provide notice of the adviser's intention to repudiate the contract as part of the rescue plan and give the creditor the opportunity to make representations to the process adviser. The out-of-court engagement preserves the creditor's right to object by way of court application to the repudiation following the vote of the various classes of creditors and shareholders on the rescue plan.

Under either option, once repudiated, the impacted creditor will rank as an unsecured creditor for the amount of any loss or damage suffered as a result of the repudiation.

Creditors' vote on the rescue plan

The process adviser is required as soon as practicable after preparing a rescue plan (and no later than 49 days post-appointment) to call meetings of the various classes of creditors and shareholders to vote on the plan.

The plan is approved if at least one class of impaired creditors have voted in favour of the rescue plan. The relevant threshold at any class meeting is at least 60% in number representing a majority in value of creditors represented at the meeting.

The rescue plan will likely result in a write down of debt of unsecured creditors and excludable creditors (the Revenue Commissioners, the Department of Social Protection and any other state creditor). Excludable creditors are deemed to have consented to the inclusion of their debt, unless the excludable creditor objects to the inclusion. There are specified grounds for such objection, being outstanding tax returns, a history of non-compliance, an ongoing tax audit or intervention, or the company is appealing its taxes.

Objection by creditor to the rescue plan

The rescue plan becomes binding on all creditors 21 days after the notice of approval is filed with the relevant court office, provided no objection by a creditor is filed within this period. Any such objection will be determined by court.

An objection can be made by a creditor to a rescue plan on a number of grounds:

1. the rescue plan unfairly prejudices the interests of the objecting creditor;
2. the rescue plan is unfair and inequitable in relation to the objecting creditor;
3. there was some material irregularity at or in relation to the meeting of the class of creditors;
4. the objecting creditor has been materially prejudiced by not receiving notice of the meeting or any other notice required to be sent;
5. acceptance of the rescue plan by the meeting was obtained by improper purpose;
6. the rescue plan was put forward for an improper purpose;
7. it is not necessary for the survival of the company that the contract specified in the objection be repudiated;
8. the amount of loss or damage determined in respect of the repudiation of the contract is inadequate or excessive;
9. the rescue plan includes a provision in respect of the reduction of future rent under a lease;
10. the sole or primary purpose of the rescue plan is the avoidance of payment of tax due;
11. the rescue plan contains an unlawful provision.

Where a creditor files a notice of objection, the burden of proof is on the process adviser to establish that the objection of the creditor should not be upheld. If the objection is upheld by the Court, the Court may order that the rescue plan be modified.

II. RISKS RELATED TO THE NATURE OF THE NOTES

Liability and Limited Recourse under the Notes

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the other Programme Documents parties, the Common Depository, or any of their respective affiliates or any affiliate of the Issuer or any other party (other than the Issuer) to the Programme Documents or any other third person or entity other than the Issuer. No person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due 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 Programme 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 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 Security 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 pursuant to the Security Documents. 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.

No gross up of payments

Should any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or state with authority to tax or any political subdivision or any authority thereof or therein having power to tax be required to be made from any payment in respect of the Notes, neither the Issuer, the Security Trustee nor the Principal Paying Agent will be obliged to make any additional payments to Noteholders to compensate them for the reduction in the amounts that they will receive as a result of such withholding or deduction.

Change of Law

The Issuer is a company incorporated in the Republic of Ireland. All issues related to the Issuer's capacity, corporate operation or corporate governance are governed by Irish law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change of Irish law or administrative practice after the date of this Offering Circular. However, the structure of the issue of the Notes and this Programme is based on German and Polish law (including tax law) in effect as at the date of this Offering Circular.

The issue of Notes, as well as the Notes themselves, are governed by German law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change of German law or administrative practice after the date of this Offering Circular.

Purchased Lease Receivables are governed by Polish law. The Polish legal system is based on statutory law enacted by the Polish Parliament. A significant number of regulations relating to leasing, data protection, commerce, taxes and business activity have been or may be changed. These regulations are subject to different interpretations and may be interpreted in an inconsistent manner. Moreover, not all court decisions are published in official journals and, as a matter of general rule, they are not binding in other cases and are

thus of limited importance as legal precedent. Neither the Issuer nor the Seller can provide assurance that its interpretation of Polish laws and regulations will not be challenged, and any successful challenge could result in fines or penalties or could require the Issuer or the Seller to amend or terminate (as the case may be) the relevant Lease Contracts underlying the Purchased Lease Receivables. Interpretation of Polish legal regulations may be unclear and Polish tax laws and regulations may change. The Polish tax system is subject to frequent changes. Some provisions of Polish law are ambiguous and often there is no unanimous or uniform interpretation of law or uniform practice by the tax authorities. Because of different interpretations of Polish law, the risk connected with Polish law may be greater than that under other jurisdictions in more developed markets. Different interpretations of double tax treaties by the tax authorities and changes to these treaties may have a material adverse effect on the business of the Issuer and the value of the Noteholders' investment. No assurance can be given as to the impact of any possible change of Polish law or administrative practice after the date of this Offering Circular, subject to a certain level of protection given by tax rulings against the change of practice or approach of the tax authorities in relation to matters covered by the tax rulings (see "RISKS RELATED TO TAXATION" – Polish taxation).

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

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

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 and in relation to the Cleared Notes, as provided for in Section 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (*Schuldverschreibungsgesetz - SchVG*)) or by a Noteholder's resolution adopted pursuant to Sections 5 to 22 of aforementioned act and in accordance with the terms and conditions with unanimous consent of the Noteholders of the Cleared Notes.

As long as the Notes are outstanding, the applicable Margin pursuant to Condition 8(c) of the Cleared Notes and Condition 8(c) of the Uncleared Notes may only be modified pursuant to a contractual agreement which requires the consent of the Issuer, all Noteholders and of VWFS PL. If no such consent can be obtained, the Noteholders will bear the risk that the applicable Margin pursuant to Condition 8(c) of the Cleared Notes and Condition 8(c) of the Uncleared Notes might be of economic disadvantage for them.

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

During those periods in which the floating rate Interest Portion payable by a Lessee under a Lease Contract is substantially lower than the interest payable by the Issuer under the Notes, the Collections payable to the Issuer and the General Cash Collateral Amount may be insufficient to make the required payments on the respective Series of Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the respective Series of Notes. The Issuer does not intend to enter into any basis swap agreement or other hedging arrangement with respect to such interest.

Foreign Exchange Risk

The Issuer will pay principal and interest on the Notes in the Polish zloty. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Polish zloty. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Polish zloty or revaluation of the investor's currency) and the risk of a political nature that authorities with jurisdiction over the relevant currency may impose or modify exchange controls. As a result, investors may receive less interest or principal than expected. Consequently, Foreign Exchange Risk could have significant negative effects on the yield and the market value of 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.

III. RISKS RELATED TO THE PURCHASED LEASE RECEIVABLES

Risks Resulting from Consumer Protection Legislation

Some of the Lease Contracts were concluded with consumers within the meaning of the Polish Civil Code or with sole traders who in certain cases (under article 385.5 of the Polish Civil Code) are treated as consumers. It means that the Polish consumer law protection regime would apply to Lease Contracts concluded with these classes of Lessees (which constitute a majority of all Lease Contracts). It is especially material with respect to the method of calculating the lessor's remuneration (including lease instalments) and the table of fees under Lease Contracts where there is a risk that certain provisions might be found abusive and their effectiveness may be challenged by Lessees who are consumers or who are treated as consumers. It should be noted, however, that VWFS PL has not yet been involved in any legal proceedings relating to the alleged breach of consumer protection laws or the potential abusiveness or ineffectiveness of the standard terms of Lease Contracts.

Remuneration under Lease Contracts

The amount of leasing instalments payable under a Lease Contract is subject to change during its term. The method of calculation applied by VWFS PL could be argued as being not entirely transparent and thus abusive and not binding under Polish consumer protection laws. This is because applicable standard terms do not expressly stipulate which part of the lease instalments is subject to change (although VWFS PL changes only the Interest Portion), and they do not include an exact formula for the change. Further, VWFS PL implements any change to lease instalments based on a "base rate" in force on the day the Lease Contract

is concluded. The base rate is either equal to 1-month WIBOR or is being determined by VWFS PL based on 1-month WIBOR. If the latter applies, the base rate is not expressly set in the Lease Contracts, which further reduces the transparency of calculations. The standard terms applicable to the relevant Lease Contracts only stipulate that on the seventh day of each month, the 1-month WIBOR as of that day is compared with the value of the base rate in force under the Lease Contract, and the lease instalments will be changed if the difference is greater than or less than 0.25 p.p. (for Lease Contracts concluded before 26 September 2021) or 0.1 p.p. (for Lease Contracts concluded on 26 September 2021 or later).

Despite the fact that any changes to the remuneration under the Lease Contracts have always been applied consistently by VWFS PL, and there have been no disputes with the customers of VWFS PL relating to the method of calculation of the instalments and/or to the changes to the remuneration, any legal dispute in this regard cannot be excluded and may have an impact on cash flows generated by Purchased Lease Receivables. For example, a successful legal action challenging this may result in treating the remuneration as being fixed, i.e. not capable of being changed in the future, unless specifically agreed with the customer or changed for the benefit of the customer. This could, potentially, also give rise to claims from customers with respect to historic payments they made to VWFS PL (if historically the payments have been increased based on the clauses, which have subsequently been found abusive).

Consequently, such a dispute over the calculation of lease instalments may lead to a decrease of the remuneration payable under the Lease Contracts and expose the Issuer to the risk of reduction of expected cash flows with respect to the Purchased Lease Receivables.

Table of Fees under Lease Contracts

According to certain Lease Contracts (the "**Basic Lease Contracts**"), VWFS PL may change the table of fees "for a valid reason, which, in particular, includes increased costs of relevant activities". This clause does not list specific and objective reasons for a change to the table of fees and permits a change also for other, undefined, reasons. Such unilateral amendment of the agreement by VWFS PL may be treated as an abusive clause and is not binding.

If the provisions regulating changes to the rates in the table of fees were found to be abusive, the relevant Basic Lease Contract would nevertheless be valid as it can legally and objectively function without those clauses. However, these rates in such case would most probably be treated as being fixed, i.e. not capable of being changed in the future, unless specifically agreed with certain Lessees that are natural persons meeting the certain criteria. This could also, potentially, give rise to claims from consumers with respect to historic payments they made to VWFS PL (if historically the payments have been increased based on the clauses which have subsequently been found abusive).

Risk Relating to the Reform of WIBOR Determinations

The amount of leasing instalments payable under the Lease Contracts is subject to change during its term. VWFS PL implements any change to lease instalments by reference to WIBOR. The risks described below in relation to the Notes (see RISKS RELATED TO REGULATORY CHANGES - Reform of WIBOR Determinations) apply accordingly in relation to lease instalments, except that VWFS has introduced a "fallback clause" (contemplating alternative provisions applicable if WIBOR is discontinued or other Benchmark Event occurs) to Lease Contracts concluded after 1 November 2022, and the Lease Contracts concluded prior to that date do not include such a fallback clause. As at 30 October 2024, the Portfolio included 19,650 Lease Contracts with the fallback clause, and 26,510 Lease Contracts with no fallback clause. It is not possible to ascertain as at the date of this Offering Circular what the impact of the reform of WIBOR or the occurrence of other Benchmark Events will be on the determination of lease instalments (and especially, the Interest Portion) in the future.

Risk Relating to the Set-Off Rights under Polish law

As a rule, under the Polish Civil Code, a party may set off its claims against another party's mutual claims if both claims are due and payable and may be pursued in court or before another state authority. Such a set-off right is exercised by one party's making a declaration to the other party. The declaration has a retroactive effect from the moment the set-off became possible.

Under the Polish Civil Code, a debtor may set off against the assignee an existing claim which the debtor has against the assignor even if such claim becomes due after the debtor was notified of the assignment. A

debtor cannot, however, effect such set-off where the claim of the debtor becomes due later than the claim which is subject of the assignment. Contractual agreements between an assignor of a claim and the debtor thereof may provide for further rights of set-off.

Lease Contracts do not restrict Lessees as to their rights to set-off their claims against VWFS PL (notably, under Polish law, exclusions of set-off right in the contracts with consumers or with individuals running a business as sole proprietors (who (under the Act on Amendments to Certain Acts in Order to Limit Regulatory Burdens of 31 July 2019 (Journal of laws of 2019 item 1495) (Pol.: *Ustawa o zmianie niektórych ustaw w celu ograniczenia obciążeń regulacyjnych*)) are in some cases are treated as consumers) could be regarded as an abusive clause and as such not binding).

Therefore, in certain circumstances, a Lessee might be entitled to effectively reduce the outstanding amount of the Purchased Lease Receivables by the amount of any unpaid claims it had against VWFS PL (for example, a claim in relation to an alleged overpayment made in connection with a contractual provision that has been declared abusive and not binding; see "Risks Resulting from Consumer Protection Legislation" above).

As regards the set-off rights relating to the assignment under the Security Assignment Agreement see "RISK RELATING TO THE SECURITY ASSIGNMENT AGREEMENT" below.

Risk Relating to the Security Assignment Agreement

Pursuant to the Security Assignment Agreement, the Purchased Lease Receivables will be assigned to the Security Trustee to secure the Trustee Claim and the Secured Obligations (including the Issuer's obligations towards Noteholders and other Programme Parties).

Pursuant to the Polish Civil Code, until an assignor notifies a debtor about an assignment, a payment made by the debtor to the assignor will be effective vis-à-vis an assignee unless the debtor knew about the assignment at the moment of the payment. Further, until such notice the assignor and the debtor are in a position to amend or terminate the agreement giving rise to the assigned receivables.

In addition, until a notice of assignment is delivered, the debtors will be entitled to set off their claims pursuant to the Polish Civil Code if both claims are due and payable and may be pursued in court or before another state authority.

To mitigate this risk, VWFS PL is obliged under the Receivables Purchase Agreement to notify the Lessees about the assignment of 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 Programme 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.

In this regard see "RISK RELATING TO THE INSOLVENCY OF VWFS PL (AS SELLER AND SERVICER)" and "RISK OF CHANGE OF SERVICER" below.

Risk of Early Repayment

In the event that Lease Contracts are prematurely terminated or otherwise settled early, Noteholders will (barring the loss of some or all of the Lease Receivables, which is described below) be repaid principal, but will receive interest for a period shorter than that provided in the respective Lease Contract. The rate of prepayment of the Lease Contracts cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the vehicles, finance markets, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Purchased Lease Receivables will experience.

Risk of Losses on the Purchased Lease Receivables

Payment defaults and losses on the Purchased Lease Receivables will have an adverse effect, which may be substantial, on the ability of the Issuer to make payments of interest and principal under the Notes. A default on a Purchased Lease Receivable could ultimately result in its enforcement. The proceeds of any such enforcement may be insufficient to cover the full amount due from the relevant Lessee, resulting in a loss. Even if no loss occurs in connection with the enforcement of a Purchased Lease Receivable, such enforcement may still affect the timing of repayments on the Further Notes.

Accordingly, the occurrence of payment defaults on the Purchased Lease Receivables will not only affect the amount of interest and principal receipts available to the Issuer on any Payment Date, but also the yield to maturity and the weighted average life of each Note, the rate of principal repayments on each Note and the weighted average life of the Notes.

Certain national and international macroeconomic factors such as widespread health crises or the fear of such crises (including any epidemic and/or pandemic diseases, increases in the cost of living as a result of, among other things, energy costs, inflation or increases in taxes and national insurance contributions, geopolitical tensions and uncertainties (including those caused by the conflict in Ukraine)) and other similar factors may lead to an increase in delinquencies by and bankruptcies of lessees, and could ultimately have an adverse impact on the ability of Lessees to pay the lease instalments and therefore the ability of the Issuer to make payments under the Notes.

Risk Relating to the Insolvency of VWFS PL (as Seller and Servicer)

If insolvency proceedings (including bankruptcy proceedings or restructuring proceedings) are commenced in relation to VWFS, the effectiveness and expected cash flows with respect to the Purchased Lease Receivables could be adversely affected.

Firstly, upon the Seller's insolvency, the Issuer becomes exposed to a commingling risk which might adversely impact the expected cash flows of the Purchased Lease Receivables. Prior to remittance, the VWFS PL as Servicer holds any Collections in its accounts. If the Servicer commingles such Collections with its own funds, the remittance of the funds required under the Notes could be at risk. Once insolvency proceedings in relation to VWFS PL are commenced, the commingled Collections might become part of the bankruptcy estate of VWFS PL. Pursuant to Article 75 of the Polish Bankruptcy Law, upon the declaration of bankruptcy, VWFS PL would lose its right to use or dispose of any assets belonging to the bankruptcy estate, including without limitation the Collections. Consequently, VWFS PL would not be able to satisfy the Issuer's claims with respect to such Collections.

Any bankruptcy proceeding commenced in relation to VWFS PL would also cover the Transaction Leased Vehicles which would become the part of its bankruptcy estate. However, the Issuer's Secured Claims are secured by a Registered Pledge over the Transaction Leased Vehicles pursuant to the Registered Pledge Agreement. In that case, the liquidation of the Transaction Leased Vehicles, in principle, would be conducted by virtue of the single-source sale of the receiver (Pol. *syndyk*) subject to the consent of the council of creditors (Art. 206 Section 1 Point 3 of the Polish Bankruptcy Law).

Alternatively, pursuant to Article 320 of the Polish Bankruptcy Law, the Transaction Leased Vehicles could be sold by the receiver through a tender or auction on the terms which are approved by the judge in charge of bankruptcy proceedings (Pol. *sędzia komisarz*). Once the agreement in that regard is concluded, the Registered Pledge expires and the Security Trustee as pledgee acquires the right to satisfaction according to Article 336 of the Polish Bankruptcy Law. Thereby, the Security Trustee would benefit in this regard from the so-called right of separateness (Pol. *prawo odrębności*). The sums obtained from the liquidation of the Leased Vehicles would be allocated to the satisfaction of the Issuer's Secured Claims on the basis of a separate distribution plan in the order of their substantive law priority in accordance with Art. 345 Section 2 of the Polish Bankruptcy Law. If some part of the Issuer's Secured Claims is not satisfied under the abovementioned separate distribution plan, it would be subject to satisfaction under the distribution of general funds of the bankruptcy estate (Article 340 of the Polish Bankruptcy Law). However, the Issuer must reckon that the priority of satisfaction of claims secured *in rem* (like the Issuer's Secured Claims) is subject to certain costs and debts preferred by mandatory provisions of Polish law (such as the costs of liquidating of the pledged object and other costs of bankruptcy proceedings in an amount not exceeding one-tenth of the proceeds of the liquidation, but no more than such part of the costs of bankruptcy proceedings that corresponds to the ratio of the value of the pledged object to the value of the entire

bankruptcy estate) as well as applicable rules establishing priority between different security interests and other rights over the encumbered asset.

As the Registered Pledge Agreement includes out-of-court enforcement methods, the Transaction Leased Vehicles could be also subject to alternative methods in the course of bankruptcy proceedings. They are applicable in the following two situations:

1) if the relevant Transaction Leased Vehicle is in the possession of the Seller or third parties (the Lessees as would be in most of the cases) (Article 327 Section 2 and 3 of the Polish Bankruptcy Law), the Security Trustee may, if the Registered Pledged Agreement so provides, seize the Leased Vehicles or dispose of it by way of a public tender conducted by a notary or court enforcement officer;

2) if the relevant Transaction Leased Vehicle is in the possession of the receiver (Pol. *syndyk*), the Security Trustee may, provided the Registered Pledge Agreement so provides, demand that the relevant Transaction Leased Vehicles be seized.

Further, the declaration of bankruptcy of VWFS PL would not affect the existence of the Lease Contracts, and this issue is addressed in Article 114 Section 2 of the Polish Bankruptcy Law, which excludes the possibility of withdrawal from that agreement by the receiver (Pol. *syndyk*). Notably, the parties to the Lease Contracts would be entitled, on general terms, to the statutory as well as contractual right to terminate the agreement.

There is also a risk that VWFS PL will be dissolved in the course of the insolvency proceedings pursuant to Art. 289 of the Polish act of 15 September 2000 on Commercial Companies Code. Consequently, the risk of change of Servicer would arise – see "*Risk of Change of Servicer*" below.

Risk of Change of Servicer

There is a risk of a Servicer Replacement Event which might cause VWFS PL to be replaced in position of the Servicer. See "ADMINISTRATION OF THE PURCHASED LEASE RECEIVABLES UNDER THE SERVICING AGREEMENT - Dismissal and Replacement of the Servicer". As a result, 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 is not immediately available, or because the substitute servicer is not as experienced and efficient as VWFS PL. Also, there is no guarantee that any successor servicer will be identified and appointed or, if appointed, any successor servicer will provide the servicing at the same level as VWFS PL.

Risk of Non-Existence of Purchased Lease Receivables

In the event that the Issuer is not entitled to a Purchased Lease Receivable intended to be assigned under the Receivables Purchase Agreement (for example, where the Lease Receivable does not exist or its amount is lower than specified), the Seller shall be liable to the Issuer under Art. 516 of the Polish Civil Code regulating warranty liability (*rękojmia*). The actual scope of warranties relating to the Purchased Lease receivables under the Receivables Purchase Agreement is broader than this statutory minimum. See DESCRIPTION OF THE PORTFOLIO - Warranties in relation to the sale of the Purchased Lease Receivables.

Risks relating to the settlement with the Lessees upon early termination of the Lease Contract

Under the Lease Contracts, if the Lessee defaults and the Lease Contract is terminated as a result, the Seller can claim the following amounts from the Lessee: (i) Future Instalments, (ii) the Residual Value, (iii) any Early Termination Fees and (iv) Past Due Lease Instalments.

If the Transaction Leased Vehicle is repossessed, pursuant to the Lease Contracts, the sum of Future Instalments and the Residual Value must be reduced by the Repossession Benefits.

Under the Lease Contracts, the Repossession Benefits should be applied against any Future Instalments (accelerated as a result of the Lessee's default and termination of the Lease Contract), but not against any Past Due Lease Instalments. This method of application of Repossession Benefits has been considered legitimate in certain court precedents and is supported by commentaries (although there are precedents and commentaries to the contrary, and it has been argued that the Repossession Benefits should also reduce Past Due Lease Instalments as well as any interest accruing on delayed payments).

It should not be questioned that upon termination of a Lease Contract resulting from the Lessee's default, on top of the sum of Future Instalments, VWFS PL should be entitled to claim any Early Termination Fees. However, it is generally understood that the sum of Future Instalments payable by the Lessee upon termination is a specific contractual compensation (or quasi-compensation) that is intended to cover VWFS PL's losses resulting from the termination of the Lease Contract. As such, the sum payable by the Lessee is subject to general principles of liability for damages, under which the compensation should not exceed the damage suffered by the injured party (VWFS PL). The injured party (VWFS PL) should receive what it would in fact get from the Lease Contract if the Lease Contract had been performed in accordance with its terms, but not in a way that would enrich VWFS PL by any extra benefits.

In light of the above, it may be questioned whether the termination payment can be increased by the Residual Value as contemplated by the Lease Contracts, given the Residual Value is not an "instalment" but a conditional payment representing the price for the acquisition of the Transaction Leased Vehicle that is payable only if the Lessee chooses to exercise its purchase option. If a Lessee successfully challenges the method of calculating termination settlements contemplated by the Lease Contract, the amount recoverable from the Lessee may be lower than expected.

Reliance on Warranties

The Seller provides certain warranties in the Receivables Purchase Agreement. If the Initial Lease Receivables partially or totally fail to conform with these warranties at the Closing Date or if the Additional Lease Receivables partially or totally fail to conform with these warranties at the applicable Additional Purchase Date, and such failure materially and adversely affects the interests of the Issuer or the Noteholders resulting in an imbalance of the obligations of the Issuer *vis-à-vis* the Noteholders, VWFS PL shall have until the end of the Monthly Period which includes the 60th day (or, if VWFS PL elects, an earlier date) after the date that VWFS PL became aware or was notified of such breach to cure or correct such breach. 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 Purchaser's sole remedy will be to require VWFS PL 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, VWFS PL may remedy such breach by the last day of the following Monthly Period; or

(b) replace the relevant Purchased Lease Receivable, taking into account the warranties set out in clauses 5.1 and 5.2 of the Receivables Purchase Agreement, with a Lease Receivable the value (purchase price determined in accordance with the Receivables Purchase Agreement) of which shall be at least the Mandatory Repurchase Price attributed to 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, VWFS PL may replace such Purchased Lease Receivable by the last day of the following Monthly Period; or

(c) repurchase the relevant Purchased Lease Receivable at a price equal to the Mandatory Repurchase Price for 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, VWFS PL may repurchase such Purchased Lease Receivable on the Payment Date immediately following the last day of the following Monthly Period.

If VWFS PL fails to comply with the Purchaser's demand within 60 days, VWFS PL shall be obliged to pay to the Purchaser a sum equal to the Mandatory Repurchase Price, following which the Purchaser will be obliged to transfer the relevant Purchased Lease Receivable to VWFS PL.

Reliance on Servicing and Collection Procedures

VWFS PL, 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 and the realisation of the vehicles, 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 VWFS PL as they exist from time to time, in its capacity as Servicer to collect and enforce claims against the Lessees.

Accordingly, the Noteholders are relying on the business judgment and practices of VWFS PL as they exist from time to time, in its capacity as Servicer to collect and enforce claims against the Lessees.

Conflicts of Interest

VWFS PL is acting in a number of capacities in connection with the Programme. VWFS PL 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. VWFS PL in its various capacities in connection with the Programme may enter into business dealings from which it may derive revenues and profits without any duty to account therefore to any other Programme Parties.

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

VWFS PL may freely engage in other commercial relationships with other parties. In such relationships VWFS PL 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 Transaction 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 VWFS PL, 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 principal amount 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 Transaction Leased Vehicles are to be sold in the open market there is no guarantee that there will be a market for the sale of such Transaction 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 physical or legal condition of the Transaction Leased Vehicles, may have an adverse effect on the ability to sell the Transaction Leased Vehicles.

The sale agreements entered into by the Seller with consumers (or entrepreneurs required to be treated as consumers under Art. 385 (5) of the Polish Civil Code – see above) may be subject to mandatory provisions regulating warranty for defects (Pol. *rękojmia za wady*) (in relation to potential buyers who are not consumers or entrepreneurs required to be treated as consumers, the Seller can effectively exclude warranty for defects). Pursuant to such mandatory provisions, the prescription period for claims resulting from the fact that the sold used vehicle had defects cannot be shortened to less than a year (Art. 556 (2) of the Polish Civil Code). The burden of proof that there was no such defect at the time the used vehicle was surrendered to the consumer is, generally, to be borne by the seller for a period of twelve months (Art. 556 (2) of the Polish Civil Code). Depending on the intensity of the defect it can happen that the Repossession Benefits will be largely reduced.

Further, sale agreements concluded via internet portals, communications by electronic systems, telemarketing, letters etc. are contracts of distant selling (Pol. *umowa na odległość*). The individual final customer in such case is entitled to rescind the sales agreement within a period of two weeks after conclusion of the agreement without giving reasons. In this case the Servicer (on behalf of the Issuer) 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.

Risk of ineffectiveness of the Registered Pledge Agreement and the transfer of the Purchased Lease Receivables

Pursuant to Art. 127 sec. 3 of the Polish Bankruptcy Law, there is a risk that a security established by the bankrupt within six months prior to the date of filing the petition for bankruptcy may be declared ineffective.

Furthermore, pursuant to Art. 130 sec 1 and 2 of the Polish Bankruptcy Law, the judge in charge of bankruptcy proceedings (Pol. *sędzia komisarz*) shall, upon request of the receiver (Pol. *syndyk*), declare ineffective with respect to the bankruptcy estate the encumbrance of the assets of the bankrupt, if the bankrupt was not a personal debtor of the secured creditor, and the encumbrance was established within a year prior to the date of filing the petition for bankruptcy, and in connection with its establishment the bankrupt did not receive any benefit or received a benefit that is disproportionately low with respect to the value of the security established.

Regardless of the amount of the benefit received by the bankrupt, the judge in charge of bankruptcy proceedings (Pol. *sędzia komisarz*) shall declare the encumbrances referred to above ineffective if such encumbrances secure the debts of:

1) spouse, relative, or relative by affinity in the direct line, relative or relative by affinity in the collateral line up to the second degree inclusive, or with a person remaining in an actual relationship or running a joint household with the bankrupt, or with an adoptee or adoptive parent;

2) company in which the bankrupt is a management board member, sole partner or shareholder, or with companies in which persons mentioned in point 1 above are management board members, sole partners or shareholders;

3) partners or representatives of a bankrupt company or legal person, or their spouses, or with affiliated entities of a bankrupt company or legal person, their partners or representatives, or their spouses; or

4) parent company of a bankrupt company or company that has the same parent company as a bankrupt company;

unless the other party demonstrates that there has been no harm to creditors.

Accordingly, investors should be aware that the subject of the Registered Pledge will be Transaction Leased Vehicles and owned by an entity other than the Issuer, i.e. VWFS PL.

Subject to certain exceptions set out in the Restructuring Law, the following "hardening periods" might apply to the Registered Pledge Agreement under the Polish Restructuring Law in relation to remedial proceedings (*postępowanie sanacyjne*):

1) pursuant to Art. 304 sec. 3 of the Polish Restructuring Law any security interest (whether in the form of *in rem* security or "personal" security, such as a suretyship (*poręczenie*), guarantee (*gwarancja*) or other similar instrument) created by the debtor during **the year** before the date of filing a petition for remedial proceedings (*postępowanie sanacyjne*) shall be ineffective *vis-à-vis* the remedial estate of the debtor, unless it was created by the debtor directly in connection with a performance (consideration) received by the debtor (*No Direct Connection Hardening Period*)

2) pursuant to Art. 304 sec. 4 of the Polish Restructuring Law any security interest (whether in the form of *in rem* security or "personal" security, such as a suretyship (*poręczenie*), guarantee (*gwarancja*) or other similar instrument) created by the debtor during **the year** before the date of filing a petition for remedial proceedings (*postępowanie sanacyjne*) shall be ineffective *vis-à-vis* the remedial estate of the debtor, if and to the extent that its value exceeds the value of the secured

performance (consideration) received by the debtor (including accessorial claims listed in the relevant security document) by more than 50% (*Excessive Value Hardening Period*).

Consequently, if VWFS PL is declared bankrupt or the restructuring proceedings are commenced, there is a risk that the registered pledge under the Registered Pledge Agreement and/or the Receivables Purchase Agreement will be declared ineffective in relation to the bankruptcy estate or the remedial estate (as the case may be). As a result, the Noteholders will not be able to satisfy their claims from the subject of such registered pledge. However, it must be noted that such risk is limited only to the applicable hardening periods which were mentioned above. In principle, the registered pledge and security assignment survive the declaration or commencement of restructuring proceedings relating to the pledgor and/or assignor (in that case VWFS PL).

In addition, pursuant to art. 527 of Polish Civil Code (*Actio Pauliana*), each creditor of the Seller has the right to challenge the sale of the Purchased Lease Receivables if it is in a position to evidence cumulatively that:

1) the sale of the Purchased Lease Receivables was made by the Seller to the detriment of the Seller's creditors (i.e. the Seller as a result became insolvent or, if it was already insolvent, became insolvent to a greater extent); and

2) the Seller was aware of the detrimental effect on the position of creditors; and

3) the Issuer was aware of the detrimental effect or, acting diligently, could have become aware of that fact (awareness is presumed if the contracting party was in a close commercial relationship with the obligor).

Such right to claim ineffectiveness of the sale of the Purchased Lease Receivables expires within five years from the date of the sale of the Purchased Lease Receivables.

Risk Relating to the Registered Pledge Agreement

Pursuant to the Registered Pledge Agreement, VWFS PL (in its capacity as the Seller and the Servicer and owner of the Leased Vehicles) will establish the Registered Pledge over the Transaction Leased Vehicles in favour of the Security Trustee to secure the Issuer's Secured Claims (the Issuer's Secured Claims shall be assigned from the Issuer to the Security Trustee pursuant to the Security Assignment Agreement).

In order to establish the Registered Pledge, VWFS PL (as pledgor) and the Security Trustee (as pledgee) must execute an agreement in writing, compliant with certain statutory requirements, and VWFS PL and the Security Trustee must apply to the Polish court for its registration in the pledge register.

The Registered Pledge Agreement was executed on the Closing Date, but the Registered Pledge will originate and become effective from the actual date of registration by the court, which usually takes a few weeks from the filing date. VWFS PL (as pledgor) is obliged to make a filing for registration of the Registered Pledge, however no warranty can be given as regards the time the Registered Pledge is actually registered by the court.

With respect to the ranking of registered pledges, a registered pledge registered prior to another registered pledge has a higher priority, and the date that the application for registration is delivered to the appropriate court is decisive to determine their priority. If applications for the registration of two or more registered pledges encumbering the same asset are filed on the same date, these registered pledges will have the same priority.

In accordance with the Polish Registered Pledge Act, the Transaction Leased Vehicles constitute a collection of movables or rights, which may be encumbered with a registered pledge only if the collection constitutes an "economic entirety". It means that only the collection of movables and rights that is composed of more than one movable or one right and organized and constitutes an economic whole can be a collection of movables and rights within the meaning of the Polish Registered Pledge Act. Moreover, in order to successfully establish a registered pledge over such collection, the movables and rights constituting it shall be disposable, located in Poland, identifiable and have some economic value. In principle, a registered pledge over a collection of movables and rights encumbers also new components (assets) added to the collection after the pledge is created.

However, the court may carry out its own investigation and analysis of facts and circumstances to establish whether the assets intended to be encumbered with the Registered Pledge Agreement indeed constitute an "economic entirety".

It must be noted that the Transaction Leased Vehicles being the subject of the Registered Pledge are movables and it may be difficult to determine their specific location at a specific time, while under Polish law, the establishment of a pledge is subject to the law of the country in which the pledged object is situated at that time. The Registered Pledge is being created under Polish law, on the assumption that all Transaction Leased Vehicles are situated in Poland at the time they are encumbered. However, it cannot be completely excluded that a court could settle the location issue in a different manner (although typically, this is not being investigated at the time a pledge is applied for registration). This poses a risk that under certain circumstances the Issuer's Secured Claims can be left unsecured. Consequently, the amounts available to the Issuer to make its payments under the Notes might be impacted and/or reduced.

Collateral Value Deterioration

Pursuant to the Registered Pledge Agreement, VWFS PL (in its capacity as the Seller, the Servicer and owner of the Transaction Leased Vehicles) has established a registered pledge over the Transaction Leased Vehicles in favour of the Security Trustee to secure the Issuer's Secured Claims (the Issuer's Secured Claims shall be assigned from the Issuer to the Security pursuant to the Security Assignment Agreement).

However, there is no guarantee that the value of Transaction Leased Vehicles, which are the subject of the Registered Pledge, will be sufficient to fully satisfy the Issuer's Secured Claims if the Registered Pledge is enforced.

There is a risk that the Transaction Leased Vehicles have depreciated or will depreciate at a rate greater than the rate which they were expected to do so. Consequently, the value of the collateral under the Registered Pledge Agreement may deteriorate. Consequently, the amounts available to the Issuer to make its payments under the Notes might be impacted and/or reduced.

Risk relating to the enforcement of the Registered Pledge

The Registered Pledge can only be enforced if and to the extent the Issuer's Secured Claims have become due and payable (i.e. were not paid when due and remain outstanding). If this is not the case, the Security Trustee will not have "direct access" to the underlying Transaction Leased Vehicles. In other words, if a Lessee defaults under the relevant Lease Contract and the Registered Pledge has not yet been enforced, only VWFL PL (not the Security Trustee as pledgee) will be entitled to repossess the Transaction Leased Vehicle from the Lessee pursuant to the applicable provisions of law (in such a scenario, VWFL PL will act as non-secured creditor).

The Registered Pledge can be enforced through standard court-supervised enforcement proceedings carried out by the court bailiff, but the Polish Registered Pledge Act allows the parties to elect optional out-of-court enforcement methods including:

(a) out-of-court sale, to be carried out by a notary or court bailiff, and

(b) foreclosure (also called "seizure"), whereby the pledgee, upon the pledgor's default, will be entitled to assume ownership title to the pledged asset merely by way of a notice to the pledgor, with no need to seek a court judgment. The exercise of this option will result in an automatic discharge of the secured debt by a pre-agreed value.

The foreclosure is the most attractive option given costs and timewise. However, it should be noted that the collection of the assets is of a floating nature and its content will vary from time to time, whereas upon the enforcement it will be necessary to indicate and precisely describe each item that the Security Trustee is going to seize. Arguably, in such circumstances the value of each item comprising the collection of the assets needs to be established (which is very important for the purposes of determining the amount by which the secured debt is discharged upon the foreclosure). Moreover, the seizure might be subject to limitations by operation of law in connection with bankruptcy or restructuring proceedings opened in relation to the Seller as owner of the Transaction Leased Vehicles.

Given the above, there is a risk that the Security Trustee's ability to exercise the foreclosure option may be affected and the amounts obtained by way of the foreclosure under the Registered Pledge might not be sufficient to satisfy all Issuer's Secured Claims.

In addition, the transfer of ownership upon the exercise of the foreclosure option results in the transfer of rights and obligations under the Lease Contracts by operation of law (i.e., the pledgee steps into the position of the lessor). This might rise commercial and operational issues for the Security Trustee which, consequently, might prevent the Security Trustee to exercise its right to seize the Transaction Lease Vehicles which are subject to the Registered Pledge.

Risks Resulting from Data Protection Rules

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

There is 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 to be in compliance with, or the consequences of a violation of, the Data Protection Rules.

Therefore, at this point there remains some uncertainty to predict the potential impact on the Programme. If the Issuer was considered to be in breach of the Data Protection Rules, 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.

In particular, there might be some ambiguities as to whether or not upon the assignment of the Purchased Lease Receivables the Security Trustee would become a data controller given all the rights of the Issuer with respect to the Purchased Lease Receivables will be assigned to the Security Trustee as security pursuant to the Security Assignment Agreement. However, it should be noted that even though the Security Trustee will formally be a creditor with respect to the Purchased Lease Receivables, its rights as a creditor will be limited given the Purchased Lease Receivables will be assigned to it as security. Consequently, it is arguable that the Security Trustee, until a Foreclosure Event occurs, will not be deemed to be authorised to determine the purposes and means of the processing of personal data and will not be provided with any decryption key or otherwise in position to encrypt the personal data of the Lessees.

Risk relating to the Temporary Suspension of Leasing Repayment

Increase of interest rates by the National Bank of Poland have led to an increase of WIBOR. Since interest rates of most mortgage loans granted on the Polish market are calculated by reference to WIBOR, the mortgage loans servicing costs increased significantly over 2022. In order to alleviate the debt burden for Polish mortgage borrowers in the light of the abovementioned developments, the Act of 7 July 2022 on Community Financing for Economic Ventures and Borrower Aid (the "**Borrowers Aid Act**") has been introduced in Poland. Pursuant to this Act, among others, lenders are obliged to suspend (at the borrower's request), over certain period of time specified in the Borrowers Aid, the repayment of mortgage loans granted in the Polish currency.

As inflationary pressure and interest rates continue to rise, there is a risk that such moratoria (repayment suspensions) will cover other markets, including the leasing market. This risk stems from the fact that the instalments under majority of leasing contracts are also calculated by reference to WIBOR. Consequently leasing servicing costs increased significantly over 2022 as in the case of mortgage loans.

However, as of the day of this Offering Circular no official announcement whatsoever or piece of legislation has been issued by the Polish public authority that the similar piece of legislation to the Borrowers Aid Act would be enacted with respect to the lease contracts.

IV. RISKS RELATED TO REGULATORY CHANGES

Changes in Law and/or Regulatory, Accounting and/or Administrative Practices

The structure of the issue of the Notes is based on German, Polish and Irish law, regulatory and administrative practice in effect as at the date of this Information Memorandum, and having due regard to the expected tax treatment of all relevant entities under German, Polish and Irish tax law. No assurance can be given as to the impact of any possible change in applicable law, regulatory or administrative practices in applicable tax law, or the interpretation or administration thereof.

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 Programme, following the issuance of Notes as contemplated by Article 6(3)(d) of the Securitisation Regulation, the Seller, in its capacity as originator, will retain, for the life of the Programme, such net economic interest, which is comprised of (1) VWFS PL's interest in the overcollateralisation as first loss tranche, (2) its interest as Subordinated Lender in the Subordinated Loan, and (3) the funding of the Cash Collateral Account with a sum equal to the Specified General Cash Collateral Account Balance, so that the retention equals in total not less than 5 per cent. of the nominal value of the securitised exposure **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 Investor 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 Offering Circular 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, VWFS PL in its capacity as originator as designated reporting entity under Article 7 of the Securitisation Regulation will prepare Monthly Investor 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.

Before and 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 Programme has been structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in Articles 20, 21 and 22 of the Securitisation Regulation and has been verified by STS Verification International GmbH, in its capacity as third party verification agent authorised pursuant to Article 28 of the Securitisation Regulation no guarantee can be given that it maintains this status throughout its lifetime. The designation of the Programme as compliant with Articles 20, 21 and 22 of the Securitisation Regulation does not constitute, nor shall be regarded as constituting, a recommendation to buy, sell or hold securities. Noteholders and potential investors should verify the current status of the Programme on 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 SSPEs 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 VWFS PL, in its capacity as originator, commits to retain a material net economic interest with respect to this Programme in compliance with Article 6(3)(d) 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 Offering Circular, 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 Offering Circular 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 Offering Circular 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 Lead Manager, the Security Trustee, the Servicer, the Seller or any of the other Programme Parties makes any representation that any such information described in this Offering Circular is sufficient in all circumstances for such purposes.

U.S. Risk Retention

The Programme will not involve risk retention by the Seller for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Offering Circular 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 WIBOR Determinations

WIBOR 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, WIBOR has been identified as a "critical benchmark" within the meaning of the Benchmark Regulation. The Benchmarks Regulation applies to "contributors", "administrators" and "users" of benchmarks (such as WIBOR) 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.

WIBOR is administered by GPW Benchmark S.A., which is registered in the register for benchmark administrators and third-country benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") as of the date of this Offering Circular. Should GPW Benchmark S.A. become de-registered from ESMA's register for benchmark administrators and third-country benchmarks, there is a risk that the use of WIBOR might be banned in accordance with the Benchmark Regulation.

The Benchmarks Regulation as it forms part of the 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 2023 to 31 December 2025.

The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to WIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark, or if the benchmark is replaced.

Furthermore, it is not possible to ascertain as at the date of this Offering Circular (i) what the impact of these initiatives and the reforms will be on the determination of the benchmark in the future, which could adversely affect the value of the Notes, (ii) how such changes may impact the determination of the benchmark for the purposes of the Notes, (iii) whether any changes will result in a sudden or prolonged increase or decrease in the rates of the applicable benchmark 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.

Any consequential changes to WIBOR or its replacement 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 as well as the trading market for securities (including the Notes) based on the same benchmark. 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.

In this regard, in May 2022 the Polish Prime Minister announced a package of measures to alleviate the debt burden for Polish mortgage borrowers in the light of rising interest rates. One of the proposals relates to a mandatory replacement of WIBOR by the end of 2022. The replacement mechanism is intended to be based on Article 23c of the Benchmarks Regulation; the replacement will be implemented by an ordinance of the Minister of Finance, and the new rate might be coupled with a spread adjustment. In connection with the planned reform of benchmarks in Poland, involving, among other things, the introduction of a new interest rate benchmark, with input data being information representing overnight (ON) transactions, the National Working Group for benchmark reform (NWG) was appointed, and its activities are monitored and coordinated by the Steering Committee of the National Working Group (PL: Komitet Sterujący Narodowej Grupy Roboczej (KS NGR)). The KS NGR decided at its meetings on 25 August 2022 and 1 September 2022 to select the WIRD® index as an alternative interest rate benchmark, with input data being information representing overnight (ON) transactions. The administrator of the WIRD® within the meaning of the BMR Regulation is the WSE Benchmark, registered with the European Securities and Markets Authority (ESMA). The change of the future's critical benchmark's name into WIRON was carried out to better reflect its characteristics (reliance on the data representing overnight transactions). KS NGR has accepted the Roadmap for the replacement of, among other things, WIBOR with WIRON index. The objectives of the Roadmap indicated that the market would be ready for a cessation of WIBOR by the start of 2025. However, in October 2023, the KS NGR decided to change the maximum time limits for the implementation of the Roadmap by encouraging a bottom-up shift from WIBOR toward new contracts and financial instruments that use fixed interest rates or new RFR benchmarks. The NWG Steering Committee postponed the deadline for conversion until the end of 2027.

In March 2024, the Working Group announced that it would conduct a comprehensive review of all risk-free benchmarks, including WIRON, which may be an alternative to WIBOR. The review would take into account a wide range of market data and the recent changes in the macroeconomic environment. In October 2024, the Working Group published a statement that it decided to include four indices and index proposals from the WIRF family of indices in an additional round of public consultation. The WIRON, WIRON+ and WRR indexes will not be included in the further consultation. As of the date of this Base Prospectus, this review has not yet been completed. As a result, the introduction of an alternative to WIBOR is still pending.

The cessation of WIBOR might result in the occurrence of a Benchmark Event. Upon the occurrence of the Benchmark Event, the Servicer, on behalf of the Issuer, shall have the right to determine a Substitute Reference Rate in its due discretion, but subject to a prior coordination with the Security Trustee, to replace WIBOR. 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 WIBOR been applied for the remaining life of the Notes. Furthermore, as alternative or reformed reference rates to replace WIBOR calculated according to their original methodology are still in the process of being identified and developed by or with the involvement of administrators, contributors, central banks, supervisory authorities and market participants, it cannot be predicted at the date of this Offering Circular what such Substitute Reference Rate would be. Should the Servicer, on behalf of the Issuer, substitute WIBOR 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 of the Cleared Notes and the Conditions of the Uncleared Notes, pursuant to which the Interest Determination Agent will initially determine WIBOR by averaging quotes obtained from reference banks. In a situation where WIBOR 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 the last day preceding the second Business Day prior to the commencement of the relevant Interest Accrual Period on which such quotations were offered, 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 WIBOR immediately prior to its definite disappearance might be subject to high volatility.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation reforms or arising

from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Basel Capital Accord and regulatory capital requirements

The European authorities 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 changes under the provisions of CRD V and CRR II will apply in stages, the latest of which will apply from 2023. 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.

The Basel Committee on Banking Supervision has finalised a package of reforms to the Basel III framework ("**Basel 3.1**"). The implementation date of the Basel 3.1 standards is 1 January 2023, and most of these revisions are not included in CRR II or CRD V and have not yet been legislated for in the EU.

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.

Alternative Investment Fund Managers Directive (AIFMD)

AIFMD provides, among other things, that all alternative investment funds ("**AIFs**") must have a designated alternative investment fund manager ("**AIFM**") with responsibility for portfolio and risk management. AIFMD is transposed into Irish law by the European Union (Alternative Investment Fund Managers) Regulations 2013 (the "**AIFMD Regulations**").

On 8 November 2013, in order to assist in limiting any uncertainty until definitive positions and practices are finalized at a European level, the Central Bank of Ireland (the "**Central Bank**") published a fifth edition of its AIFMD Questions and Answers ("**Q&A**") pursuant to which it confirmed that, as a transitional arrangement, entities which are either:

(a) registered financial vehicle corporations (each being and "**FVC**") within the meaning of Article 1(1) of Regulation (EU) No. 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (recast)(ECB/2013/40); or

(b) financial vehicles (such as the Issuer) engaged solely in activities where economic participation is by way of debt or other corresponding instruments which do not provide ownership rights in the financial vehicle (as are provided by the sale of its shares),

are advised that they do not need to seek authorisation as, or appoint, an AIFM (unless the Central Bank of Ireland advises those entities otherwise in a replacement Q&A, which, according to the most recent edition of the Q&A, it does not intend to do, at least for so long as the European Securities and Markets Authority continues its current work on the matter) (the "**Transitional Arrangements**").

The European Securities and Markets Authority ("**ESMA**") has not yet given any formal guidance on the application of AIFMD to entities such as the Issuer which issue solely debt securities. If AIFMD were to apply to the Issuer, it would also be classified as a "financial counterparty" under the European Market Infrastructure Regulation EU 648/2012 and may be required to comply with clearing obligations or other risk mitigation techniques with respect to derivative transactions including obligations to post margin to any central clearing counterparty or market counterparty. In addition, AIFMD would entail several consequences for the Issuer, notably:

(a) the Issuer would have to delegate the management of its assets to a duly licensed AIFM (the "**Issuer AIFM**");

(b) the Issuer AIFM would have to implement procedures in order to identify, prevent, manage, monitor and disclose conflict of interests;

(c) adequate risk management systems would need to be implemented by the Issuer AIFM to identify, measure, manage and monitor appropriately all risks relevant to the Issuer's investment strategy and to which the Issuer is or can be exposed (including appropriate stress testing procedures);

(d) valuation procedures would need to be designed at the Issuer level;

(e) a depositary would have to be appointed in relation to the Issuer's assets; and

(f) the Issuer and the Issuer AIFM would be subject to certain reporting and disclosure obligations.

From the Issuer's perspective, if the Issuer were considered to be an AIF and could not benefit from the exemption afforded to special purpose entities ("SS**PEs**") (as defined in AIFMD) provided in AIFMD or the Transitional Arrangements. In the event that AIFMD becomes applicable to the Issuer, the Issuer's costs and expenses could increase significantly.

The Issuer intends to treat itself as an FVC and therefore does not currently expect to fall within the ambit of AIFMD or the AIFMD Regulations in accordance with the Q&A. However, as the AIFMD Regulations are open to interpretation, the Issuer cannot be sure that the Central Bank, ESMA or a court would take the same view, notwithstanding the fact that the Central Bank currently considers entities such as the Issuer to fall outside of the ambit of AIFMD and the AIFMD Regulations.

V. RISKS RELATED TO TAXATION

Risk of the amount of Irish corporation tax payable by the Issuer being increased, including as a result of the Issuer failing to satisfy all of the "qualifying conditions" in Section 110 of the Taxes Consolidation Act, 1997 of Ireland (as amended) ("TCA") or otherwise being unable to deduct in calculating its net income all of the interest payable on the Notes

The Issuer is treated as a "qualifying company" which is taxed for Irish tax purposes pursuant to Section 110 of the TCA. The Issuer will be taxable as a "qualifying company" pursuant to Section 110 of the TCA. There is no guarantee that the status of the Issuer as a "qualifying company" or the tax treatment of an Irish "qualifying company" will not change in the future as a result of a change in Irish tax law or the current practice of the Irish Revenue Commissioners in relation to same.

The tax deductibility of the Issuer's interest costs will depend on the applicability of Section 110 of the TCA and the current practice of the Irish Revenue Commissioners in relation to same. Any change to these rules may have an impact on Noteholders.

If the Issuer ceases to satisfy all of the "qualifying conditions" in Section 110 of the TCA or the various exemption conditions set out under "*Taxation – Irish Taxation*" are not fulfilled it will restrict the availability of tax deductions for interest paid by the Issuer under the Notes. As a result the amount of Irish corporation tax payable by the Issuer may be increased. The payment by the Issuer of any such additional Irish corporation tax may reduce the amount available to the Issuer to pay interest on the Notes. The Issuer

is not obligated to gross up payments, or otherwise indemnify Noteholders, in respect of any such additional Irish corporation tax. Therefore, the payment by the Issuer of any such additional Irish corporation tax may affect the return that such Noteholder receives on the Notes.

Deductibility of Interest – Anti-hybrid Provisions and Interest Limitation Rule

As part of its anti-tax avoidance package the EU Council adopted the Anti-Tax Avoidance Directive on July 12, 2016 in Council Directive (EU) 2016/1164 ("**ATAD 1**"). Additional measures were introduced in Council Directive (EU) 2017/952 ("**ATAD 2**"). ATAD 1 and ATAD 2 contain various measures that could potentially result in certain payments made by the Issuer ceasing to be fully deductible which could increase the amount of Irish corporation tax payable by the Issuer.

Further to ATAD 1 (as amended by ATAD 2) legislation dealing with hybrid mismatches came into effect in Ireland on 1 January 2020. Hybrid mismatch rules are designed to neutralize arrangements where amounts are deductible from the income of one entity but are not taxable for another, or the same amounts are deductible for two entities. These rules could potentially apply to the Issuer where: (i) the interest that it pays under the Notes, and claims deductions from its taxable income for, is not brought into account as taxable income by the relevant Noteholder, either because of the characterisation of the Notes or the payments made under them, or because of the nature of the Noteholder itself; and (ii) the mismatch arises between associated enterprises, between the Issuer and an associated enterprise or under a structured arrangement.

To the extent the Issuer is deemed to be associated with any of its Noteholders, or is engaged in certain transactions which have, as their purpose, the exploitation of hybrid mismatches, these Irish anti-hybrid rules may impact the deductibility of payments of interest by the Issuer to certain Noteholders. Associated for Irish tax purposes in this context includes direct and indirect participation in terms of voting rights or capital ownership of 25% (or more than 50% in certain circumstances) or an entitlement to receive 25% (or more than 50%. in certain circumstances) of the profits of that entity as well as entities whose results are, or would be, fully included in consolidated financial statements prepared under generally accepted accounting practice or enterprises that have a significant influence in the management of the taxpayer on the board of directors.

Noteholders are not currently anticipated to be persons who would be considered associated with the Issuer, merely by reason of holding Notes.

Further to ATAD 1, legislation dealing with an "interest limitation rule" came into effect in Ireland for accounting periods commencing on or after 1 January 2022. The interest limitation rule restricts the deductible interest of an entity to 30% of its earnings before interest, tax, depreciation and amortisation ("**EBITDA**") (there is a de minimis threshold of €3,000,000 per accounting period of 12 months). However, the interest limitation only applies to the net borrowing costs of an entity, being the amount by which its borrowing costs exceed its taxable Interest Equivalent income. Thus, if an entity has net interest income for an accounting period (i.e. no exceeding borrowing costs), or its exceeding borrowing costs do not exceed the higher of 30 per cent of the entity's tax-adjusted EBITDA or the de minimis threshold, a restriction does not apply.

If the Issuer receives income that is not Interest Equivalent income in excess of EUR 3,000,000 in any year, then the Issuer's liability to corporation tax in Ireland may increase which may affect the return that Noteholder receives on the Notes.

Risk of interest payments on the Notes being reduced as a result of applicability of Irish withholding tax on such payments

Interest payments on the Notes may be subject to Irish withholding tax if one of the exemptions set forth under "*Taxation – Irish Taxation – Withholding Tax*" is not available, including if such unavailability results from a change in Irish tax law or the current practice of the Irish Revenue Commissioners in relation to same.

Currently, an exemption from Irish withholding tax on the Notes applies if the Noteholder is a Qualifying Noteholder. The definition of Qualifying Noteholder includes a person who under the law of a Relevant Territory is resident for tax purposes in that Relevant Territory except in the case where such person is a

body corporate, where such interest is paid to the body corporate in connection with a trade or business carried on in Ireland through a branch or agency and in this context "**Relevant Territory**" means:

(a) a member state of the European Union other than Ireland;

(b) a territory with which Ireland has entered into a double taxation agreement in force by virtue of the provisions of section 826(1) of the TCA; or

(c) a territory with which Ireland has signed a double taxation agreement which will on the completion of the procedures set out in section 826(1) of the TCA have the force of law.

To the extent that interest payments on the Notes to a Noteholder are subject to Irish withholding tax, interest payments to such Noteholder will be reduced by the amount of tax required to be withheld by the Issuer. The Issuer is not obligated to gross up payments or to compensate the Noteholders for withholding taxes incurred. Therefore, any such withholding may affect the return that such Noteholder receives on the Notes.

OECD Model GloBE Rules and the European Commission's Minimum Tax Directive / Pillar Two

On 20 December 2021, the OECD published the draft Global Anti-Base Erosion Model Rules which were aimed at ensuring that Multinational Enterprises ("**MNEs**") would be subject to a global minimum 15.0 per cent. tax rate from 2023 ("**GloBE Rules**").

On 15 December 2022, the Council of the EU unanimously adopted the agreed compromise text of a directive to implement the GloBE Rules in the EU (the "**Minimum Tax Directive**") which introduces a minimum effective tax rate of 15.0 per cent. for MNE groups and large-scale domestic groups which have annual consolidated revenues of at least €750 million, operating in the EU's internal market and beyond. It provides a common framework for implementing the GloBE Rules into EU Member States' national laws. The Minimum Tax Directive contains an income inclusion rule (the "**IIR**") and an undertaxed profit rule (the "**UTPR**") which allow for the collection of an additional amount of top-up tax if the effective tax rate on income of an in-scope group is under 15.0 per cent. EU Member States were required to transpose the Minimum Tax Directive into domestic legislation by 31 December 2023 with the rules becoming effective for tax years commencing on or after 31 December 2023, with the exception of the UTPR, which will apply for tax years commencing on or after 31 December 2024.

Legislation implementing the Minimum Tax Directive in Ireland is included in Part 4A of the TCA (the "**Irish Pillar Two provisions**") and applies to accounting periods commencing on or after 31 December 2023.

A key concept in the Irish Pillar Two provisions is a "qualifying entity", being, *inter alia*, a member located in Ireland of an MNE group (or large-scale domestic group) which has consolidated revenues of more than EUR750 million in at least two out of the previous four accounting periods. A "group" is defined for the purposes of the Irish Pillar Two provisions as all entities which are related through ownership or control for the purpose of the preparation of consolidated financial statements by the ultimate parent entity, including any entity that may have been excluded from the consolidated financial statements of the ultimate parent entity solely based on its small size, on materiality grounds or on the grounds that it is held for sale. The Irish Pillar Two provisions are broader than the Minimum Tax Directive and can also apply a top-up tax to standalone entities (i.e. entities that are not part of a consolidated group) with annual revenues of at least EUR750 million in at least two out of the previous four accounting periods.

The Issuer may be a "qualifying entity" for the purpose of the Irish Pillar Two legislation on the basis that it is an entity located in Ireland that is consolidated within the Volkswagen AG group financial statements which have annual revenues in excess of EUR750 million a year in at least two of the preceding four years.

If the Issuer is a "qualifying entity" and is at or above the EUR750 million revenue threshold on a consolidated or standalone basis, as applicable, for at least two of the preceding four accounting periods, and is not otherwise excluded from the Irish Pillar Two provisions, and its effective tax rate for the purposes of the Irish Pillar Two provisions is lower than the minimum tax rate of 15.0 *per cent.*, it may be within scope of the Irish domestic top-up tax (unless the securitisation entity provisions (see below) apply to the Issuer). There are complex rules around how the profits of a "qualifying entity" are calculated and adjusted for tax purposes, and how the tax is allocated between different members of the group.

The OECD released updated OECD Administrative Guidance on 17 June 2024 which includes guidance on securitisation entities and addresses the treatment of securitisation entities which are part of an MNE group under a jurisdiction's domestic minimum top-up tax regime. The guidance provided optionality for jurisdictions as to the treatment of consolidated securitisation entities under their own domestic top-up tax regimes. Legislation to implement the guidance was included in Ireland's Finance Act 2024. The legislation applies for Irish domestic top-up tax purposes in respect of an accounting period commencing on or after 31 December 2023 to an entity that is a securitisation entity (as defined) and a constituent entity of an in scope group for the purposes of the Irish Pillar Two provisions where there are other constituent entities of the in scope group in Ireland that are not themselves securitisation entities. Where applicable, the legislation provides for the domestic top-up tax liability (if any) of the Irish securitisation entity to be imposed on the other constituent entities of the in-scope group in Ireland and not charged on the securitisation entity. If, however, there are no other constituent entities of the in-scope group in Ireland, or all other constituent entities are securitisation entities, the exemption from the charge to domestic top-tax for the securitisation entity does not apply. The legislation should only apply to the Issuer to the extent that it qualifies as a securitisation entity (as defined) (which we would expect should be the case) and is part of an MNE group within the scope of the Irish Pillar Two provisions, with the impact (if any) differing to the extent that there are other constituent entities of the MNE group in Ireland.

The Revenue Commissioners of Ireland recently published guidance on the interpretation and administration of the Irish Pillar Two provisions. This guidance does not yet address the application of the Irish Pillar Two provisions to securitisation entities.

Changes in Irish tax laws

As noted above, changes in Irish tax laws may adversely impact the tax treatment of the Issuer and of payments on the Notes and, consequently, the value of Noteholders' investment.

Fiscal and taxation policy and practice is constantly evolving and recently the pace of change has increased due to a number of developments. In particular a number of changes of law and practice are occurring as a result of the Organisation for Economic Co-operation and Development ("**OECD**") Base Erosion and Profit Shifting project.

One of the action points from this project ("**Action 6**") is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The OECD recommendations on Action 6 are primarily being implemented into double tax treaties through a multilateral convention. The multilateral convention has been signed by over 99 jurisdictions (including Ireland). It entered into force on July 1, 2018 for signatories who deposited their ratification, acceptance or approval on or before March 22, 2018. For signatories who deposited or deposit their ratification, acceptance or approval after March 22, 2018, the multilateral convention comes into force at the start of the month which is three entire calendar months after such deposit takes place. Ireland ratified the multilateral convention on January 29, 2019 and it entered into force in Ireland on May 1, 2019.

Upon ratifying the multilateral convention, Ireland deposited a non-provisional list of reservations and notifications to be made pursuant to it. Based on the information contained in these documents and the multilateral convention, Action 6 would be implemented into the double tax treaties Ireland has entered into with other jurisdictions by the inclusion of a principal purpose test ("**PPT**").

Once in effect, a PPT would deny a treaty benefit where if it is reasonable to conclude, having regard to all relevant facts and circumstances for this purpose, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It remains to be seen what will be the particular impact of the specific changes that have been or will be made to any double tax treaty on which the Issuer may rely.

It is also possible that Ireland will negotiate other bespoke amendments to its double tax treaties on a bilateral basis in the future which may affect the ability of the Issuer to obtain the benefit of these treaties.

The Common Reporting Standard

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 (the "**CRS**"). The CRS

provides that certain entities (known as Financial Institutions) shall identify "Accounts" (as defined, broadly equity and debt interests in the Financial Institution) held by persons who are tax resident in another CRS participating jurisdiction. That information is then subject to annual automatic exchange between governments in CRS participating jurisdictions.

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

Ireland has provided for the implementation of CRS through Section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**"). Irish Financial Institutions are obliged to make a single return in respect of CRS and DAC II.

The Issuer is expected to constitute a Financial Institution for CRS purposes. In order to comply with its obligations under CRS and DAC II, the Issuer shall be entitled to require Noteholders to provide certain information in respect of the Noteholder's and, in certain circumstances, their controlling persons' tax status, identity or residence. Noteholders will be deemed, by their holding of the Notes, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) to the Irish Revenue Commissioners. The information will be reported by the Issuer to the Irish Revenue Commissioners who will then exchange the information with the tax or governmental authorities of other participating jurisdictions, as applicable. To the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year. Provided the Issuer complies with these obligations, it should be deemed compliant for CRS and DAC II purposes. Failure by the Issuer to comply with its CRS and DAC II obligations may result in it being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed pursuant to the Irish implementing legislation.

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 Conditions of the Cleared Notes and the Conditions of the Uncleared 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.

Polish Taxation

Interpretation of Polish legal regulations may be unclear and Polish tax laws and regulations may change. The Polish tax system is subject to frequent changes. Some provisions of Polish law are ambiguous and often there is no unanimous or uniform interpretation of law or uniform practice by the tax authorities. Because of different interpretations of Polish law, the risk connected with Polish law may be greater than that under other jurisdictions in more developed markets. Different interpretations of double tax treaties by the tax authorities and changes to these treaties may have a material adverse effect on the business of the Issuer and the value of the Noteholders' investment.

The key tax issues from the Issuer's and Seller's point of view have been confirmed via tax rulings, issued by the relevant Polish tax authorities and confirming that:

(a) no Polish transfer tax is due on the transfer of the Lease Receivables to the Issuer (a ruling obtained on the request submitted by the Seller and on Issuer's behalf),

(b) the transfer of the Lease Receivables to the Issuer is exempt from the Polish Value Added Tax (a ruling obtained on the request submitted by the Seller and on Issuer's behalf),

(c) the transfer of the Lease Receivables from the Issuer back to the Seller (i.e. buy-back of the Lease Receivables due to repurchase option) is exempt from the Polish Value Added Tax and is not subject to Polish transfer tax (a ruling obtained on the request submitted by the Seller and on Issuer's behalf),

(d) Seller's payments to the Issuer should not be qualified as payments to which Polish withholding tax applies and, thus, the Seller is not obliged to collect withholding tax on them (a ruling obtained on the request submitted by the Seller and on Issuer's behalf) as well as the Issuer is not obliged to pay Polish withholding tax on these payments on its own (a ruling obtained by the Seller and on Issuer's behalf).

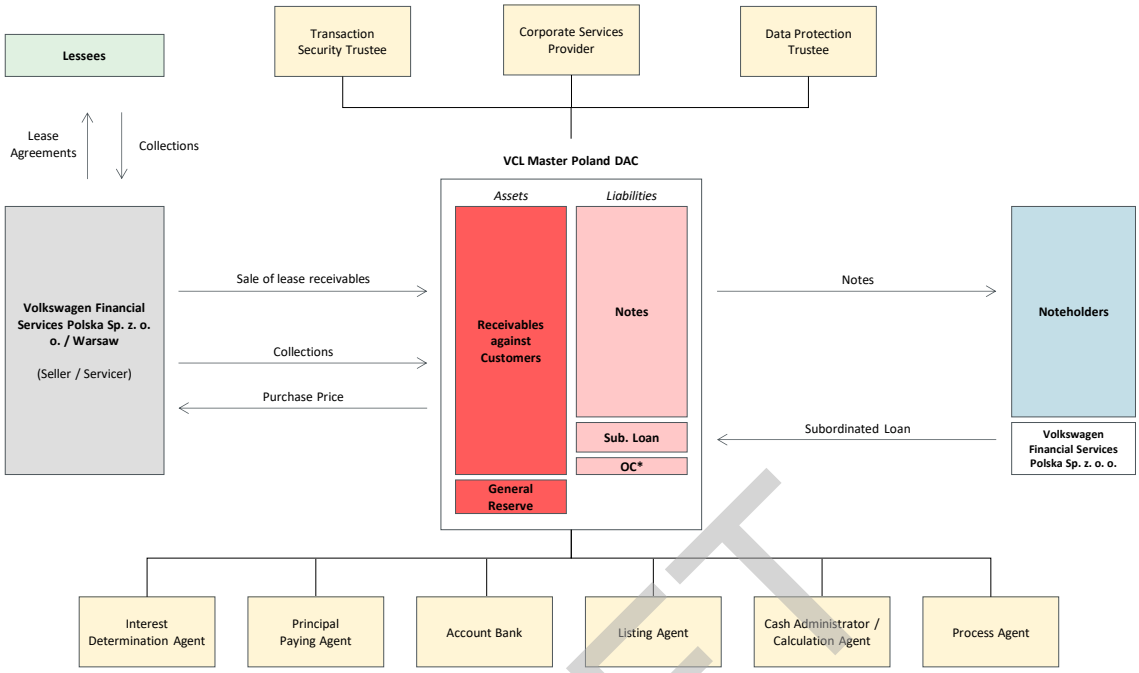
The purpose of the tax ruling is to receive the formal confirmation from tax authorities of the presented standpoint interpreting the tax law provisions. As the standpoint shown in the tax ruling protects the applicant from a risk of the tax authority challenging that standpoint in the future. Even if the tax authority claims that the applicant, by acting in line with the ruling, acted incorrectly and has an outstanding tax liability resulting therefrom, the applicant will be exempt from that tax liability. It should be noted that the tax ruling protects solely the applicant and does not constitute a law binding in other cases or in the case of other entities. The received tax rulings are joint tax rulings; hence both the Issuer and Seller are applicants in the above meaning.

However, Polish law allows the tax authority to change rulings after they are issued. The change of a ruling does not affect the tax settlements of the applicant prior to that change, as the change is effective as from the period following the period the changed ruling is delivered to the applicant.

The rulings referred to above are solely an interpretation of the existing law and do not constitute a binding law themselves. Therefore, any changes in the Polish Tax Laws interpreted by the ruling or regarding the regime of the rulings may have an adverse impact on the business of the Issuer and the value of the Noteholders' investment.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on, or in connection with, the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risks relating to the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Information Memorandum lessen 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.

STRUCTURE DIAGRAM



* Overcollateralization

LEGAL STRUCTURE OF THE PROGRAMME

The following paragraphs contain a brief overview of the legal structure of the programme. This overview is necessarily incomplete and prospective investors are urged to read the entire Offering Circular together with the relevant Final Terms, carefully for more detailed information.

The proceeds from the issue of the Notes shall be used to acquire a portfolio of Lease Receivables from VWFS PL.

The programme is structured in a manner which exposes the Noteholders to the credit risk of the underlying Lessees in relation to Purchased Lease Receivables.

While the Purchased Lease Receivables are transferred to the Issuer, the title to Transaction Leased Vehicles is being held by the Seller. The Programme assumes mitigation of the commingling risk by establishing a registered pledge over the Transaction Leased Vehicles pursuant to the Registered Pledge Agreement which shall secure the Issuer's Secured Claims. Therefore, as long as the Seller and/or Servicer (as the case may be) is not in a default under the Servicing Agreement and/or the Receivables Purchase Agreement (as the case may be) and the Registered Pledge has not been enforced, title to the Transaction Leased Vehicle remains with the Seller.

If VWFS PL (as the Seller and/or the Servicer) fails to make any payment required under the Servicing Agreement and/or the Receivables Purchase Agreement, the Security Trustee (to whom the Issuer's Secured Claims have been assigned pursuant to the Security Assignment Agreement) may exercise its rights under the Registered Pledge Agreement and enforce the Registered Pledge up to the amount of the Issuer's Secured Claims that are due and payable at that time, and subject to the maximum secured amount set in the Registered Pledge Agreement (PLN 4,500,000,000).

To the extent that the Security, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of the Noteholders in full, then claims in respect of any shortfall will be extinguished and neither the Noteholders nor the Security Trustee will have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when, in the opinion of the Security Trustee, no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will be so available thereafter.

Inter alia, the following legal relationships are or have been entered into in order to implement the programme:

Sale of Lease Receivables

(a) Under the Receivables Purchase Agreement VWFS PL assigns the Initial Lease Receivables to the Issuer. Under the Security Assignment Agreement, the Issuer assigns the same to the Security Trustee (together with the Issuer's Secured Claims); and

(b) on each Additional Purchase Date during the Revolving Period, under the Receivables Purchase Agreement VWFS PL may also assign at its option the Additional Lease Receivables to the Issuer. On the effective date of the assignment, the Issuer will be obliged to further assign the same to the Security Trustee pursuant to the Security Assignment Agreement. The purchase price for the Additional Lease Receivables will be funded by the issue of Further Notes and/or from the Accumulation Account.

***In rem* transfers**

(a) The Initial Lease Receivables assigned by VWFS PL to the Issuer under the Receivables Purchase Agreement on the Closing Date will further be assigned by the Issuer to the Security Trustee under the Security Assignment Agreement; and

(b) any Additional Lease Receivables that may be assigned by VWFS PL to the Issuer under the Receivables Purchase Agreement on each Additional Purchase Date will be further assigned and transferred by the Issuer to the Security Trustee under the Security Assignment Agreement.

Post-funding situation

The Issuer authorises the Security Trustee to act for the Programme Creditors pursuant to the terms of the Trust Agreement.

The Issuer has entered into the Servicing Agreement with VWFS PL pursuant to which VWFS PL will service the Lease Receivables.

In order to comply with Data Protection Rules:

(a) VWFS PL will make an Encrypted List (with only the names and addresses of the respective Lessees) available to the Issuer and will make the Portfolio Decryption Key for the decryption in a secured excel file available to the Data Protection Trustee;

(b) VWFS PL (in its capacity as Servicer, or another person on its behalf) shall within sixty (60) calendar days following each Purchase Date dispatch notices informing each Lessee relating to which Purchased Lease Receivables have been assigned to the Issuer, of the assignment and transfer of the Purchased Lease Receivables to the Security Trustee and all matters which are required to be notified to the relevant Lessee under the GDPR. Each such notice will inform the Lessees that the bank account into which all payments due under the relevant Lease Contracts are to be made shall remain unchanged until the Security Trustee or any entity acting on its behalf instructs the respective Lessee to make all payments due under the relevant Lease Contract to the Distribution Account.

The notifications of the Lessees referred to in paragraph (b) above shall be made substantially in accordance with the form attached to the Receivables Purchase Agreement unless the Security Trustee has, upon the Seller's request, authorised a different format in writing. Each notification to the Lessees shall be made in the Polish language (unless the Seller has agreed with the relevant Lessee that such notifications must be made in the English language).

Pursuant to the Receivables Purchase Agreement, the Seller has acknowledged and agreed that, if the Seller has not complied with a duty to notify the Lessees within thirty (30) calendar days from the relevant Purchase Date, the Security Trustee shall be entitled to carry out the relevant notification either itself or through a third-party notification agent (at the expense of the Servicer), and the Seller shall promptly provide the Issuer with all reasonable assistance to enable it to do so.

USE OF PROCEEDS

The aggregate net proceeds from the issuance of the Notes during the Revolving Period and the borrowings under the Subordinated Loan has been and will be used to purchase the Lease Receivables from VWFS PL, to pay costs related to the issue of the Notes and, following the relevant set-off mechanism with the Seller as further described in the Receivables Purchase Agreement and in section *OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES* of the Offering Circular, to fund the Cash Collateral Account with a sum necessary to ensure that its balance is not less than of the Specified General Cash Collateral Account Balance, all unless otherwise set out for the relevant Series of Notes in the relevant Final Terms.

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

General Conditions of the Notes

No obligation of VWFS PL whatsoever will arise from the Notes.

Denomination

The issue in the aggregate Nominal Amount of up to PLN 3,300,000,000 consists of transferable Notes with a Nominal Amount of PLN 1,000,000 each, ranking equally among themselves. The Notes rank senior to the Subordinated Loan.

Global Notes

The Notes of each Series are, each, issued in registered form and represented by a global note (each a "**Global Note**") without coupons. Each Global Note for any Series of Cleared Notes shall be deposited with and held in safe custody by a Common Depository for Clearstream, Luxembourg and Euroclear. The interests in the Cleared Notes are transferable according to applicable rules and regulations of Clearstream, Luxembourg and Euroclear. Each Global Note for any series of Uncleared Notes shall be delivered or caused to be delivered to the relevant Note Purchaser with a copy thereof to the Registrar and the Registrar will enter the names and addresses of the respective registered holders of the Uncleared Notes in the Register. The interests in the Uncleared Notes are transferrable by way of assignment. None of the Global Notes will be exchangeable for definitive notes.

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

The aggregate principal amount of Uncleared Notes of a Series of Uncleared Notes represented by the Global Note issued with respect to such Series shall be the aggregate amount from time to time entered in the Register. The Register shall be conclusive evidence of the aggregate principal amount of Uncleared Notes represented by a Global Note. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Uncleared Notes represented by the Global Notes the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Notes shall be entered accordingly in the Register and, upon any such entry being made, the aggregate principal amount of the Uncleared Notes recorded in the Register and represented by the Global Notes shall be reduced by the aggregate principal amount of the Uncleared Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

Payments of Principal and Interest

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

Payments of principal and interest, if any, on the Uncleared Notes shall be made by the Principal Paying Agent on behalf of the Issuer for further payment to the relevant Noteholder. All payments in respect of

any Uncleared Note made by, or on behalf of, the Issuer shall discharge the liability of the Issuer under such Uncleared Note to the extent of sums so paid.

The Issuer shall have the right to request, by notice to the holders of any Series of the Notes to be delivered in accordance with Condition 12 of the Conditions of the Cleared Notes and Condition 12 of the Conditions of the Uncleared Notes no later than twenty (20) calendar days prior to the final day of the then current Revolving Period applicable to such Series of Notes (each a "**Series Revolving Period Expiration Date**", where the first such date for each Series will be set out in the relevant Final Terms), the extension of such current Series Revolving Period Expiration Date together, if relevant, with an amendment to the Margin with respect to such extension period and the extension of the relevant Legal Maturity Date for a period specified in the notice, which shall be equal to the period specified in such notice for the extension of the current Series Revolving Period Expiration Date. The extended relevant Series Revolving Period Expiration Date and the new Margin, if any, for the period for which such Series Revolving Period Expiration Date has been extended shall become effective only if by no later than the third Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders in the form prescribed in Condition 12 of the Conditions of the Cleared Notes and Condition 12 of the Conditions of the Uncleared Notes that it has received such reaffirmation and that it agrees to the requested amendments.

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

Notwithstanding Condition 8(d) of the Conditions of the Cleared Notes and Condition 8(d) of the Conditions of the Uncleared Notes, all payments of interest on and principal of each Series of Notes will be due and payable at the latest in full on the respective legal maturity date of such Series of Notes as set out in the relevant Final Terms (each a "**Legal Maturity Date**") **provided that** whenever with respect to a Series of Notes the relevant Series Revolving Period Expiration Date is extended, the relevant Legal Maturity Date shall be extended automatically for the same period as the relevant Series Revolving Period Expiration Date applicable to such Series.

On the 25th day of each calendar month or, in the event such day is not a Business Day, on the next following Business Day, unless such day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (the "**Payment Date**") the Issuer shall, subject to Condition 5(c) of the Conditions of the Cleared Notes and Condition 5(c) of the Conditions of the Uncleared Notes, pay to each Noteholder interest on the principal amount of Notes outstanding immediately prior to the respective Payment Date at the relevant Notes Interest Rate, and shall make repayments of the principal amount of relevant Notes by paying to the Noteholders of any Amortising Series of Notes the relevant Principal Payment Amount.

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

(a) the Gross Distribution Amount; plus

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

(c) payments from the Cash Collateral Account as provided for in clause 23.3 (*Cash Collateral Account*) of the Trust Agreement; plus

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

(e) any amounts provided for or converted into another currency which are not used and reconverted (if applicable) in accordance with clause 22.5 (*Order of Priority*) of the Trust Agreement; plus

(f) any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Notes in accordance with Condition 9(b) of the Conditions of the Cleared Notes and Condition 9(b) of the Conditions of the Uncleared Notes.

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

Amortisation Amounts

On each Payment Date, to the extent the Available Distribution Amount is sufficient and in accordance with the applicable Order of Priority of distributions set forth below, the Issuer will pay to the holders of the Amortising Series of Notes an aggregate amount in respect of principal equal to the Amortisation Amount of the respective Series of Notes. The respective Amortisation Amount is the amount necessary to reduce the outstanding principal amount of the respective Series of Notes to the Targeted Note Balance. Prior to an Enforcement Event, the respective Amortisation Amount is intended to reduce the aggregate outstanding principal amounts of the Amortising Series of Notes to amounts which would leave an amount of overcollateralisation constant as a percentage of the Aggregate Outstanding Principal Balance, subject to certain specified increases in those percentages in case a Credit Enhancement Increase Condition is in effect.

Order of Priority of Distributions

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

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

first, in or towards payment of amounts due and payable in respect of taxes (if any) by the Issuer;

second, in or towards payment, rateably and *pari passu*, of amounts (excluding any payments under the Trustee Claims) due and payable (i) to the Security Trustee under or in connection with this Agreement, the Security Assignment Agreement or any other agreement or document entered into by the Security Trustee 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 this Agreement;

third, in or towards payment of the Issuer Profit Amount into the Issuer Profit Account;

fourth, in or towards payment of the Servicer Fee to the Servicer;

fifth, in or towards payment, rateably and *pari passu*, of amounts due and payable (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement, and (iii) to the Process Agent under the process agency agreements;

sixth, in or towards payment, rateably and *pari passu*, of amounts due and payable in respect of other administration costs and expenses of the Issuer including without limitation, any auditors' fees, any tax filing fees and any annual return and the winding-up costs of the Issuer;

seventh, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Account Bank maintaining the Account for account management fees and amounts payable to the Cash Administrator for cash administration fees due under the Account Agreement, the Principal Paying Agent, the Registrar, the Interest Determination Agent and the Calculation Agent under the Agency Agreement and a Note Purchaser under the Programme Agreement;

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

ninth, in or towards payment to the Cash Collateral Account (as defined below), until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;

tenth, *pari passu* and rateably, in or towards payment of (a) the Amortisation Amounts to each Amortising Series of Notes and (b) an amount equal to the Accumulation Amount to the Accumulation Account maintained for Non-Amortising Series of Notes;

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

twelfth, in or towards payment to the Subordinated Lender to reduce the outstanding principal amount of the Subordinated Loan; and

thirteenth, to pay all remaining excess to VWFS PL by way of a final success fee.

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

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

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

third, all remaining excess to VWFS PL by way of a final success fee.

(c) Following the occurrence of an Enforcement Event, distributions will be made by the Security Trustee from the Available Distribution Amount and from any amounts standing to the credit of the Cash Collateral Account, and according to the following Order of Priority:

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

second, amounts (excluding any payments under the Trustee Claim) due and payable (i) to the Security Trustee under or in connection with this Agreement, the Security Assignment Agreement or any other agreement or document entered into by the Security Trustee 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 this Agreement;

third, in or towards payment of the Issuer Profit Amount into the Issuer Profit Account;

fourth, in or towards payment of the Servicer Fee to the Servicer;

fifth, in or towards payment, rateably and *pari passu*, of amounts due and payable (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement, and (iii) to the Process Agent under the process agency agreements;

sixth, in or towards payment, rateably and *pari passu*, of amounts due and payable in respect of other administration costs and expenses of the Issuer including without limitation, any auditors' fees, any tax filing fees and any annual return and the winding-up costs of the Issuer;

seventh, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Account Bank maintaining the Account for account management fees and amounts payable to the Cash Administrator for cash administration fees due under the Account Agreement, the Principal Paying Agent, the Registrar, the Interest Determination Agent and the Calculation Agent under the Agency Agreement and a Note Purchaser under the Programme Agreement;

eighth, *pari passu* and rateably to each other towards payment of amounts due and payable in respect of (a) interest accrued on the Notes during the immediately preceding Interest Accrual

Period plus (b) Interest Shortfalls (if any) *pari passu* and rateably as to each other on all series of Notes;

ninth, *pari passu* and rateably to the holders of Notes in respect of principal until the Notes are redeemed in full;

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

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

twelfth, to pay all remaining excess to VWFS PL by way of a final success fee.

Cash Collateral Account

The Issuer has deposited an amount, equal to 2.6 per cent. of the outstanding principal amount of the Notes, in the Cash Collateral Account at the Account Bank and has agreed to keep these accounts at all times with a bank that has the Account Bank Required Ratings. In the event that the Cash Collateral Account Bank ceases to have the Account Bank Required Ratings, the Issuer shall within 60 days procure transfer of the accounts held with it to an Eligible Collateral Bank notified to it by the Issuer.

Prior to the occurrence of an Enforcement Event, on each Payment Date, after the payment of interest on the Notes and certain other amounts payable by the Issuer, any remaining portion of the Available Distribution Amount will be deposited in the respective Cash Collateral Account until the General Cash Collateral Amount on deposit in the Cash Collateral Account equals the Specified General Cash Collateral Account Balance.

On each Payment Date amounts payable under item *ninth* of the Order of Priority according to clause 22.2(a) of the Trust Agreement will be paid until the amount of funds in the Cash Collateral Account is equal to the Specified General Cash Collateral Account Balance. On each Payment Date, the General Cash Collateral Amount shall be used (a) to cover any shortfalls in the amounts payable under items *first* through *ninth* of the Order of Priority in clauses 22.2(a) (*Order of Priority*) of the Trust Agreement, (b) to make payment of the amounts due and payable under clause 22.2(b) (*Order of Priority*) of the Trust Agreement and (c) on the earlier of (i) the latest occurring Legal Maturity Date of any Series of Notes or (ii) the date on which the Aggregate Outstanding Principal Balance has been reduced to zero, to make payment of the amounts due and payable under items *tenth*, *eleventh*, *twelfth* of the Order of Priority set out in clause 22.2(a) (*Order of Priority*) of the Trust Agreement.

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

Duties of the Issuer

In addition to its obligation to make payments to the Noteholders as set out in the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes, the Issuer undertakes to hold, administer and collect or realise in accordance with the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes, the Purchased Lease Receivables (including any Ancillary Rights, as further described below under "DESCRIPTION OF THE PORTFOLIO"), the right to require VWFS PL to repurchase the Purchased Lease Receivables and to pay any Settlement Amounts in certain circumstances, and, the General Cash Collateral Amounts as well as any further rights arising from the Security Assignment Agreement, the Servicing Agreement, and the Receivables Purchase Agreement.

Duties of VWFS PL

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

- the certificates of receipt signed by the Lessee concerning the acceptance of the Transaction Leased Vehicles;
- the documents concerning the execution of the Lease Contract;
- the respective original vehicle registration certificate (*dowód rejestracyjny*);
- to the extent that VWFS PL is entitled to a disclosure, any information concerning the Lessee, especially regarding financial standing, which is available to VWFS PL;
- proof of VWFS PL's unrestricted title to the Transaction Leased Vehicles through presentation of the invoice with the provision for passage of title and the proof of payment; and
- any further information or documents which are of substantial importance to the Lease Contracts.

In accordance with the Data Protection Trust Agreement, VWFS PL, promptly after the execution of the Receivables Purchase Agreement is obliged to make the Portfolio Decryption Key (which is for the decryption of the Encrypted List of the names and addresses of the respective Lessees for each contract number relating to a Lease Contract) available to the Data Protection Trustee. The Issuer is obliged to keep confidential all information about the Lessees and the business of VWFS PL obtained in connection with the execution 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 VWFS PL has expressly or tacitly permitted, (iii) if the Issuer is legally obligated to disclose information, and (iv) if the disclosure of information by the Issuer is necessary for asserting rights arising from the Notes or the agreements concluded in connection with the issue of the Notes.

Realisation of Security

The Security Trustee is authorised and obligated to adequately realise the Security pursuant to Security Documents in accordance with the terms of the relevant Programme Documents. The proceeds of realisation thus gained shall be allocated as provided in clause 17 (*Foreclosure of the Security; Foreclosure Event*) of the Trust Agreement.

Clean-Up Call

After expiration of the Revolving Period, VWFS PL will have the right at its option to exercise the Clean-Up Call and to repurchase the Purchased Lease Receivables allocated to the Purchaser on any Payment Date when the Aggregate Outstanding Principal Balance on a Payment Date is less than ten (10) per cent. of the Maximum Outstanding Principal Balance, **provided that** all payment obligations under the Notes will be thereby fulfilled.

Principal Paying Agent, Registrar

The Issuer will make payments to the Noteholders through the Principal Paying Agent. Payments shall be made from the accounts of the Issuer with U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) as Account Bank without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the distribution takes place. U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) is an independent credit institution and is not affiliated to VWFS PL or the Issuer and may be substituted as provided for in Condition 9(j) of the Conditions of the Cleared Notes and Condition 9(j) of the Conditions of the Uncleared Notes.

The Issuer has appointed U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) as Registrar to keep and maintain the Register. U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) is an independent credit institution and is not affiliated to VWFS PL or the Issuer and may

be substituted as provided for in Condition 9(j) of the Conditions of the Cleared Notes and Condition 9(j) of the Conditions of the Uncleared Notes.

Security, Security Trustee, and Enforcement

Security Trustee and the Trust Agreement

For the benefit of the Programme Creditors, the Issuer has appointed the Security Trustee pursuant to the Trust Agreement.

The Trust Agreement establishes the right and duty of the Security Trustee – to the extent necessary – to hold (with respect to the rights and claims assigned or transferred to the Security Trustee for security purposes), administer or realise the Security for the benefit of the Programme Creditors and to perform only those other duties which are necessarily incidental thereto. The Programme Creditors are entitled, subject to the provisions of clauses 17 (*Foreclosure on the Security; Foreclosure Event*) through 20 (*Continuing duties*) of the Trust Agreement, to demand from the Security Trustee the fulfilment of its duties as specified under the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes. The Security Trustee is not obligated to monitor the fulfilment of the duties of the Issuer under the Notes, the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes, the Subordinated Loan or any other Programme Documents to which the Issuer is a party. All rights of the Noteholders shall remain at all times and under all circumstances vested in the Noteholders.

The Security can be realised pursuant to clause 17 (*Foreclosure on the Security; Foreclosure Event*) of the Trust Agreement if (i) an Insolvency Event occurs with respect to the Issuer; (ii) the Issuer does not pay interest on the Notes then outstanding on any relevant Payment Date and such failure to pay continues for a period of five (5) Business Days; or (iii) the Issuer defaults in the payment of principal of any Note on the respective Legal Maturity Date. Amounts generally will not be due and payable on any Payment Date except to the extent there are sufficient funds in the respective Available Distribution Amount to pay such amounts in accordance with the Order of Priority.

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

German law security

To provide collateral for the respective Trustee Claim and the Secured Obligations, the Issuer assigned and transferred to the Security Trustee, all its claims and other rights arising from the Programme Documents which are governed by German law (including the rights to unilaterally alter the legal relationship (*unselbständige Gestaltungsrechte*)) and from all present and future contracts the Issuer has entered or may enter into in connection with the Notes or the Subordinated Loan (the "**German Assigned Security**").

Additionally, pursuant to the terms of the Trust Agreement, the Issuer has pledged to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement (the "**German Pledged Security**").

Polish law security – Security Assignment Agreement

To provide collateral for the respective Trustee Claim and the Secured Obligations, the Issuer will enter into the Security Assignment Agreement. Pursuant to the Security Assignment Agreement, the Issuer will assign the Purchased Lease Receivables and its rights under the Receivables Purchase Agreement and the Servicing Agreement to the Security Trustee by way of security. On the basis of the Security Assignment Agreement, the Issuer will (i) undertake to unconditionally assign to the Security Trustee Purchased Lease Receivables as soon as it acquires them from the Seller and (ii) assign to the Security Trustee all rights, receivables and claims arising out of the Receivables Purchase Agreement and Servicing Agreement, to the extent that such rights, receivables and claims are assignable (the "**Polish Assigned Security**", together with the German Assigned Security, the "**Assigned Receivables**"). The Security Trustee will be entitled to exercise its rights in respect to Assigned Receivables following delivery of the enforcement notice. Moreover, the Issuer will be authorised to exercise its rights in respect of such Assigned Receivables and to further delegate such authorization to Servicer pursuant to the Servicing Agreement.

Upon delivery of the respective enforcement notice, the Security Trustee will be entitled to enforce the security created under the Security Assignment Agreement through enforcement proceedings pursuant to the provisions of the Polish Civil Procedure Code and other Applicable Law through giving payment instructions to the relevant Lessee and seizing all amounts payable in respect of the Assigned Receivables assigned to it and applying them towards satisfaction of the Trustee Claims and the Secured Obligations, collecting any payment under the documents giving rise to the Assigned Receivables and applying them towards satisfaction of the Trustee Claims and/or Secured Obligations or transferring, assigning, selling and/or otherwise disposing of the Assigned Receivables.

Polish law security – Registered Pledge Agreement

To provide an additional mitigant of the commingling risk, VWFS PL (in its capacity as the Seller and the Servicer and owner of the vehicles) will establish a registered pledge over the Transaction Leased Vehicles in favour of the Security Trustee (as the Issuer's Secured Claims will be transferred from the Issuer to the Security Trustee pursuant to the Security Assignment Agreement) pursuant to the Registered Pledge Agreement. The Registered Pledge Agreement shall secure the Issuer's Secured Claims i.e. claims of the Issuer against VWFS PL under the Receivables Purchase Agreement and the Servicing Agreement including but not limited to claims in respect of: (1) any Collections payable by the Servicer to the Issuer (including but not limited to the payments referred in clause 8 (*Distributions*) of the Servicing Agreement), (2) any Recoveries or other cash received by the Servicer and payable to the Issuer and (3) any Settlement Amount payable by the Seller to the Issuer.

While the Purchased Lease Receivables are sold to the Issuer, the title to Transaction Leased Vehicles is being held by the Seller. Therefore, as long as the Seller and/or Servicer (as the case may be) is not in a default under the Servicing Agreement and/or the Receivables Purchase Agreement (as the case may be) and the Registered Pledge has not been enforced, the title to Transaction Leased Vehicles remains with the Seller.

If the Seller and/or Servicer (as the case may be) fails to make any payment required under the Servicing Agreement and/or the Receivables Purchase Agreement, the Issuer may exercise its rights under the Registered Pledge Agreement and enforce the Registered Pledge. The Registered Pledge can only be enforced up to the amount of the Secured Claims and subject to the maximum secured amount set in the Registered Pledge Agreement (PLN 4,500,000,000). If the pledge is enforced by way of a seizure (foreclosure), the Security Trustee by operation of law assumes the position of lessor in relation to each Lease Contract and can sell the Transaction Leased Vehicles upon maturity of relevant Lease Contract (either to the relevant Lessees or, where a Lessee fails to exercise its purchase option, to a third party) or upon termination of any defaulted Lease Contract.

Irish law security – Irish Security Deed

To provide collateral for the respective Trustee Claim and the Secured Obligations, the Issuer has charged and assigned (as applicable) to the Security Trustee all its rights, title, benefit and interest in the Issuer Accounts and amounts standing to the credit thereof.

Servicer

Subject to revocation by the Issuer after a Servicer Replacement Event, VWFS PL 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 services, collects or realises for itself or others.

The Servicer has also been empowered to administer the Cash Collateral Account and the Lease Contracts giving rise to the Purchased Lease Receivables 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, as the case may be.

Any Collections and other amounts payable by it to the Issuer will be required to be remitted by it to the Distribution Account on each Payment Date.

Information as to the present leasing business procedures of VWFS PL are described in "BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES POLSKA SP. Z O.O." and

"ADMINISTRATION OF THE PURCHASED LEASE RECEIVABLES UNDER THE SERVICING AGREEMENT", however, VWFS PL will be permitted to change those business procedures from time to time in its discretion.

The Servicer is permitted to delegate any 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.

Following the termination or expiry of the term of any Defaulted Purchased Lease Receivable, the Servicer shall have the right to, in its sole discretion, sell that Defaulted Purchased Lease Receivable in accordance with the Credit and Collection Policy (the fraction of the Principal Portion and Interest Portion received as a purchase price from a third-party bidder will be paid to the Issuer after having deducted and retained the Lease Receivables Servicing Fees by the Servicer). Upon any such sale, the Servicer shall mark its computer records indicating that any such Receivable sold is no longer a Purchased Lease Receivable.

The Servicer will be entitled to receive the Servicer Fee on each Payment Date for the preceding Monthly Period. The Servicer shall charge the Servicer Fee on the basis of the Aggregate Outstanding Principal Balance for such Payment Date. The Servicer Fee for any Payment Date will be an amount equal to the product of (1) one-twelfth, (2) 1 per cent. *per annum* and (3) sum of the Aggregate Outstanding Principal Balance for the related Monthly Period, charged to the Issuer. As additional compensation, the Servicer will be entitled to retain all late fees, fees for cheques with insufficient funds or other administrative fees. The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses. The Servicer will have no responsibility, however, to pay any credit losses with respect to the Purchased Lease Receivables.

Dismissal and Replacement of the Servicer

Upon the occurrence of 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.

Notices

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

As long as a Global Note is registered in the name of the Registered Holder notices to each respective Noteholder of Cleared Notes 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 of Cleared Notes 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 not listed on any applicable stock exchange then such notices shall be published in the German Federal Gazette (*Bundesanzeiger*).

Governing law, place of performance and jurisdiction

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

Place of performance and venue is Frankfurt am Main.

For any litigation in connection with the Conditions of the Cleared Notes and the Conditions of the Uncleared 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.

CASH ADMINISTRATOR, INTEREST DETERMINATION AGENT, PRINCIPAL PAYING AGENT, REGISTRAR AND ACCOUNT BANK

This description of the Cash Administrator, the Interest Determination Agent, the Principal Paying Agent, the Registrar and the Account Bank does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Agency Agreement and the other Programme Documents.

U.S. Bank Global Corporate Trust Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Global Corporate Trust Limited is part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, the Corporate Trust business is conducted in combination with U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC). (the legal entity through which Corporate Trust banking and certain agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which Corporate Trust trustee appointments are conducted) and U.S. Bank National Association, (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD 4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

To the best knowledge and belief of the Issuer, the above information about the Cash Administrator, the Interest Determination Agent, the Principal Paying Agent, the Registrar and the Account Bank has been accurately reproduced. The Issuer is able to ascertain from such information published by the Cash Administrator, the Interest Determination Agent, the Principal Paying Agent, the Registrar and the Account Bank that no facts have been omitted which would render the reproduced information inaccurate or misleading. U.S. Bank Global Corporate Trust Limited and U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) are not affiliated to the Seller.

TAXATION

The following information does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes and does not purport to describe all of the tax considerations that may be relevant to a potential investor of the Notes. It should be read in conjunction with the section entitled "RISK FACTORS". Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive.

POTENTIAL INVESTORS ARE UGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND SELLING OF THE NOTES IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

The following is a summary of the Issuer's taxation and principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with the taxation of the Issuer and Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding the Notes, such as dealers in securities, trusts etc.

Taxation of the Issuer

The Issuer will be taxable as a "qualifying company" pursuant to Section 110 of the TCA. Profits arising to the Issuer shall be taxable at a rate of 25 per cent. The rules applicable in order to calculate this tax are generally the same as those applicable to a regular trading company.

Where the interest on the Notes does not represent more than a reasonable commercial return on the principal outstanding and it is not dependent on the results of the company's business, the interest in respect of the Notes issued should be deductible in determining the taxable profits of the company, subject to the anti-hybrid provisions and interest limitation rule discussed below.

Where the interest on the Notes represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the company's business, the interest payable by the Issuer will not be deductible if:

(a) it is reasonable to consider that the payment is not made, or the security to which the payment relates was not entered into, for bona fide commercial purposes and forms part of any arrangement or scheme of which the main purpose or one of the main purposes, is the avoidance of tax; or

(b) (i) the interest is paid to a person that:

(1) is not resident in Ireland or is not otherwise within the charge to corporation tax in Ireland in respect of that interest; and

(2) is not a pension fund, government body or other person resident in a "relevant territory" as defined below who, under the laws of that "relevant territory", is exempted from tax which generally applies to profits, income or gains in that territory (or, if such a person, where the person is a "specified person"); and

(ii) the interest is not subject to:

(1) a tax under the laws of a "relevant territory", without any reduction computed by reference to the amount of such interest, which generally applies to profits, income or gains received in the "relevant territory" by persons from outside the "relevant territory", or

(2) Irish withholding tax at the standard rate of income tax (currently 20 per cent.).

The provisions at (b) above will not apply where the interest payment is made in respect of a "specified instrument" (as defined below), except where the interest is paid to a "specified person" and at the time the "specified instrument" was issued, the Issuer was in possession, or aware, of information, including information about any arrangement or understanding in relation to ownership of the "specified instrument"

after that time, which could reasonably be taken to indicate that interest which would be payable in respect of that "specified instrument" would not be subject, without any reduction computed by reference to the amount of such interest, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

The deductibility of interest on the Notes that represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the company's business is also subject to the anti-hybrid provisions and interest limitation rule discussed below.

Where a payment is made out of the assets of the Issuer under a "specified agreement" (as defined below) that is dependent on the results of the Issuer's business or any part of its business and that payment would not be deducted in computing the profits or gains of the Issuer if the payment was to be treated for the purposes of the TCA (other than Section 246 thereof) as a payment of interest in respect of securities of the Issuer other than a specified instrument that was dependent on the results of the Issuer's business, that payment will be treated as a payment of interest for the purposes of the provisions set out at (a) or (b) above.

For the purposes of this "*Irish Taxation*" section, the following terms have the meanings as set out below:

A "**specified person**" means:

(a) a company which directly or indirectly controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer; or

(b) a person, or persons who are connected with each other, from whom assets were acquired, or to whom the Issuer has made loans or advances, or to whom loans or advances held by the Issuer were made, or with whom the Issuer has entered into a specified agreement, where the aggregate value of such assets, loans, advances or agreements represents not less than 75% of the aggregate value of the assets of the Issuer,

and for these purposes, a person has control of a company where that person has:

(i) the power to secure:

(A) by means of the holding of shares or the possession of voting power in or in relation to that or any other company; or

(B) by virtue of any powers conferred by the constitution, articles of association or other document regulating that or any other company,

that the affairs of the first-mentioned company are conducted in accordance with the wishes of that person; or

(ii) significant influence over the first-mentioned company and holds, directly or indirectly, more than:

(A) 20 per cent of the issued share capital of the company;

(B) 20 per cent of (i) the principal value of any securities under which the consideration given by the company for the use of the principal secured is to any extent dependent on the results of the company's business or any part of the company's business, or the consideration so given represents more than a reasonable commercial return for the use of that principal by that company, or (ii) any such securities where those securities have no principal value; or

(C) the right to 20 per cent of the interest or other distribution payable in respect of any securities issued by the company under which the consideration given by the company for the use of the principal secured is to any extent dependent on the results of the company's business or any part of the company's business, or the consideration so given represents more than a reasonable commercial return for the use of that principal by that company,

and "significant influence" means a person with the ability to participate in the financial and operating decisions of a company.

A "**specified agreement**" includes any agreement, arrangement or understanding that (a) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and (b) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

A "**specified instrument**" means a quoted Eurobond for the purpose of Section 64 of the TCA or a wholesale debt instrument within the meaning of Section 246A of the TCA.

A "**relevant territory**" is:

(a) a Member State of the European Union other than Ireland;

(b) not being such a Member State, a territory with which Ireland has a signed a double taxation agreement that is in effect; or

(c) a territory with the government of which arrangements have been made which on completion of the procedures set out in Section 826(1) of the TCA will have the force of law.

Deductibility of Interest – Anti-hybrid Provisions and Interest Limitation Rule

The attention of prospective Noteholders is drawn to **RISKS RELATED TO TAXATION** section of this Offering Circular.

Deductibility of Interest - Qualifying Companies holding Specified Mortgages

As a result of changes to Section 110 of the TCA introduced in Finance Act 2016 a restriction on the deductibility of interest which represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the business of the "qualifying company" can apply from 6 September 2016 to the extent that the "qualifying company" holds and/or manages one or more "specified mortgages" (as defined in Section 110(5A) of the TCA), being, *inter alia*, a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, Irish land.

Finance Act 2017 extended the interest restriction introduced in Finance Act 2016 to profit participating or excessive interest payable on or after 19 October 2017 by a "qualifying company" which holds and/or manages shares that derive their value, or the greater part of their value, directly or indirectly from Irish land. Shares that derive their value from, or the greater part of their value from, directly or indirectly, land in Ireland are to be included in the definition of "specified property business" (as defined in Section 110(5A) of the TCA) to which the interest restriction can apply.

Taxation of Noteholders

Persons Subject to Irish Income or Corporation Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

Interest paid and discounts realised on the Notes have an Irish source and therefore interest earned and discounts realised on such Notes will be regarded as Irish source income. Accordingly, pursuant to general Irish tax rules, a non-Irish resident person in receipt of such income would be technically liable to Irish income tax (and the universal social charge if received by an individual) subject to the provisions of any applicable double tax treaty.

Ireland has currently 78 double tax treaties of which 74 are in effect and the majority of them exempt interest (which sometimes includes discounts) from Irish tax when received by a resident of the other jurisdiction. Credit is available for any Irish tax withheld from income on account of the related income tax liability. Non-Irish resident companies, where the income is not attributable to a branch or agency of

the company in Ireland, are subject to income tax at the standard rate. Therefore any withholding tax suffered should be equal to and in satisfaction of the full income tax liability. (Non-Irish resident companies operating in Ireland through a branch or agency of the company in Ireland to which the income is attributable would be subject to Irish corporation tax).

There is an exemption from Irish income tax under Section 198 of the TCA in certain circumstances. These circumstances include:

(a) where the interest is paid by a company in the ordinary course of business carried on by it to a company (i) which, by virtue of the law of a relevant territory, is resident in the relevant territory for the purposes of tax, and that relevant territory imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory, or (ii) where the interest is either (A) exempted from the charge to income tax under arrangements made with the government of a territory outside Ireland having the force of law under procedures set out in Section 826(1) of the TCA, or (B) would be exempted from the charge to income tax if arrangements made, on or before the date of payment of the interest with the government of a territory outside Ireland that do not have force of law under procedures set out in Section 826(1) of the TCA, had the force of law when the interest was paid;

(b) where the interest is paid by a qualifying company within the meaning of Section 110 of the TCA out of the assets of that qualifying company to a person who is resident in a relevant territory (residence to be determined under the laws of that relevant territory);

(c) where the interest is payable on a quoted Eurobond (see "*Withholding Tax*" below) and is paid by a company to a person who is resident in a relevant territory (residence to be determined under the laws of that relevant territory) or to a company controlled, either directly or indirectly by a person or persons who are resident in a relevant territory and are not controlled, either directly or indirectly by persons who are not so resident; or

(d) where discounts arise to a person in respect of securities issued by a company in the ordinary course of a trade or business, where that person is resident in a relevant territory (residence to be determined under the laws of that relevant territory).

Interest on the Notes and discounts realised which do not fall within the exemptions in Section 198 of the TCA are within the charge to Irish income tax to the extent that a double tax treaty does not exempt the interest or discount as the case may be. However, it is understood that the Irish Revenue Commissioners have, in the past, operated a practice (as a consequence of the absence of a collection mechanism rather than adopted policy) whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

(i) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or

(ii) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or

(iii) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that the Irish Revenue Commissioners will apply this practice in the case of the holders of Notes and, as mentioned above, there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

Withholding Tax

In general, withholding tax (unless exempted) at the current rate of 20 per cent. must be deducted from interest payments made by an Irish resident company. However, there is an exemption from withholding tax under Irish domestic law in respect of, *inter alia*, interest payments made by a qualifying company (within the meaning of Section 110 of the TCA) to a Qualifying Noteholder, which includes a person resident for the purposes of tax in a relevant territory except where the person is a company and the interest is received in connection with a trade carried out by that company through a branch or agency in Ireland.

Outbound payments defensive measures

As part of Finance (No.2) Act 2023, Ireland introduced legislative measures which disapply existing domestic withholding tax exemptions to certain Irish source outbound payments of interest. This legislation is effective from 1 January 2024. To be in scope, the interest payment must be made by a company to an "associated entity" (further detail below) that is resident in a "specified territory". In this context, a "specified territory" is defined as (i) a territory that is on Annex I of the EU list of non-cooperative jurisdictions or (ii) a zero-tax or no-tax territory. A specified territory cannot be another EU or EEA country.

As noted above, the measures can only apply to payments made by a company to an "associated entity". Two entities will be treated as "associated entities" for the purposes of the outbound payments provisions where:

(a) one entity, directly or indirectly:

  (i) holds more than 50.0 *per cent.* of the share capital or ownership rights in the other entity;

  (ii) is entitled to exercise more than 50.0 *per cent.* of the voting power in the other entity; or

  (iii) is entitled to more than 50.0 *per cent.* of the profits of the other entity, or

(b) one entity has "definite influence" over the other entity, (being the ability to participate on the board of the other entity such that the other entity's affairs could be conducted in accordance with the first entity's wishes); or

(c) there is another entity in respect of which the two entities are associated on any of the above grounds.

The legislation on outbound payments defensive measures includes specific exclusions for payments of interest on quoted Eurobonds and wholesale debt instruments where it is reasonable to consider that the company making the interest payments is not, and should not be, aware that the interest is payable to an "associated entity" (as defined above).

Subject to (i) no Noteholder being an "associated entity" of the Issuer, (ii) no Noteholder being resident in a "specified territory", or (iii) it being reasonable to consider that the Issuer is not aware, and should not be aware, that the payment of interest on a Note that is a quoted Eurobond is payable to an "associated entity", the Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note also falls within an exemption from Irish interest withholding tax as outlined above.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the current rate of 25 per cent. from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Capital Gains Tax on Disposal of Notes

Persons who are resident in Ireland or companies which carry on a trade in Ireland through a branch or agency to which the Notes are attributable and who realize a gain on the disposal of a Note may be liable to Irish taxation on capital gains at a rate of 33 per cent. of the amount of the chargeable capital gain. Individuals who are neither resident nor ordinarily resident in Ireland and companies that are not resident in Ireland and do not carry on a trade in Ireland through a branch or agency to which the Notes are attributable will not be subject to Irish capital gains tax on the disposal of Notes.

Stamp Duty

For so long as the Issuer is a "qualifying company" within the meaning of Section 110 of the TCA, Irish stamp duty will not be imposed on the issue or transfer of the Notes provided the money raised by the issue

of the Notes is used in the course of the Issuer's business.

Capital Acquisitions Tax

A gift or inheritance of Notes will be subject to capital acquisitions tax ("**CAT**") if either the disposer or the beneficiary of the Notes is resident or ordinary resident in Ireland or if any of the Notes are regarded as property situate in Ireland. CAT is a tax imposed primarily on the beneficiary. It is currently payable at a rate of 33 per cent. on the taxable value of the gift or inheritance subject to tax free thresholds. Gifts and inheritances between spouses are exempt from CAT.

FATCA Implementation in Ireland

On 21 December 2012, the Governments of Ireland and the United States signed the Ireland IGA. In July 2014, Ireland enacted Financial Accounts Reporting (United States of America) Regulations 2014 (the "**Irish FATCA Regulations**").

The Ireland IGA and Irish FATCA Regulations increased the amount of tax information automatically exchanged between Ireland and the United States. They provide for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents.

The Issuer intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA pursuant to the terms of the Ireland IGA and the Irish FATCA Regulations. The Issuer expects to be treated as a "financial institution". The Issuer is required to register with the US Internal Revenue Service as a "reporting financial institution" for FATCA purposes. In order for the Issuer to comply with its FATCA obligations it is required to report certain information to the Irish Revenue Commissioners relating to Noteholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities ("**NFFE**s") that are controlled by specified US persons. Any information reported by the Issuer to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Issuer shall be entitled to require Noteholders to provide any information regarding their FATCA status, identity or residency required by the Issuer to satisfy its FATCA obligations. Noteholders will be deemed, by their subscription for or holding of Notes to have authorised the automatic disclosure of such information by the Issuer or any other authorised person to the relevant tax authorities.

The Issuer should not generally be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. However, FATCA withholding tax may arise on US source payments to the Issuer if the Issuer does not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service has specifically identified the Issuer as being a 'non-participating financial institution' for FATCA purposes. In addition, the Issuer may be unable to comply with its FATCA obligations if Noteholders do not provide the required certifications or information. Noteholders should consult their own tax advisors as to the potential implication of the reporting requirements imposed on the Issuer by FATCA before investing.

The Common Reporting Standard

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 (the "**CRS**"). The CRS provides that certain entities (known as Financial Institutions) shall identify "Accounts" (as defined, broadly equity and debt interests in the Financial Institution) held by persons who are tax resident in another CRS participating jurisdiction. That information is then subject to annual automatic exchange between governments in CRS participating jurisdictions.

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

Ireland has provided for the implementation of CRS through Section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**"). Irish Financial Institutions are obliged to make a single return in respect of CRS and DAC

II.

The Issuer is expected to constitute a Financial Institution for CRS purposes. In order to comply with its obligations under CRS and DAC II, the Issuer shall be entitled to require Noteholders to provide certain information in respect of the Noteholder's and, in certain circumstances, their controlling persons' tax status, identity or residence. Noteholders will be deemed, by their holding of the Notes, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) to the Irish Revenue Commissioners. The information will be reported by the Issuer to the Irish Revenue Commissioners who will then exchange the information with the tax or governmental authorities of other participating jurisdictions, as applicable. To the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year.

Provided the Issuer complies with these obligations, it should be deemed compliant for CRS and DAC II purposes. Failure by the Issuer to comply with its CRS and DAC II obligations may result in it being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed pursuant to the Irish implementing legislation.

Taxation in Poland

Withholding tax

There is no withholding tax in Poland in relation to the Notes, subject to comments below.

Taxation of income

Polish resident individuals

Individuals having their place of residence in Poland ("**Polish Resident Individuals**") are subject to Polish Personal Income Tax ("**PIT**") on their worldwide incomes irrespective of the country from which the incomes were derived. Income earned by Polish Resident Individuals on the disposal or redemption of notes should not be combined with income from other sources but will be subject to the 19 per cent. flat PIT rate. Additionally, income on disposal of notes is subject to 4 per cent. solidarity tax on the surplus over PLN 1 million (the tax base of solidarity tax comprises of various incomes including capital gains on the disposal of notes). The income is calculated as the difference between the revenue earned on the disposal or redemption of notes (in principle, the selling price or redemption amount) and the related costs (in principle, the issue price). The tax is settled by Polish Resident Individuals on an annual basis. Interest under notes earned by a Polish Resident Individuals should not be combined with income from other sources and will be subject to the 19 per cent. flat PIT rate. The tax is settled by Polish Resident Individuals on an annual basis. Generally, tax withheld in other countries on interest income can be deducted against tax payable on this income in Poland unless otherwise provided for by the provisions of the Double Tax Treaty concluded between Poland and country where the tax was withheld.

Specific tax rules apply to incomes derived from notes and disposal of notes held as business assets. In such case tax at the 19 per cent flat rate or the progressive rate of 17 per cent (the rate could be reduced to 12 per cent from July 2022 as the draft bill was adopted by the Polish Parliament in due course) to 32 per cent, depending on the choice of and certain conditions being met by the individual, should be settled by the individuals themselves. Furthermore, business incomes are subject to 4 per cent solidarity tax on the surplus of various incomes above PLN 1 million.

Polish resident entities

Entities having their seat or place of management in Poland ("**Polish Resident Entities**") are subject to Polish Corporate Income Tax ("**CIT**") on their worldwide incomes irrespective of the country from which the incomes were derived. CIT is imposed on income which is a sum of income generated from capital gains and income generated from other sources of revenue. Income is determined separately for each relevant basket, i.e. revenues from capital gains are separated from revenues from other sources. Correspondingly, the tax losses are determined separately for each of these baskets, whereby a tax loss from one basket may not be deducted against the income from the other basket. Income earned by Polish Resident Entities on the disposal or redemption of notes is attributed to capital gains basket and is in principle subject to the 19 per cent. CIT rate or 9 per cent. for so-called small taxpayers. The income is calculated as the difference between the revenue earned on the disposal or redemption of notes (in principle, the selling price or redemption amount) and the related costs (in principle, the issue price).

The amount of interest earned by a Polish Resident Entity under notes is also attributed to capital gains basket and is in principle subject to the 19 per cent CIT rate or 9 per cent. for so-called small taxpayers. Generally, tax withheld in other countries on interest income can be deducted against tax payable on this income in Poland unless otherwise provided by the provisions of the Double Tax Treaty concluded between Poland and country where the tax was withheld.

Non-resident individuals and entities

Non-Polish residents are subject to tax only on income (revenue) earned in Poland (limited tax obligation). Income (revenue) earned in the territory of the Republic of Poland in particular means income (revenue) from: (i) all types of activity pursued in the Republic of Poland, including through a foreign establishment located in the Republic of Poland; (ii) immovable property located in the Republic of Poland or rights to such property, including from its disposal in whole or in part, or from the disposal of any rights to such property; (iii) securities and financial derivatives which are admitted to public trading on the territory of the Republic of Poland on the regulated exchange market, including income (revenue) generated from the disposal of such securities, and the exercise of the rights arising from any of the above; (iv) the transfer of the ownership of shares in a company, all rights and obligations in a company that is not a legal person, shares in investment funds, or mutual fund institutions where real estate property located in the territory of the Republic of Poland or rights to such real estate property, directly or indirectly, constitute at least 50% of their assets; (v) the transfer of ownership of shares, all rights and obligations, units or similar rights in the real property company; (vi) the receivables settled, including receivables placed at disposal, paid out or deducted, by natural persons, legal persons, or organisational units without legal personality, having their place of residence, seat, or management board in the Republic of Poland, irrespective of the place of conclusion of the agreement and place of performance; and (vii) unrealized gains.

Individuals and entities that are non-Polish residents will not generally be subject to Polish taxes on interest and income resulting from the disposal or redemption of notes as long as income is not attributable to an enterprise (a business activity) which is either managed in Poland or carried through a permanent establishment in Poland and notes are not quoted on the Warsaw Stock Exchange.

If interest income or income from the disposal/redemption of notes are attributable to an enterprise, it is taxable the same way as income of Polish resident individuals (holding notes as business assets) or entities.

As regards notes quoted on the Warsaw Stock Exchange held by treaty protected non-Polish residents, income on the disposal or redemption of notes quoted on the Warsaw Stock Exchange will not be subject to tax in Poland. However, interest paid to treaty protected non-Polish residents on notes quoted on the Warsaw Stock Exchange may be considered a Polish source income and taxed in Poland in accordance with the relevant Double Tax Treaty. In case of such noteholders, if notes quoted on the Warsaw Stock Exchange are registered in securities accounts or omnibus accounts kept in Poland and operated by Polish resident entities, withholding tax should be collected and paid to the tax authorities by such entities acting as tax remitters. Otherwise, tax should be settled by noteholders on their own. If tax on interest is withheld by a tax remitter, the withholding tax pay & refund regime may apply to such interest payments between affiliated parties within the meaning of the PIT and CIT laws (please see below).

In the case of individuals and entities resident in a country which does not have a double tax treaty with Poland, interest on notes quoted on the Warsaw Stock Exchange as well as income on the disposal/redemption of notes quoted on the Warsaw Stock Exchange will be taxed in Poland at 19 per cent. PIT rate in case of interest income and income from disposal/redemption of notes generated by individuals (plus 4 per cent. solidarity tax on income from disposal of notes on the tax base, which may include also some other incomes and exceeds PLN 1 million) and 20 per cent. CIT rate in case of interest income and 19 per cent. CIT rate in case of income from disposal/redemption of notes generated by corporate income taxpayers. In case of such non-treaty protected noteholders if notes quoted on the Warsaw Stock Exchange are registered in securities accounts or omnibus accounts kept in Poland and operated by Polish resident entities, withholding tax should be collected and paid to the tax authorities by such entities acting as tax remitters. Otherwise, tax should be settled by noteholders on their own.

Withholding tax pay and refund regime

Under the withholding tax pay and refund regime, which apply from 1 January 2022, generally, if the total amount of passive payments (including interest) between affiliated entities made to a single taxpayer in the relevant tax year (subject to any withholding tax provided for in Polish tax regulations) exceeds PLN 2

million, tax remitters are obliged to collect withholding tax on the said disbursements on the day they are made, at the standard Polish rates (i.e. 19 per cent. in the case of individuals or 20 per cent. in the case of corporate income taxpayers) applicable to interest on the surplus over PLN 2 million without the possibility of non-collection of the tax under the relevant double tax treaty, and without taking into account the exemptions or reduced rates as determined under special provisions or double tax treaties. In such a case, the taxpayer or the tax remitter (if it paid the withholding tax from its own funds and it bore the economic burden of withholding tax) may claim a withholding tax refund. Under special provisions, withholding tax may not be collected by the tax remitter if it specifically states that: (i) it holds all the documents necessary for the application of a withholding tax exemption or reduced treaty rates (basically, a certificate of tax residence) and (ii) after verification it is not aware of any obstacles to the application of a withholding tax exemption or reduced treaty rates (which in practice means that the recipient passes the beneficial ownership test).

Taxation of inheritances and donations

The Polish tax on inheritance and donations is paid by individuals who received title to notes by right of succession, as legacy, further legacy, testamentary instruction or gift only if at the moment of the acquisition of the notes the acquirers were the Polish citizens or had residence within the territory of Poland. The rates of tax on inheritances and donations vary depending on the degree of kinship by blood, kinship through marriage or other types of personal relationships existing between the testator and the heir, or between the donor and the donee (the degree of the kinship is decisive for the assignment to a given tax group). The tax rate varies from 3 per cent. to 20 per cent. of the taxable base depending on the tax group to which the recipient was assigned. Acquisition of ownership of notes by a spouse, descendants, ascendants, stepchildren, siblings, stepfather or stepmother is tax exempt if the beneficiary notifies the head of the competent tax office of the acquisition within six months of the day when the tax liability arose or, in the case of an inheritance, within six months of the day when the court decision confirming the acquisition of the inheritance becomes final.

Transfer Tax

Generally, transfer tax at the rate of 1 per cent. is levied on the sale or exchange of the rights exercised in Poland. The taxpayer of this tax is only the purchaser of the rights. The tax is also imposed on agreements for the sale or exchange of the rights exercised outside Poland (including notes) only if the sale or exchange agreement is concluded in Poland and the purchaser has a place of residence or seat in the territory of Poland. However, the sale of notes (i) to investment firms (including foreign investment firms within the meaning of the Polish Act on Trading on Financial Instrument), or (ii) via investment firms (including foreign investment firms) acting as intermediaries, or (iii) the sale of the notes either on the Warsaw Stocks Exchange or on any multilateral trading facility operating in Poland in accordance with relevant regulations (i.e. in the "**Organized trading**"), or (iv) outside the Organized trading by investment firms (including foreign investment firms) if the notes had been acquired by such firms as a part of Organized trading - is exempt from transfer tax.

Other Taxes

No other Polish taxes should be applicable to the notes.

Polish implementation of the EU Savings Tax Directive

The European Union adopted Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, on administrative cooperation in the field of taxation and repealing Council Directive 2003/48/EC, regarding the taxation of savings income. From 1 July 2005, Member States have been required to provide to the tax authorities of other Member States details of payments of interest or other similar income paid by a person to an individual resident in another Member State. A number of non-EU countries and territories (referred to in that Directive) adopted equivalent measures from the same date.

Notwithstanding the repeal of Council Directive 2003/48/EC (as amended by Directive 204/48/EU), equivalent measures continue to apply in Poland pursuant to the Act on the Exchange of Tax Information with other countries of 9 March 2017.

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 SVI

STS Verification International GmbH ("**SVI**") has been authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) to act in all EU countries as third party verification agent pursuant to Article 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 19 - 26 of the EU Securitisation Regulation. Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended by Regulation (EU) 2021/558 of 31 March 2021) ("**CRR Assessment**") and (ii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions ("**LCR**") ("**LCR Assessment**").

The verification label "verified – STS VERIFICATION INTERNATIONAL" has been officially registered as a trade mark and is licensed to an issuer of securities if the securities meet the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26e of the Securitisation Regulation ("**STS Requirements**").

The verification label is issued on the basis of SVI's verification process, which is explained in detail on the SVI website (www.sts-verification-international.com). The verification process is based on the SVI verification manual, which describes the verification process and the individual verification steps in detail. The verification manual is applicable for all parties involved in the verification process and its application ensures an objective and uniform verification of all transactions.

The originator included in its notification pursuant to Article 27(1) of the Securitisation Regulation a statement that compliance of its securitisation with the STS Requirements has been verified by SVI.

The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the implementation of a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the STS verification performed by SVI does not affect the liability of such originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of such verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation. Notwithstanding confirmation by SVI which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

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

Investors should therefore not evaluate their investment in securities solely on the basis of this verification. The STS status of this Programme is not static and investors should verify the current status of this transaction on ESMA's website.

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

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

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons or parties to SVI or in any of the

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

DESCRIPTION OF THE PORTFOLIO

The Purchased Lease Receivables under the Receivables Purchase Agreement

The Purchased Lease Receivables are receivables from Lease Contracts originated by VWFS PL and the majority of the Purchased Lease Receivables are receivables from Lease Contracts which relate to VW brands, such as Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge, as outlined in detail in the table "Distribution by vehicles, brands and models", in addition to the following brands of vehicles, which are included in the portfolio: Bentley, BMW, Chrysler, Citroen, Dacia Pitesti, DAEWOO, Daihatsu, Fiat, Ford, Fujiheavy, HOBBY, Hyundai, IVECO, Kawasaki, Kia Motor, MAN, Mazda Motor Corp., Mercedes-Benz, Mitsubishi, Nissan, Opel, Peugeot, Porsche, Renault, Rover, Suzuki, Toyota and Volvo.

The contracts generally contain VWFS PL's leasing conditions for lease agreements concluded with Retail Clients (hereinafter collectively the "**Lease Contracts**") as used by VWFS PL in accordance with its customary business practices from time to time.

All these Lease Contracts are "leasing agreements" in the meaning of Article 709(1) of the Polish Civil Code under which the Lessees amortise over the life of the contract the difference between the purchase price of the Leased Vehicle and its agreed residual value at the expiration of the Lease Contract. Among these Lease Contracts two types of agreements can be distinguished:

(a) a Lease Contract under which the sum of leasing instalments is equal to or slightly less than the value of the Leased Vehicle and the Lessee may acquire the Leased Vehicle at the price equal to the so called "residual value (*wartość końcowa*)" which constitutes a symbolic value comparing the whole amount of the VWFL PL's remuneration (for example 1% of the price of the Leased Vehicle); and

(b) a Lease Contract under which the sum of leasing instalments is significantly less than the value of Leased Vehicle, but the lessee may acquire the Leased Vehicle at the price equal to the residual value which is more of a balloon instalment which constitutes for example 20% of the price of the Leased Vehicle.

The Purchased Lease Receivables substantially include the monthly payments (instalments) for the use of the Leased Vehicles. 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 turnover tax attributable to any payments for the use of the Transaction Leased Vehicles or claims arising from service components such as maintenance fees or fees for the excessive use of the Transaction Leased Vehicle.

VWFS PL offers floating rate Lease Contracts where the floating rate is either 1-month WIBOR or a base rate (being a binding rate as at the date of the Lease Contract (the "**Original Base Rate**") which may change if the difference between the Original Base Rate and 1-month WIBOR on the 7th day of each month is equal to or greater than fixed percentage specified in the Lease Contract).

Under the Lease Contracts, VWFS PL, using its own funds, acquires a vehicle from a third party that will be subsequently leased to the Lessee. Therefore, unlike other contracts for the use of things under Polish law (for example rental agreements), VWFS PL's main role is not just to make a Leased Vehicle accessible to the Lessee but also to be a crediting party and intermediary between a manufacturer or a dealer of a Leased Vehicle and a Lessee. Consequently, such a legal construction leads to a factual split of an ownership rights to the Leased Vehicle into "legal" and "economical" components. In other words, VWFS PL is a legal owner of the Leased Vehicle throughout the leasing period (the Lessee may acquire the Leased Vehicle at the end of the leasing period) but a Lessee is in fact a sole user of the Leased Vehicle and bears all the legal and economic risks associated therewith. The Lease Contracts combine the Lessee's right to possess and use the Leased Vehicle with a financial service of a credit nature being provided by VWFS PL (as lessor).

Considering the above, we believe that under a typical lease agreement (which fulfils prerequisites set out in art. 709(1) of the Polish Civil Code) the lessor acts as a quasi-lender that (economically) provides a lessee with a credit facility for the acquisition of a Leased Vehicle and as such requires full repayment of the granted credit facility. For this reason, the VWFS PL's remuneration under the Lease Contract (including

payment of leasing instalments) is due but not yet payable. This is confirmed by specific provisions of the Polish Civil Code, for example:

(a) according to Article 709(3) if the leased object is not delivered to the lessee within the agreed period due to circumstances for which he is responsible, the agreed instalment payment dates remain unchanged;

(b) according to Article 709(5), if the user loses the leased object due to circumstances for which the lessor is not responsible, the user is still obliged to repay the leasing instalments; and

(c) according to Article 709(15), if the lease agreement is terminated by notice by the lessor due to circumstances which the lessee is liable for, the lessor may demand from the lessee immediate payment of all the instalments, which had been provided in the contract and were not paid.

Payments under the contracts are due monthly. 99 per cent. of the Leased Vehicles are Volkswagen, Audi, Porsche, SEAT, Skoda or Volkswagen Nutzfahrzeuge vehicles or other producers as outlined in detail in the table "Distribution by vehicles, brands and models" and remaining 1 per cent. are Bentley, BMW, Chrysler, Citroen, Dacia Pitesti, DAEWOO, Daihatsu, Fiat, Ford, Fujiheavy, HOBBY, Hyundai, IVECO, Kawasaki, Kia Motor, MAN, Mazda Motor Corp., Mercedes-Benz, Mitsubishi, Nissan, Opel, Peugeot, Renault, Rover, Suzuki, Toyota and Volvo.

Polish law regulations with respect to lease contracts stipulate that the Lessee acquires all statutory warranty claims against the seller of the Leased Vehicle at the time VWFS PL enters into a purchase agreement relating to the Leased Vehicle with its seller (except that the Lessee is not entitled to rescind the Leased Vehicle purchase agreement in connection with any defects of the Leased Vehicle, although the Lessee may request VWFS PL to rescind the Leased Vehicle purchase agreement). Accordingly, it there is a defect of the Leased Vehicle, the Lessee can enforce warranty claims (other the rescission right) directly against the seller of the Leased Vehicle. If the Lessee requests VWFS PL to rescind the Leased Vehicle purchase agreement in connection with a defect of the Leased Vehicle, VWFS should comply with this request, and the Lease Contract will expire upon such rescission. If this is the case, under Article 709.8 of the Polish Civil Code VWFS PL can claim from the Lessor any future lease instalments (i.e. lease instalments that are to be paid after expiration of the Lease Contract) and any lease instalments due but unpaid prior to the expiration of the Lease Contract, reduced by any benefits obtained by VWFS as a result of prepayment and early termination of a Lease Contract and the Leased Vehicle purchase agreement.

Insurance policies

Each Leased Vehicle must be insured throughout the Lease Contract period. The detailed terms and conditions are specified in a related insurance agreement.

The Leased Vehicle may be insured either directly by the Seller acting either on behalf of the Lessee or in its own name, or by the Lessee, for the benefit of the Seller. This means that the insurance premiums are paid either by the Lessee or by the Seller on the Lessee's behalf, such payment being reimbursed through the regular lease instalments.

The standard approach involves an obligation to insure the Leased Vehicle by the Lessee, for the benefit of the Seller. If this is the case, the obligor should also renew the insurance agreement and provide the Seller with respective copies of the insurance policy.

The scope of required insurance includes "OC" – third-party liability insurance, "AC" – accident insurance (including theft insurance), "NNW" – casualty insurance. VWFS PL is authorised to receive any insurance proceeds, but it subsequently transfers such right to the Lessee (except if an Insurance Total Loss Event occurs).

The Lessee is fully liable for any loss or damage of a Leased Vehicle which is not covered by the insurance agreement.

Mitigants relating to potential Polish taxation and VAT risks

As presented in the (see "RISKS RELATED TO TAXATION" – Polish taxation), the obtained tax rulings mitigate certain tax risks and reduce the Issuer's and the Seller's potential exposure to Polish CIT (Withholding Tax), VAT and transfer tax.

Warranties in relation to the sale of the Purchased Lease Receivables (Eligibility Criteria)

Under the Receivables Purchase Agreement, VWFS PL warrants (*udziela rękojmi*), as of the Cut-Off Date applicable to the respective Purchased Lease Receivables, that:

(a) the Purchased Lease Receivables constitute legal, valid and enforceable rights and claims against the respective Lessees;

(b) the Purchased Lease Receivables are assignable;

(c) the Purchased Lease Receivables are denominated and payable in PLN;

(d) the Outstanding Principle Balance of each Purchased Lease Receivable is equal to the amount attributed to it in the respective Electronic File;

(e) the Transaction Leased Vehicles under the Lease Contracts are existing;

(f) it may dispose of the Purchased Lease Receivables free from rights of third parties and encumbrances;

(g) the Purchased Lease Receivables are free of objections (*zarzuty*) of third parties;

(h) no Purchased Lease Receivable is overdue;

(i) the status and enforceability of the Purchased Lease Receivables is not impaired by set-off rights, warranty claims or any other rights or objections (*zarzuty*) of the Lessee notified to the Purchaser before the respective Cut-Off Date);

(j) none of the Lessees is either:

  (i) an employee of VWFS PL or its Affiliate; and/or

  (ii) an Affiliate of Volkswagen AG, Familie Porsche, Stuttgart and Familie Piëch, Salzburg Gruppe (registered under a single borrower unit at the German central bank (*Bundesbank*));

(k) according to VWFS PL's records, no Lease Contract relating to a Purchased Lease Receivable has been terminated or is in the process of being terminated;

(l) the Lease Contracts relating to the Purchased Lease Receivables are governed by the laws of the Republic of Poland;

(m) the Lease Contracts relating to the Purchased Lease Receivables have been entered into exclusively with Lessees who are Retail Clients and whose registered office or domicile is in the Republic of Poland;

(n) at least two 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;

(o) subject only to the Lessee's purchase option granted in connection with the Lease Contract, it may freely dispose of title to the Leased Vehicles and no third-party's rights prevent such disposal;

(p) according to VWFS PL's records, no insolvency proceedings have been initiated against any of the Lessees;

(q) none of the Additional Lease Contracts will mature later than one year prior to the latest occurring Legal Maturity Date under any of the Notes;

(r) the Interest Portion under all Lease Contracts relating to Purchased Lease Receivables is variable and subject to change by reference to a base rate;

(s) the base rate used to calculate the Interest Portion under all Lease Contracts relating to Purchased Lease Receivables is linked to 1m WIBOR (or one of its replacements) as the relevant interest rate;

(t) the margin used to calculate the Interest Portion under all Lease Contracts relating to Purchased Lease Receivables is set at a minimum of 0%;

(u) none of the Lessees has exercised its right of revocation, if any;

(v) the transfer of the title to any Purchased Lease Receivable (with the exception of Ancillary Rights) to the Purchaser shall not be subject to 'severe clawback provisions' (in the meaning of Article 20.2 of the Securitization Regulation;

(w) the Lease Receivables to be offered to the Purchaser:

(i) do not relate to a Lessee whom VWFS PL considers unlikely to pay its credit obligations to VWFS PL and/or relate to a Lessee whose payment obligation to VWFS PL under any Lease Contract or under any material credit obligation to VWFS PL is on the applicable Cut-Off Date past due for more than three monthly lease instalments;

(ii) do not relate to a credit-impaired lessee or guarantor, who on the basis of information obtained (i) from the Lessees of the Purchased Lease Receivables, (ii) in the course of VWFS PL's servicing of the Purchased Lease Receivables, or VWFS PL'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 respective Receivable to the Issuer;

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

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

Warranties in relation to the sale of the Purchased Lease Receivables (portfolio criteria)

In addition to the aforementioned, VWFS PL undertakes to ensure that after any purchase of Lease Receivables on the relevant Purchase Date the following portfolio criteria shall be complied with:

(a) the sum of the Outstanding Principal Balance of Purchased Lease Receivables under the following Lease Contracts does not exceed:

(i) in the case of Lease Contracts relating to used vehicles – 20 per cent of the Aggregate Outstanding Principal Balance;

(ii) in the case of Lease Contracts relating to Volkswagen Nutzfahrzeuge vehicles - 7.5 per cent of the Aggregate Outstanding Principal Balance; and

(iii) in the case of Lease Contracts relating to non-VW group (i.e. other than Volkswagen, Audi, SEAT, Skoda, Porsche, Lamborghini, Bentley or Cupra) vehicles - 7.5 per cent of the Aggregate Outstanding Principal Balance;

(b) the average margin over the base rate used to calculate the Interest Portion under all Lease Contracts relating to Purchased Lease Receivables weighted by their respective outstanding principal balance will be at least 1.5 per cent;

(c) the sum of the Outstanding Principal Balance of the Purchased Lease Receivables resulting from Lease Contracts with one and the same Lessee will not exceed 0.5 per cent of the Aggregate Outstanding Principal Balance;

(d) the sum of the Outstanding Principal Balance of the Purchased Lease Receivables resulting from Lease Contracts with a remaining term of less than 12 months is not larger than 40 per cent. of the Aggregate Outstanding Principal Balance; and

(e) the sum of the Outstanding Principal Balance of the Purchased Lease Receivables resulting from Lease Contracts with a remaining term greater than 36 months is not larger than 40 per cent. of the Aggregate Outstanding Principal Balance.

General warranties relating to the origination of Lease Receivables

The Seller represents as of the relevant time of origination of any Purchased Lease Receivables that the Purchased Lease Receivables were originated in the ordinary course of the business of the Seller pursuant to lease granting standards which also applied to leases which will not be securitised.

In particular the Seller represents that at the time of origination of Purchased Lease Receivables it had 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 the origination of the Purchased Lease Receivables is based on a thorough assessment of each Lessee's creditworthiness.

Furthermore the Seller represents that the assessment of creditworthiness of each Lessee in respect of Purchased Lease Receivables (i) was performed at the time of origination 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.

Remedies upon the breach of warranties

In the event of a breach of any of the warranties set forth above at the Closing Date and/or the Additional Purchase Date, respectively, which materially and adversely affects the interests of the Purchaser or the Noteholders, VWFS PL shall have until the end of the Monthly Period which includes the 60th day (or, if VWFS PL elects, an earlier date) after the date that VWFS PL became aware or was notified of such breach to cure or correct such breach. 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 Purchaser's sole remedy will be to require VWFS PL to take one of the following remedial actions:

(a) remedy the matter giving rise to such breach if such matter is capable of being remedied, **provided that**, if a remedy within the time period specified above is not practicable, VWFS PL may remedy such breach by the last day of the following Monthly Period; or

(b) replace the relevant Purchased Lease Receivable(s), taking into account the warranties set out in clauses 5.1 and 5.2 of the Receivables Purchase Agreement, with a Lease Receivable the value (purchase price determined in accordance with the Receivables Purchase Agreement) of which shall be at least the Mandatory Repurchase Price attributed to 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, VWFS PL may replace such Purchased Lease Receivable by the last day of the following Monthly Period; or

(c) repurchase the relevant Purchased Lease Receivable(s) at a price equal to the Mandatory Repurchase Price attributed to such Purchased Lease Receivable(s) as at the Monthly Period immediately preceding such repurchase, **provided that**, if a remedy within the time period specified above is not practicable, VWFS PL may repurchase such Purchased Lease Receivable(s) by the last day of the following Monthly Period.

If VWFS PL fails to comply with the Purchaser's demand within 60 days, VWFS PL shall be obliged to pay to the Purchaser a sum equal to the Mandatory Repurchase Price, following which the Purchaser will

be obliged to transfer the relevant Purchased Lease Receivable(s) to VWFS PL. Where the breach or non-compliance relates to the warranties comprising the portfolio criteria and the Seller is to repurchase or replace the necessary number of Purchased Lease Receivables to remedy the breach or ensure compliance with the applicable portfolio criteria, such Purchased Lease Receivables shall be selected by the Seller..

Term Takeout

The Issuer may on any Payment Date, for the purpose of a Term Takeout, offer to sell and assign to a securitisation vehicle nominated by the Seller (in each case, the "**Transferee**") the Term Takeout Receivables. If accepted by the Transferee, the purchase price to be paid by the Transferee acquiring the Term Takeout Receivables will be:

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

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

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

The selection of Term Takeout Receivables will be made on a random basis and the proceeds from any Term Takeout will be paid into the Distribution Account but will not be applied according to the Order of Priority but instead be distributed as separately provided in clause 22.4 (*Order of Priority*) of the Trust Agreement. Any such randomly selected Term Takeout Receivable shall comply with the same warranties as set out in clauses 5.1 and 5.2 (*Warranties by VWFS PL with respect to the Purchased Lease Receivables*) of the Receivables Purchase Agreement. For the avoidance of doubt, in case of Non-Amortising Series of Notes any redemption payments will be made in a way to redeem a certain number of Notes in their principal amount of PLN 1,000,000.

The Purchased Lease Receivables or to be acquired by assignment under the Receivables Purchase Agreement from VWFS PL have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes.

Certain rights of the Issuer and/or Seller under the Receivables Purchase Agreement and the Registered Pledge Agreement

Repurchase of Purchased Lease Receivables

Repurchase of Purchased Lease Receivables as a result of breach of representations and warranties or Non-Permitted Amendments

In the event of a breach of any of representation and warranties of the Seller relating to the Purchased Lease Receivables set out in the in the Receivables Purchase Agreement, which materially and adversely affects the interests of the Purchaser or the Noteholders, the Purchaser's remedy will be to require the Seller to repurchase the relevant Purchased Lease Receivable for an amount equal to (i) the aggregate balance of the Principal Portion of any lease instalments outstanding as at the repurchase date and (ii) the applicable Interest Portion accrued until the Determination Date (and including that date) immediately preceding the repurchase date (the "**Mandatory Repurchase Price**").

If the Seller makes a Non-Permitted Amendment to a Lease Contract and the Purchased Lease Receivable is reduced as a result, the Seller shall be obliged, at the Issuer's demand, to repurchase the relevant Purchased Lease Receivable at the Mandatory Repurchase Price.

Restructuring Call Option

If a Lessees applies for the restructuring of a Purchased Lease Receivable which (if accepted) would result in a Non-Permitted Amendment, the Seller will be entitled to repurchase from the Issuer such Purchased Lease Receivable (unless it is a Defaulted Purchased Lease Receivable) in order to amend the Lease Contract relating to such Purchased Lease Receivable (the "**Restructuring Call Option**"). The Seller can exercise the Restructuring Call Option not later than on the 3rd Business Day before the next following Additional Lease Receivables Purchase Date or (if the Revolving Period has already elapsed) before the next following Payment Date by giving the Issuer a written notice and against the payment of an amount equal to (i) the aggregate balance of the Principal Portion of any lease instalments outstanding as at the repurchase date and (ii) the applicable Interest Portion accrued until the Determination Date (and including that date) immediately preceding the repurchase date (the "**Restructuring Call Option Price**").

After exercising the Restructuring Call Option, the Seller has the right, during the Revolving Period, to sell back to the Issuer the repurchased Lease Receivable on the terms and subject to conditions of this Agreement if that Lease Receivable continues to fulfil all the Eligibility Criteria.

The "**Non-Permitted Amendments**" shall include:

(a) the shortening of a lease period to less than 12 months,

(b) retrospective partial repayment (balloon instalment),

(c) takeover of the Lease Contract (including the assignment of rights and transfer of obligations of the Lessee thereunder to a third party).

(d) change of a user of a Leased Vehicle,

(e) change of a user of a Leased Vehicle – leaseback,

(f) any change following the Lessee's death (including the takeover of a Lease Contract by an inheritor),

(g) amendments due to technical or legal defects of a Leased Vehicle,

(h) extension of a lease period by spreading the Residual Value into lease instalments,

(i) repayment of a Purchased Lease Receivable by a Lessee with a discount rate higher than the WIBOR rate for one-month term deposits,

(j) return of a Leased Vehicle,

(k) extension of a lease period beyond 60 months,

(l) periodic decrease of lease instalments,

(m) seasonal lease instalments (if introduced after disbursement),

(n) resumption of an uninvoiced Lease Contract resulting in a change to the repayment schedule,

(o) concluding a restructuring agreement.

Insurance Call Option

If an Insurance Total Loss Event occurs (in particular, if a Transaction Leased Vehicle has been lost or totally damaged), VWFS PL will have an option (but not an obligation) under the Receivables Purchase Agreement to repurchase the Purchased Lease Receivable (including Insurance Claims) relating to the Transaction Leased Vehicle that has been lost or totally damaged against the payment of an amount equal to (i) the aggregate balance of the Principal Portion of any lease instalments outstanding as at the repurchase date and (ii) the applicable Interest Portion accrued until the Determination Date (and including that date) immediately preceding the repurchase date ("**Insurance Call Option Price**"). Immediately after the Insurance Call Option Price is paid by VWFS PL to the Issuer, the Issuer and VWFS will execute a repurchase agreement and any other documents as VWFS PL will reasonably request to enable VWFS PL to acquire the Purchased Lease Receivable and the relevant Insurance Claims.

Clean-Up Call Option

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 Outstanding Principal Balance is on a Payment Date less than 10 per cent. of the Maximum Outstanding Principal Balance, **provided that** all payment obligations under the Notes (items *eighth* through *tenth* pursuant to the Order of Priority) will be thereby fulfilled, means an amount equal to the Outstanding Principal 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. It shall be calculated as at 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 VWFS PL immediately prior to the repurchase becoming effective.

Repossession Benefits

If a Lease Contract is subject to early termination by the Servicer following the Lessee's default thereunder (including without limitation the Lessee's failure to pay an amount payable in respect of the Purchased Lease Receivable), the Servicer, acting in accordance with the Credit and Collection Policy, shall make reasonable attempts to (i) repossess the Leased Vehicle and (ii) remarket the same by way of sale to a third party or by concluding a further lease agreement with a third party, failing which the Seller will be entitled to keep the repossessed Leased Vehicle for its own use.

Upon termination of the Lease Contract as a result of the Lessee's default:

(a) the Lessee will continue to be obliged to pay to the Issuer (via the Servicer) any Past Due Lease Instalments (which the Servicer will continue to collect and enforce in accordance with the Servicing Agreement);

(b) the Lessee will be obliged to pay to the Seller (as lessor) any Early Termination Fees (which, for the avoidance of doubt, are not securitised); and

(c) the Lessee will be obliged to pay (as compensation) the sum of (i) any Future Lease Instalments (assigned to and financed by the Issuer) and (ii) the Residual Value (not assigned to the Issuer and financed by the Seller), **provided that** this compensation payment shall be subject to a reduction by any Repossession Benefits.

If the Seller subsequently repossesses the Leased Vehicle, the Seller shall pay to the Issuer a portion of Repossession Benefits representing the Issuer's Share, calculated as follows:

(i) if the Leased Vehicle is sold to a third party within six (6) months following its repossession, the Seller shall pay to the Issuer the Issuer's Share in the actual sale proceeds from the sale of the Leased Vehicle, or

(ii) if the Leased Vehicle is made subject to a further lease within six (6) months following its repossession, the Seller shall pay to the Issuer the Issuer's Share in the initial value attributed to the Leased Vehicle in a new lease contract entered into by the Seller (as lessor) with a third party (as lessee), or

(iii) if neither (i) nor (ii) applies, the Seller shall pay to the Issuer the Issuer's Share in the actual market value of the Leased Vehicle determined by VWFS PL acting in good faith, taking into account the actual condition of the Leased Vehicle and current market prices of similar vehicles,

provided that in each case the calculation will be based on the sale proceeds, the initial value or the market value of the Leased Vehicle (as applicable) being (a) presented net of VAT and (b) reduced by any costs incurred by the Seller in connection with the early termination of the relevant Lease Contract and repossession and remarketing of the Leased Vehicle to the extent such costs have not been paid by the Lessee as Early Termination Fees or otherwise recovered by the Seller.

For the avoidance of doubt, any Repossession Benefits exceeding the Issuer's Share will be allocated to and retained by the Seller.

Ancillary Rights and Insurance Claims

Pursuant to the Receivables Purchase Agreement the Issuer acquires, in addition to pecuniary (monetary) claims for the payment of lease instalments (Principal Portion and Interest Portion), certain pecuniary and non-pecuniary Ancillary Rights, including also the Insurance Claims.

The Insurance Claims are assigned to the Issuer under the Receivables Purchase Agreement in full. However, the Issuer will not be entitled to receive any Insurance Proceeds which are due to be applied for the repair of the Transaction Leased Vehicles or which are due to be released to the relevant Lessees in accordance with the relevant Lease Contracts and/or the Credit and Collection Policy. Further, if an Insurance Total Loss Event occurs and the Seller does not exercise its option to repurchase the Purchased Lease Receivable at the Insurance Call Option Price in accordance with clause 8.3 of the Receivables Purchase Agreement, the Seller will be entitled to receive a portion of the Insurance Proceeds representing the Seller's Share.

Registered Pledge

In addition to the non-pecuniary rights that can be exercised by the Servicer (in the name of the Security Trustee) before or upon the termination of any Lease Contract, the Security Trustee shall be entitled to exercise its rights under the Registered Pledge Agreement **provided that** the claims of the Issuer against VWFS PL under the Receivables Purchase Agreement and the Servicing Agreement (assigned to the Security Trustee pursuant to the Security Assignment Agreement) became due and payable.

The remaining portion of proceeds collected by the Servicer as Repossession Benefits shall be retained by VWFS PL (if and to the extent that any other Issuer's Secured Claims have been satisfied). If the Security Trustees enforces the Registered Pledge, it will be entitled to all enforcement proceeds up to amount of the Issuer's Secured Claims (which will include any Collections due to be transferred to the Issuer and most likely will be greater than the portion of the Repossession Benefits to which the Issuer will be entitled under the Receivables Purchase Agreement) and subject to the maximum secured amount set in the Registered Pledge Agreement (PLN 4,500,000,000).

With respect to the potential enforcement of the Registered Pledge by the Security Trustee pursuant to the Registered Pledge Agreement:

(a) VWFS PL shall be entitled to freely dispose of the Transaction Leased Vehicles being subject to the Registered Pledge until the Security Trustee or the Issuer notifies VWFS PL that the Issuer has

failed to pay the Issuer's Secured Claims or any part thereof when due. (the "**Non-Payment Event of Default**"). If a Transaction Leased Vehicle is repossessed and remarketed by VWFS PL at that time, any cash received by it as Repossession Benefits and credited to VWFS PL's unencumbered bank account will commingle with the other cash held in the bank account of VWFS PL;

(b) under the Registered Pledge Agreement, the VWFS PL's right to freely dispose of the Transaction Leased Vehicle is restricted following the Non-Payment Event of Default. If a Transaction Leased Vehicle is repossessed and remarketed by the Lessor after the Non-Payment Event of Default but before the declaration of bankruptcy of VWFS PL, VWFS PL is obliged under the Receivables Purchase Agreement to ensure that any cash to be received as Repossession Benefits shall be paid directly to the Security Trustee. Alternatively, the Security Trustee may decide to enforce the Registered Pledge in relation to each Lease Contract terminated at that time, and repossess and remarket the Transaction Leased Vehicle; and

(c) following the declaration of bankruptcy of VWFS PL, the Security Trustee may enforce its rights as a pledgee under the Registered Pledge Agreement and seize Transaction Leased Vehicles being subject to the Registered Pledge or instruct a notary or bailiff to sell them. Alternatively, the insolvency officer of VWFS PL will sell them (the proceeds will be paid to the Security Trustee, subject only to certain preferred claims).

Amendments to the Receivables Purchase Agreement

VWFS PL will be entitled to amend any term or provision of the Receivables Purchase Agreement with the consent of the Issuer and the Security Trustee but without the consent of any Noteholder, the Subordinated Lender, or any other person, **provided that** (if such amendment is not only a correction of a manifest error or of a formal, minor or technical nature) such amendment shall only become valid,

(a) if it is notified to the Security Trustee and the Issuer and VWFS PL have received a confirmation from the Security Trustee that in the opinion of the Security Trustee, such amendment will not be materially prejudicial to the interests of any such Programme Creditor; and

(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 Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation; and

(c) in case of amendments which materially and adversely affect the interests of the Issuer, the Security Trustee or the Subordinated Lender if such parties have consented to such amendment.

Any amendment subject to paragraph (b) shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders in writing, including by email.

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

BUSINESS AND ORGANISATION OF VOLKSWAGEN FINANCIAL SERVICES POLSKA SP. Z O.O.

Auto Lease Business in Poland

In the course of 2022, the Polish growth rate of the gross domestic product (GDP) still kept momentum closed to 5.0 per cent. year on year.

The unemployment rate by the end of 2022 reached 5.2 per cent. (December 2021: 5.4 per cent), while consumer prices increased by 16.6 per cent. (December 2021: 8.6 per cent.).

According to the SAMAR Institute report, 419,765 new passenger cars were registered in Poland in 2022 (6 per cent. less compared to 2021), of which 102,818 (a decrease of 6.9 per cent. compared to 2021) are cars of seven brands represented by Volkswagen Group Polska. The VW Group's market share was comparable to 2021 and amounted to 24.5 per cent. This means that nearly every fourth new passenger car registered in Poland came from Volkswagen, Volkswagen Commercial Vehicles, Skoda, SEAT, Cupra, Audi and Porsche dealer network.

Noteworthy is the significant increase in registrations of electric cars. There were 11,293 electric passenger cars on Polish roads (an increase of 59 per cent. compared to 2021), of which 2,292 were Volkswagen Group cars (an increase of 69 per cent. compared to 2021).

Incorporation, Registered Office and Purpose

Volkswagen Financial Services Polska Sp. z o.o., with its office at Rondo ONZ 1, 00-124 Warsaw, Poland, is Seller of the Lease Receivables and Servicer under the Servicing Agreement.

VWFS PL was established in 2019 as a successor of the former VWL GmbH branch in Poland. Its registered share capital of PLN 180,000.00 is held by Volkswagen Finance Overseas B.V., which in turn is a wholly-owned subsidiary of Volkswagen Financial Services AG. From 29 February 2024, due to a group re-organization, VWFS PL will be a wholly owned subsidiary of VW Finance Europe B.V., which in turn has been established on 31 May 2023 and is as of the date of this Offering Circular a wholly-owned subsidiary of Volkswagen Financial Services AG.

VWFS PL is responsible for the leasing business up to 3.5 tons of the Volkswagen Group in Poland.

The objectives of VWFS PL are, inter alia, to lease motor vehicles, especially vehicles from the following brands: Volkswagen, Audi, SEAT, Skoda, Cupra, Porsche, 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.

VWFS PL offers:

(i) leasing of new Volkswagen, Audi, SEAT, Skoda, Cupra, Porsche, and Volkswagen Nutzfahrzeuge vehicles;

(ii) service-leasing to retail and corporate customers;

(iii) leasing of used vehicles of all makes.

The business purposes of VWFS PL vis-à-vis customers and dealers are largely determined by its membership in the Volkswagen Group. VWFS PL co-operates closely with the approximately 71 (269 showrooms) Dealers Groups of the Volkswagen Group in Poland. 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 VWFS PL against commissions. VWFS PL 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 and Securitisation Expertise

One of the main purposes of VWFS PL for the last two decades has been the origination and underwriting of lease receivables of a similar nature to those securitised under this Programme. The members of its management board and the senior staff of VWFS PL have adequate knowledge and skills in originating and underwriting lease receivables, similar to the lease receivables included in the Portfolio, gained through years of practice and continuing education. The members of the management board and VWFS PL senior staff have been appropriately involved within the governance structure of the functions of originating and underwriting of the Portfolio.

As regards the securitisation VWFS PL has been actively using the professional experience in the securitisation of lease receivables gathered by Volkswagen Group in Germany over the last years.

BUSINESS PROCEDURES OF VOLKSWAGEN FINANCIAL SERVICES POLSKA SP. Z O.O.

Under the Servicing Agreement, the Purchased Lease Receivables are to be administered together with all other lease receivables of VWFS PL and the Leased Vehicles are to be realised according to VWFS PL'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 VWFS PL 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, VWFS PL checks the creditworthiness of the customer. For this purpose, all the information from e.g. credit agencies, banks, financial statements and other sources (for instance from dealers) are brought together for scoring purposes and are documented in a credit report about the prospective Lessee. In case VWFS PL already has an existing relationship with the customer, his/her payment behavior will also be part of the creditworthiness assessment. Applications of all 'non risk relevant customers' (retail customers with an aggregate credit engagement of less or equal 4.000,000 PLN) 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.

VWFS PL's application process is made predominately electronically while decision making is supported by the specialized software built upon historical data.

For leasing applications in the retail business, which are not automatically approved but instead require manual verification / modification (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 VWFS PL 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 VWFS PL. A decision outside the specifications will be made by special trained employees of the VWFS PL. 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 VWFS PL's criteria for an automatic approval or rejection. Applications which are rejected at first instance have to be decided by employees of VWFS PL. In the case of customer high credit engagement, luxury or expensive cars, additional checks and verifications are being made.

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.

Poland is a self–paid market. Majority of customers make manual transfers. After the SARS-COV2, the 90day Grace period has been introduced – approx. 10% of customers benefited

VWFS PL's retail debt management processes are based on Day Past Due:

- 0-30 DPD Debt Collection – mass debt collection actions performed on a daily basis, such as text messages (sms), reminder letters (extra charge), outbound calls (All those processes are being carried out by outsourcing provider every several days if there is no payment). At this stage 14 days additional payment deadline may be granted to the customer.
- 31-90 DPD Intensive Care - Final reminder letters, Termination & Customer visits are undertaken and if necessary FD process (VWFS cooperates with 4 debt collection Agencies). Renewal of contract after full recovery (approximately 8/10 contracts returns to current status). Along with Special Payment Agreement (at this stage 30 days grace period may be granted to the customer)

- 91+ DPD – Distressed Debt Collection - Repossession of vehicle process after ineffective recovery and Contract settlement (contract is settled after leasing item sales, with the car sale price). Pre-legal collection (Pre-legal collection carried out by Low units/Attorneys located in 3 Debt Collection Agencies). Out-of-court settlements and determine an installment plan with debtors. Restructuring or bankruptcy proceedings; Legal claims; Court Order (reduction of legal collection for out-of-court settlements or partial debt cancelation or debt sales / write off)

Termination of Lease Contracts

1. The lease agreement may be terminated by forthwith notice in the following cases defined in the GTC:

(a) a significant breach by the Client of the leasing contract terms or the GTC provisions;

(b) a delay in paying amounts due under the liability, personal accident, motor and theft insurance agreements concluded to the insuring company or a delay in concluding the agreement for insurance of the object leased if the agreement for insurance of the object leased was concluded by the Lessee;

(c) a delay of the Customer in payment of at least one lease fee if, despite specifying an additional deadline for paying the amount overdue, the Client has not repaid all the debt;

(d) deterioration of the Client's financial situation to such an extent that the interests of the Lessor will be at risk;

(e) occurrence of grounds to terminate any other lease agreement concluded by the Lessee;

(f) whenever in spite of a written reminder from the Lessor the Lessee continues to use the leased item at variance with the designation thereof and the instructions of the producer, whenever they change its designation, the place of use or hand it over to a third party for use without a consent of the Lessor, or fail to remove changes in the object leased made without a consent of the Lessor;

(g) neglecting the leased item by the Lessee in a manner exposing the object to the threat of loss, damage or excessive wear and tear.

2. After termination of the leasing contract, the Lessee is obliged to immediately return the leased item to the places or entities indicated by the VWFS PL.

3. Apart from the cases specified in the law, the leasing contract and the GTC, the Lessor and the Lessee are not entitled to terminate the leasing contract during its term.

If the Lessee does not voluntarily return the vehicle and all respective appropriate means of VWFS PL is without success, external service providers are mandated to secure the vehicle. The leading companies in this area operate with a high level of reliability and trust with a view to protection of VWFS PL's interests. More than 90 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 VWFS PL 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. If VWFS PL is entitled for full reimbursement of its losses.

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 together with accrued interest and additional costs, e.g. running costs or collection costs.

The determination of the actual market value of the car at the time of the sale is being made by an external authorized adjuster.

Compensation for termination of the lease contract is paid by the Lessee in the amount corresponding to the amount of all net lease fees provided for in the contract and not invoiced increased by the residual (terminal) value of the leased item net and reduced by the benefits which VWFS PL obtained as a result of their payment before the agreed date and termination of the leasing contract (car sales price), together with penalty interest.

Enforcement

Repossessed leased vehicles are sold to dealers, or through the VWFS PL's store. The selling process is supported by dedicated used vehicles platform. Each sale of a Leased Vehicle will always be made to the highest bidder.

Write-Off

VWFS PL will write-off any debts owed to it by a Lessee if one of the following criteria is met :

- Unsuccessful enforcement measures;
- Claim under PLN 1000;
- Insolvency of the Lessee;
- Unsuccessful repossession;
- Lessee's address unknown;
- Lessee with (legal) care;
- No court orders (expected court order costs will exceed the expected collections);
- Proven inability to pay;
- Lessee's death without heir apparent;
- Settlement through or out of court orders (under which they were exempted from a part of the debt);
- Lost court proceedings; and
- A claim becomes unenforceable
- Lessee is in jail
- Prosecutor's Office decision against a third party using documents bearing the full name of the Customer or a failure to identify the perpetrator of the offence of extortion.

Internal Audit

Volkswagen Financial Services Polska Sp. z o.o. 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 of VW Bank GmbH Branch in Poland and by external auditors as part of their audit of the annual financial statements. Internal Audit independently and in a risk-oriented manner reviews the operational and business procedures of Volkswagen Financial Services Polska Sp. z o.o.. The operational executions of the audits are covered by the internal audit function of Volkswagen Bank GmbH Branch in Poland. 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 Financial Services Polska Sp. z o.o. 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 Sp. z o.o. sp.k., Rondo ONZ 1, 00-124 Warszawa, has been the statutory auditor of the annual financial statements of VWFS PL for the financial year ending on 31 December 2022.

ADMINISTRATION OF THE PURCHASED LEASE RECEIVABLES UNDER THE SERVICING AGREEMENT

VWFS PL 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 and realise the Lease Receivables.
- To administer the contracts underlying the Lease Receivables and in particular in case of non-payment to terminate a Lease Contract.
- VWFS PL may allow the Lessees to defer payment and may agree with them any amendments, modifications or adjustments to Lease Contract within the scope of VWFS PL'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.
- Following the termination or expiry of the term of any Defaulted Purchased Lease Receivable (**provided that** the Leased Vehicle has been repossessed), to sell (in its sole discretion) that Defaulted Purchased Lease Receivable in accordance with the Credit and Collection Policy.
- 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 Receivables Purchase Agreement.

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

The Servicer will thus be receiving payments in respect of the Purchased Lease Receivables (whether representing timely payments, overdue amounts or advance payments), Settlement Amounts, Insurance Proceeds, and (if a repossessed Transaction Leased Vehicle has been sold to a third party) the Repossession Benefits.

VWFS PL will be obliged to transfer any Collections to the Distribution Account in accordance with the provisions of the Servicing Agreement.

Unless this power is repealed, the Servicer is entitled and shall utilise the Cash Collateral Account of the Issuer, if necessary, up to the sum of the credit shown on the Cash Collateral Account:

(a) in accordance with the instructions from the Issuer to the extent, in the amounts and for the purposes described in clause 23 (*Cash Collateral Account; Accumulation Account; Issuer Registered Pledge Event Account*) of the Trust Agreement; or

(b) for costs incurred 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. 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) sum of the Aggregate Outstanding Principal Lease Balance for the related Monthly Period, charged to the Issuer. As additional compensation, the Servicer will be entitled to retain all fees relating to delayed payments, reminder fees or other administrative fees. 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, i.e. such costs will be deducted from the enforcement or sale proceeds. The Servicer will have no responsibility, however, to pay any credit losses with respect to the Purchased Lease Receivables. VWFS PL is entitled to receive and retain any sums received, collected or otherwise recovered in respect of any Written Off Purchased Lease Receivables after the respective Write-Off dates.

The Servicer may be replaced following the occurrence 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 Cash Collateral Account.

Reporting Duties of the Servicer and Reporting Duties under the Securitisation Regulation

Under the Servicing Agreement the Servicer has undertaken to report the following facts to the Issuer, the Security Trustee, the Principal Paying Agent, the Calculation Agent, the Account Bank, the Cash Administrator and the Subordinated Lender on the Servicer Report Performance Date:

(a) the Available Distribution Amount and the aggregate amount to be distributed in relation to each Note and on the Subordinated Loan on the immediately following Payment Date;

(b) the repayment of the nominal amount attributed to each Note and to the Subordinated Loan as advanced together with the interest payment;

(c) the Collections;

(d) the nominal amount still outstanding on each Note and the Subordinated Loan as of each respective Payment Date and the nominal amount of any Further Notes to be issued on such Payment Date;

(e) the amounts standing to the credit of the Accounts after application of the relevant Order of Priority;

(f) the General Cash Collateral Amount remaining available on the immediately following Payment Date;

(g) the sums corresponding to the administration fees and servicing fees;

(h) the 12-Months Average Dynamic Gross Loss Ratio and whether the Credit Enhancement Increase Condition is in effect;

(i) Actual Overcollateralisation Percentage;

(j) the Dynamic Gross Loss Ratio;

(k) delinquency information for delinquency periods of up to one month, one to two months and two to three months with respect to the number of Delinquent Lease Contracts, the amount of Delinquent Lease Receivables and the total Outstanding Principal Balance of Delinquent Lease Contracts;

(l) in the event of the final Payment Date, the fact that such date is the final Payment Date;

(m) stratification tables;

(n) Amortisation Factors with respect to any Series of Notes that qualify as Amortising Series;

(o) information on the occurrence of an Early Amortisation Event; and

(p) amortisation profile of the outstanding pool.

Additionally, VWFS PL 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, *mutatis mutandis*, remedial actions as set out under "DESCRIPTION OF THE PORTFOLIO - Warranties in relation to the Sale of the Purchased Lease Receivables".

Distribution Duties of the Servicer

On the 25th 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" the amount due and received from Lessees and other sources during the prior month.

Distribution Procedure

The Servicer has undertaken to transfer any Collections for each calendar month to the respective Distribution Account on the applicable Payment Date.

Following the termination or expiry of the term of any Defaulted Purchased Lease Receivable (**provided that** the Leased Vehicle has been repossessed), the Servicer may sell (in its sole discretion) acting on behalf of the Issuer that Defaulted Purchased Lease Receivable in accordance with the Credit and Collection Policy. The sale proceeds shall be distributed to the Issuer **provided that** the Issuer will have a right to deduct any expenses which have been incurred by the Servicer with respect to that disposal.

With respect to the distribution of the Repossession Benefits, if the Seller (after the early termination of the Lease Contract) repossesses the Leased Vehicle, the Seller shall pay to the Issuer a portion of Repossession Benefits representing the Issuer's Share, calculated as follows:

(a) if the Leased Vehicle is sold to a third party within six (6) months following its repossession, the Seller shall pay to the Issuer the Issuer's Share in the actual sale proceeds from the sale of the Leased Vehicle, or

(b) if the Leased Vehicle is made subject to a further lease within six (6) months following its repossession, the Seller shall pay to the Issuer the Issuer's Share in the initial value attributed to the Leased Vehicle in a new lease contract entered into by the Seller (as lessor) with a third party (as lessee), or

(c) if neither (i) nor (ii) applies, the Seller shall pay to the Issuer the Issuer's Share in the actual market value of the Leased Vehicle determined by VWFS PL acting in good faith, taking into account the actual condition of the Leased Vehicle and current market prices of similar vehicles,

provided that in each case the calculation will be based on the sale proceeds, the initial value or the market value of the Leased Vehicle (as applicable) being (a) presented net of VAT and (b) reduced by any costs incurred by the Seller in connection with the early termination of the relevant Lease Contract and repossession and remarketing of the Leased Vehicle to the extent such costs have not been paid by the Lessee as Early Termination Fees or otherwise recovered by the Seller.

Administration of Insurance Benefits

The Servicer is authorised, until revocation by the Issuer and/or the Security Trustee, and shall assert, in accordance with the Servicer's customary practices in effect from time to time in relation to the respective insurance companies, the claims to payment of benefits under the vehicle insurance policies assigned to the Issuer pursuant to the Receivables Purchase Agreement. The Servicer is not required to monitor the compliance by a Lessee with the insurance provisions and the Servicer shall not be liable for any failure by a Lessee to comply with such provisions.

Early termination and enforcement of Lease Contracts

Upon the early termination of any Lease Contract, VWFS PL (as owner of the Leased Vehicles) is authorised to repossess the Leased Vehicle. If the repossession is successful, VWFS PL shall make the same reasonable commercial efforts as it would with respect to a Leased Vehicle which is not connected to Purchased Lease Receivables to sell or further lease the Leased Vehicle. The portion of the Repossession Benefits associated to the Leased Vehicle to which the Issuer is entitled pursuant to the Receivables Purchase Agreement shall be paid by the Servicer to the Issuer.

For the purpose of court enforcement and/or disposal of the Purchased Lease Receivables, if, at any time prior to a Servicer Replacement Event, a Purchased Lease Receivable becomes a Defaulted Purchased Lease Receivable, such Purchased Lease Receivable might be assigned by the Security Trustee to the Servicer pursuant to the Servicing Agreement.

The assignment referred to in preceding paragraph shall occur upon request of the Servicer and be effective on the date the relevant Purchased Lease Receivable has become a Defaulted Purchased Lease Receivable, provided that such date falls prior to the occurrence of a Servicer Replacement Event.

The assignment referred to in preceding paragraph shall be made (in the sole discretion of the Servicer) either for the purpose of:

(a) collecting and conducting court and enforcement proceedings against the relevant Lessee by the Servicer under the Servicing Agreement (*przelew w celu inkasa*); or

(b) selling the Defaulted Purchased Receivables by the Servicer in its own name (*w imieniu własnym*) but for the account (*na rachunek*) of the Issuer to a third party on an arm's length basis.

The Servicer shall account to the Issuer or, following the delivery of an enforcement notice, the Security Trustee for any collection proceeds and other benefits received by it (whether in cash or otherwise) in connection with the Purchased Lease Receivables assigned to it.

Amendments to the Servicing Agreement

VWFS PL will be entitled to unilaterally amend any term or provision of the Servicing Agreement with the consent of the Issuer and the Security Trustee but without the consent of any Noteholder, the Subordinated Lender or any other person, **provided that** (if such amendment is not only a correction of a manifest error or of a formal, minor or technical nature) such amendment shall only become valid,

(a) if it is notified to the Security Trustee and the Issuer and VWFS PL 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 Programme Creditor;

(b) in case of amendments which materially and adversely affect the interests of the Issuer, the Security Trustee or the Subordinated Lender if such parties have consented to such amendment; and

(c) 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 Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation.

Any amendment subject to paragraph (c) shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders in writing, including by email.

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

Dismissal and Replacement of the Servicer

After a Servicer Replacement Event, the Issuer is entitled to dismiss the Servicer by written notification and to appoint a new Servicer. The dismissal of the existing Servicer 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 from all procedures, claims, obligations and liabilities as well as all related costs, fees, damages claims and expenditures (inclusive fees and expenditures associated with legal advice, chartered accountants and other experts or persons commissioned or initiated from the dismissed Servicer) which it may incur arising out of, in connection with or based upon any negligent breach of the contractual duties or any other omission or action of the new Servicer. The dismissed Servicer shall use best efforts that the appointment of the new Servicer shall become effective no later than three (3) months after the occurrence of a Servicer Replacement Event. In case of such a dismissal, the dismissed Servicer is obligated to transfer all then

existing vested rights and assets held to the new Servicer appointed by the Issuer; the dismissed Servicer is furthermore obligated to place all information, files and documents, which are necessary for the proper performance of the Servicer's obligations, at the new Servicer's disposal. The Servicer is precluded from asserting retention rights and from setting off and may not ask for a refund of its costs and expenses incurred with the replacement of the current Servicer by a new Servicer.

The Issuer is entitled to transfer its right to unilaterally change the contractual relationship, as outlined in clause 15 (*Dismissal and replacement of the Servicer*) of the Servicing Agreement, to the Security Trustee. The Servicer shall be notified in writing of such transfer.

Audit of Activities of the Servicer

At the request of the Issuer, the activities of the Servicer under this 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, *inter alia*, Intertrust Trustees Limited as Security Trustee and VWFS PL. The Security Trustee's address is 1 Bartholomew Lane, EC2N 2AX, London, United Kingdom. The Security Trustee is not affiliated with the Issuer or VWFS PL and maintains no other non-arm's length business relationship with the Issuer or VWFS PL. Under this agreement the Issuer has authorised the Security Trustee to act as fiduciary agent for the Programme Creditors.

Under the Trustee Claim pursuant to the Trust Agreement, the Issuer has entitled the Security Trustee to demand from the Issuer: (i) that any present or future obligation of the Issuer in relation to the Noteholders shall be fulfilled; (ii) that any present or future obligation of the Issuer in relation to a Programme Creditor of the Programme Documents shall be fulfilled; and (iii) (if the Issuer is in default with 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 Programme Creditors and discharge the obligation of the Issuer accordingly.

To provide collateral for the respective Trustee Claim and the Secured Obligations, the Issuer assigns or transfers, as applicable, to the Security Trustee pursuant to German law, all its claims and other rights arising from the Programme Documents which are governed by German law (including the rights to unilaterally alter the legal relationship (*unselbständige Gestaltungsrechte*) and from all present and future contracts the Issuer has entered or may enter into in connection with the Notes or the Subordinated Loan.

Additionally, pursuant to the terms of the Trust Agreement, the Issuer has pledged to the Security Trustee all its present and future claims against the Security Trustee arising under the Trust Agreement.

Additionally, pursuant to the terms of the Security Assignment Agreement, the Issuer has assigned the Purchased Lease Receivables to the Security Trustee, and it will assign to the Security Trustee any Additional Purchased Lease Receivables.

Additionally, in order to reduce the commingling risk, VWFS PL (in its capacity as Seller, the Servicer and owner of the Transaction Leased Vehicles) has established the Registered Pledge in favour of the Security Trustee pursuant to the Registered Pledge Agreement.

Additionally, pursuant to the terms of the Irish Security Deed, the Issuer has charged and assigned (as applicable) to the Security Trustee all its rights, title, benefit and interest in the Issuer Accounts and amounts standing to the credit thereof.

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, under the Trust Agreement, shall act exclusively for the benefit of the Programme Creditors.

Unless otherwise set forth in the Trust 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 Programme Documents or to carry out duties which are the responsibility of the management of the Issuer.

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 the Issuer an Insolvency Event occurs;

(ii) the Issuer defaults in the payment of any interest on any Note when the same becomes due and payable, and such default shall continue for a period of five (5) Business Days; or

(iii) the Issuer defaults in the payment of principal of any Note on the respective Legal Maturity Date.

VWFS PL will be entitled to amend the Trust Agreement as provided for in clause 39 (*Amendments*) 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 Intertrust Trustees GmbH and VWFS PL. The Data Protections Trustee is not affiliated with the Issuer or VWFS PL and maintains no other non-arm's length business relationship with the Issuer or VWFS PL.

The information in the preceding paragraph has been provided by Intertrust Trustees GmbH for use in this Offering Circular and Intertrust Trustees GmbH 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, Intertrust Trustees GmbH 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 Offering Circular.

THE ISSUER

The Notes will be obligations of the Issuer only and will not be guaranteed by, or be the responsibility of, Volkswagen Financial Services Polska Sp. z o.o., 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 the Seller, the Servicer (if different), the Interest Determination Agent, the Security Trustee, the Lead Manager, the Arranger or any of their respective Affiliates, the Subordinated Lender, the Account Bank, the Principal Paying Agent, the Calculation Agent, the Registrar, the Data Protection Trustee or the Corporate Services Provider or any other party described under this Offering Circular.

Establishment and Registered Office

The Issuer was registered and incorporated as a designated activity company limited by shares, that is to say a private company limited by shares incorporated with limited liability under the laws of Ireland pursuant to the Companies Act 2014 (as amended), on 24 June 2021 with registered number 698760. The Issuer has been incorporated for an indefinite length of life.

The Issuer has its principal place of business in Ireland and its registered office at 5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland.

The directors of the Issuer are Morgan Sheehy and Brendan McCauley, who were appointed on 24 June 2021 and each of whose business address is 5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9.

The company secretary of the Issuer is Walkers Corporate Services (Ireland) Limited. The telephone number of the Issuer is +353 1 470 6600 and the fax number of the Issuer is +353 1 470 6601.

The entire issued share capital of the Issuer is wholly-owned on trust for charitable purposes (see "Shareholder" below).

The Issuer is a SSPE (as defined in the Securitisation Regulation) and its centre of main interests is in Ireland.

None of the directors of the Issuer (i) have been or are subject to any legal or arbitration proceedings or (ii) are aware of any such proceedings being pending or threatened.

Financial Statements

Audited financial statements will be published by the Issuer on an annual basis.

The accounting year of the Issuer begins on 1 January of each year and terminates on 31 December the same year other than in respect of the first accounting period which commenced on 24 June 2021 and terminated on 31 December 2021.

Principal Activities

The Issuer has been established as a special purpose vehicle for the purpose of carrying out the business of a securitisation company and all activities thereto. The principal objects of the Issuer are more specifically described in clause 3 of its Memorandum of Association.

The Issuer was established for the purpose of issuing the Notes. The Issuer has not engaged since its incorporation, and will not engage whilst the Notes remain outstanding, in any material activities other than activities which are incidental or ancillary to the matters described in this Offering Circular.

The Issuer has no employees and has no subsidiaries.

Shareholder

The Issuer is authorised to issue 1,000 shares of EUR 1.00 each of which one share has been issued. The entire issued share capital is held by or on behalf of Walkers Global Shareholding Services Limited in its

capacity as trustee of the VCL Master Poland Trust, a charitable trust established under the laws of Ireland pursuant to the terms of a declaration of trust dated 24 June 2021 for the benefit of Irish registered charities.

Walkers Global Shareholding Services Limited was incorporated in Ireland on 26 October 2010 and has its registered office at 5th Floor, The Exchange, George's Dock, IFSC, Dublin 1, D01 W3P9, Ireland and is registered with the Companies Registration Office of Ireland under number 490594.

Issuer Management

Pursuant to the terms of a corporate services agreement (the "**Corporate Services Agreement**") between the Issuer and Walkers Corporate Services (Ireland) Limited (the "**Corporate Services Provider**"), the Corporate Services Provider will provide corporate and administrative services to the Issuer in consideration for the payment of an annual fee to the Corporate Services Provider. The directors and secretary of the Issuer have been provided by the Corporate Services Provider. Each of the Issuer and the Corporate Services Provider may terminate the Corporate Services Agreement by giving not less than 90 days' written notice. Upon or prior to the termination of the Corporate Services Agreement, a successor corporate services provider will be appointed to provide corporate and administrative services to the Issuer.

There are no potential conflicts of interest other than those disclosed in the preceding paragraph.

Capitalisation and Indebtedness

The unaudited capitalisation of the Issuer as at the Closing Date is as follows:

Shareholders' equity	
Issued Share capital	EUR 1.00
Total capitalisation	**EUR 1.00**
Indebtedness	
EUR	EUR 0.00
Total Indebtedness	**EUR 0.00**

CORPORATE ADMINISTRATION AND ACCOUNTS

Pursuant to the Corporate Services Agreement, the Issuer has appointed Walkers Corporate Services (Ireland) Limited as Corporate Services Provider to provide management, secretarial and administrative services to the Issuer including the provision of directors of the Issuer. The Corporate Services Provider is a private company limited by shares incorporated in Ireland, having its registered address at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Ireland. It is not in any manner associated with the Issuer or with the Volkswagen Group. The Corporate Services Provider will *inter alia* provide the following services to the Issuer pursuant to the Corporate Services Agreement:

- maintain the registered office of the Issuer at all times at the offices of the Corporate Services Provider or such other place in Ireland as the Issuer may from time to time agree;
- provide the services of two directors for the Issuer who shall at all times be resident in Ireland and have the requisite skill, knowledge and experience to act in such capacity;
- provide the services of a share trustee of the charitable trust holding the Company's issued share capital;
- assist the Issuer in preparing annual financial statements within nine months of the financial year end;
- arrange with the Company's auditors for the annual audit of those financial statements, and provide such assistance as may be requested by the auditors in connection therewith;
- assist the Issuer in complying with the reporting requirements, registrations and filings of and/or with any governmental or regulatory body, agency or authority in Ireland and, upon being notified or advised of such matters, elsewhere (in each case with such assistance from the Issuer and the Company's advisors as may be necessary) and arrange for any and all necessary regulatory, statutory and company filings, registrations and notifications as required by any such governmental and/or regulatory bodies, agencies or authorities to be effected (including the notification to the Revenue Commissioners in accordance with Section 110 of the Taxes Consolidation Act 1997, as amended, and all Irish data protection filings, notifications and registrations as may be applicable from time to time;
- notify, on behalf of the Company, the relevant details of the Transaction to the Central Bank for the purposes of Regulation 6 of the European Union (General Framework for Securitisation and Specific Framework for Simple, Transparent and Standardised Securitisation) Regulations 2018 (S.I. No. 656 of 2018);
- generally to attend to all routine matters concerning the affairs of the Issuer in Ireland including the making and keeping of all returns and records required to be made and kept under the Constitution of the Issuer and the laws and regulations for the time being in force in Ireland;
- perform all such other services as are incidental to the above services and as are from time to time agreed with the Issuer in accordance with the performance of its obligations pursuant to this Agreement;
- assist in the performance of all obligations incumbent on the officers of the Issuer under the Companies Act, 2014; and
- take reasonable steps to ensure that all corporate formalities with respect to the Issuer's affairs are observed.

Each of the Issuer and the Corporate Services Provider may terminate the Corporate Services Agreement by giving not less than 90 days' written notice. Upon or prior to the termination of the Corporate Services Agreement, a successor corporate services provider will be appointed to provide corporate and administrative services to the Issuer.

The Corporate Services Agreement and all non-contractual obligations arising out of or in connection with such agreements are governed by, and shall be construed in accordance with, Irish law.

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*".

The foregoing information regarding Walkers Corporate Services (Ireland) Limited for use in this Offering Circular has been provided by Walkers Corporate Services (Ireland) Limited who is solely responsible for the accuracy of the preceding four paragraphs. Except for the foregoing four paragraphs, Walkers Corporate Services (Ireland) Limited in its capacity as Corporate Services Provider, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Offering Circular.

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 Corporate Services Provider that no facts have been omitted which would render the reproduced information inaccurate or misleading.

TERMS AND CONDITIONS OF THE CLEARED NOTES

The terms and conditions of the Cleared Notes (the "**Conditions of the Cleared Notes**") are set out below. Annex A to the Conditions of the Cleared Notes sets out the relevant "FINAL TERMS OF THE CLEARED NOTES", Annex B to the Conditions of the Cleared Notes sets out the "TRUST AGREEMENT", Annex C to the Conditions of the Cleared Notes sets out the "MASTER DEFINITIONS SCHEDULE". In case of any overlap or inconsistency in the definition of a term or expression in the Conditions of the Cleared Notes and elsewhere in this Offering Circular, the definition contained in the Conditions of the Cleared Notes will prevail.

1. **Form and Nominal Amount of the Cleared Notes**

The Programme is a PLN 3,300,000,000 Programme for the issuance of the Notes under which the Issuer may from time to time issue floating rate notes denominated in Polish zloty in cleared and uncleared form.

(a) Under the Programme, VCL Master Poland DAC (the "**Issuer**") may issue Notes in cleared form in the aggregate nominal amount of up to PLN 2,500,000,000 (the "**Cleared Notes Maximum Amount**"). The Cleared Notes Maximum Amount is divided into

up to 2,500 Cleared Notes issued in registered global note form
(the "**Cleared Notes**")
each having a nominal amount of
PLN 1,000,000 (the "**Nominal Amount**").

Each Series of Cleared Notes is issued in registered form and represented by a global note (each a "**Global Note**") without coupons attached. Each Global Note representing a Series of Cleared Notes shall be deposited with and held in safe custody by a Common Depository for Clearstream Luxembourg and Euroclear.

(b) Under the Programme, the Issuer may also issue Notes in uncleared form in the aggregate nominal amount of up to PLN 800,000,000 (the "**Uncleared Notes Maximum Amount**") issued in registered global note form (the "**Uncleared Note**") each having an initial nominal amount of PLN 1,000,000.

(c) Each Global Note representing a Series of Cleared Notes will bear the personal signatures of two duly authorised directors of the Issuer and will be authenticated by one or more employees or attorneys of U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) (the "**Registrar**").

(d) 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 of the Cleared Notes (as defined below) and the particulars of such Series of Cleared Notes held by them and all transfers and payments (of interest and principal) of such Series of Cleared Notes. The rights of the Registered Holder (as defined below) evidenced by a Global Note and title to a Global Note itself pass by assignment and registration in the Register. Each Global Note representing a Series of Cleared Notes will be issued in the name of a nominee of the Common Depository (the "**Registered Holder of the Cleared Notes**"). The Registered Holder of the Cleared Notes will be registered as Noteholder in the Register.

(e) Notwithstanding paragraph (d) of this Condition 1, each person (other than Euroclear or Clearstream Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream Luxembourg, as the holder of a particular nominal amount of such Series of Cleared Notes (in which regard any certificate or other document issued by Euroclear or Clearstream Luxembourg, as to the nominal amount of Cleared 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 a Series of Cleared Notes for all purposes (and the expressions "**Noteholder of Cleared Notes**" and "**holder of Cleared Notes**" and related expressions shall be construed accordingly).

(f) Notwithstanding paragraph (c) of this Condition 1, interests in each Series of Cleared Notes are transferable only according to applicable rules and regulations of Clearstream, Luxembourg and Euroclear, as the case may be. None of the Cleared Notes will be exchangeable for definitive notes.

(g) On the Closing Date the Issuer will borrow the Subordinated Loan from the Subordinated Lender and on each Further Issue Date the Subordinated Loan Increase Amount, which rank junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.

(h) The Notes are subject to the provisions of the Trust Agreement between, *inter alia*, the Issuer, the Security Trustee and VWFS PL. The provisions of the Trust Agreement are set out in Annex B. Annex B constitutes part of these Conditions of the Cleared Notes.

(i) Any party which intends to become a Noteholder of a Cleared Note must be a Qualifying Noteholder and must provide written confirmation on this point to the Issuer before it obtains an interest in a Cleared Note. A Noteholder of a Cleared Note must continue to be a Qualifying Noteholder while it remains a Noteholder of a Cleared Note. A Noteholder of a Cleared Note may only transfer an interest in a Cleared Note to a party that is a Qualifying Noteholder and that has provided written confirmation on this point to the Issuer.

2. **Series**

(a) **Series of Cleared Notes**

On a given Issue Date falling within the Revolving Period, all Cleared Notes issued on that date will constitute one or several Series of Cleared Notes, which shall be identified by means of:

(i) a four digit number representing the year on which the Series was issued, in the following format: Series "20xx", followed by:

(ii) the number of such Series in respect of the relevant year, in the following format "y".

(iii) in the following format: Series 20xx-y.

(b) **General principles relating to the Series of Cleared Notes**

The Cleared Notes of different Series shall not be fungible among themselves.

All Cleared Notes issued within the same Series shall be fungible among themselves in accordance with and subject to the following provisions:

(i) the Series 20xx-y Cleared Notes of the same Series shall all bear the same interest rate in accordance with the provisions of Condition 8;

(ii) the interest rate payable under the Series 20xx-y Cleared Notes of a given Series shall be paid on the same Payment Dates; and

(iii) the Series 20xx-y Cleared Notes in respect of a given Series shall have the same Scheduled Repayment Date and the same Legal Maturity Date as set out in Condition 9(c).

3. **Status and Ranking**

(a) The Cleared Notes of any Series constitute direct, secured, unconditional, limited recourse and unsubordinated obligations of the Issuer.

(b) The Notes rank *pari passu* among themselves. The Notes rank senior to the Subordinated Loan.

(c) The claims of the holders of the Cleared Notes under the Cleared Notes are ranked against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

4. **The Issuer**

The Issuer whose Constitution is subject to Irish law is a designated activity company limited by shares incorporated with limited liability under the laws of Ireland and which has been founded 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.

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

(a) The Issuer will use the proceeds of the Issue of the Notes and of the Subordinated Loan to acquire from VWFS PL during the Revolving Period as determined in Condition 5(a) the Lease Receivables pursuant to the Receivables Purchase Agreement. The Lease Receivables include related Ancillary Rights, such as (without limitation) related Insurance Claims, claims for damages arising from a breach of contract or in tort against a respective Lessee in connection with the Lease Contract as well as any interest accrued on overdue lease instalments. Under the Receivables Purchase Agreement, VWFS PL makes certain warranties relating to the Purchased Lease Receivables and the Issuer will have certain warranty claims, for example the right to require VWFS PL to repurchase the Purchased Lease Receivables upon a breach of warranties. The collection and administration of the Purchased Lease Receivables, to which VWFS PL 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, VWFS PL (in this capacity, the "**Servicer**") and the Security Trustee. In addition, subject to revocation by the Security Trustee, VWFS PL is entitled and obligated 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 the Programme Documents in connection with the acquisition of the Purchased Lease Receivables and the Issue of the Notes and the raising of the Subordinated Loan, in particular, but not limited to, the Subordinated Loan Agreement with an Affiliate of Volkswagen AG, the Data Protection Trust Agreement with the Data Protection Trustee and the Security Trustee, a Corporate Services Agreement with the Corporate Services Provider, the Agency Agreement with VWFS PL and the Agents, the Account Agreement with the Account Bank. The creditors of the Issuer under the Programme Documents are referred to as "**Programme Creditors**".

(b) The Issuer has transferred or pledged the Purchased Lease Receivables and all of its claims arising under the Programme Documents to the Security Trustee as collateral 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.

(c) All payment obligations of the Issuer under the Notes and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount as generated, *inter alia*, by payments to the Issuer by the Lessees as available on the respective Payment Dates according to the Order of Priority of distribution. The Cleared Notes of any Series 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 pursuant to clause 21 (*Distribution Account, Accumulation Account*) of the Trust Agreement in the Distribution Account. Further, the Issuer will on or around the Issue Date establish and thereafter maintain the Cash Collateral Account pursuant to clause 23 (*Cash Collateral Account; Accumulation Account; Issuer Registered Pledge Event*) 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 Programme Documents with the due care of a prudent businessman such that obligations under the Notes may, subject always to the provisions of the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes as to the Order of Priority, be

performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Account are insufficient to satisfy in full the claims of all Programme Creditors any claims of holders of Cleared Notes of the respective Series remaining unpaid shall be extinguished at the Legal Maturity Date applicable to the respective Series of Cleared Notes and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Cleared Notes of the respective Series nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid.

(d) The enforcement of the payment obligations under the Notes and the Subordinated Loan Agreement pursuant to paragraph (c) shall only be effected by the Security Trustee for the benefit of all Noteholders and the Subordinated Lender. The Security Trustee is required to foreclose on the Purchased Lease Receivables in case of a Foreclosure Event, on the conditions and in accordance with the terms set forth in clauses 17 (*Foreclosure on the Security; Foreclosure Event*) through 21 (*Distribution Account; Accumulation Account*) of the Trust Agreement.

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

(f) None of the Security Trustee, Programme Creditors nor the Noteholders shall be entitled to (i) institute against the Issuer any action or commence any proceedings against the Issuer to recover any amounts due and payable by the Issuer under the Programme Documents or the Notes except as permitted by the provisions in the Programme Documents; or (ii) take any action or commence any proceedings or petition a court for the liquidation or examinership of the Issuer, or enter into any arrangement, reorganisation or any other insolvency proceedings in relation to the Issuer (save for the appointment of a receiver or delegate in accordance with the provisions of Security Documents), whether under the laws of Ireland or other applicable insolvency laws.

(g) 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 Programme Documents or the Notes. Any recourse against such a person is excluded accordingly.

6. **Further Covenants of the Issuer**

(a) As long as any of the Notes and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Security Trustee, to carry out any activities described in clause 38 (*Actions of the issuer requiring consent*) of the Trust Agreement.

(b) The counterparties of the Programme Documents are not liable for covenants of the Issuer.

7. **Payment Date, Payment Related Information**

The Issuer (or the Paying Agent on its behalf) shall inform the holders of the Cleared Notes, not later than on the "**Servicer Report Performance Date**" which is the 5th Business Day prior to each Payment Date by means of the publication provided for under Condition 12, with reference to the Payment Date (as described below) of such month, as follows:

(a) the repayment of the nominal amount payable on each Series of Cleared Notes (if any) and the amount of interest calculated and payable on each Series of Cleared Notes on the succeeding 25th day of such calendar month or, if this is not a Business Day, on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each respectively a "**Payment Date**");

(b) the nominal amount remaining outstanding on each Series of Cleared Notes on each respective Payment Date and the amount of interest remaining unpaid, if any, on the Cleared Notes of each Series as from such Payment Date;

(c) the Notes Factor for each Series of Cleared Notes;

(d) the remaining General Cash Collateral Amount; and

(e) in the event of the final Payment Date with respect to a Series of Cleared Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Cleared Notes, in its offices at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Irleand, and during normal business hours, the documents from which the figures reported to the holders of the Cleared Notes are calculated.

8. **Payments of Interest**

(a) Subject to the limitations set forth in Condition 5(c) each outstanding principal amount in respect of the Notes shall bear interest from (and including) the Initial Issue Date until (but excluding) the day on which the principal amount has been reduced to zero.

(b) Interest shall be paid in arrears on each Payment Date. The amount of interest payable in respect of each Cleared Note on any Payment Date shall be calculated by applying the Notes Interest Rate for the relevant Interest Accrual Period to the principal amount outstanding of the Cleared Notes immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 365 and rounding the result to the nearest full cent, all as determined by U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) (the "**Interest Determination Agent**", which shall include a substitute or alternative interest determination agent).

(c) The interest rate to be used for calculating the amount of interest payable pursuant to paragraph (a) shall be the WIBOR rate for one month PLN deposits plus the relevant margin set out in the Relevant Final Terms (the "**Margin**") *per annum*, subject to a floor of zero, (the "**Notes Interest Rate**"). Such determination shall also apply to the first Interest Accrual Period.

(d) Accrued Interest not paid on the Cleared Notes on the Payment Date related to the Interest Accrual Period in which it accrued will be an "**Interest Shortfall**" with respect to such Cleared Note and will constitute a Foreclosure Event, if not paid for a period of five Business Days from the relevant Payment Date.

9. **Payment obligations, extension of maturities and Agents**

(a) On each Payment Date the Issuer shall, subject to Condition 5(c), pay to each holder of a Note interest at the Notes Interest Rate on the principal amount of the Notes of such Series of Notes outstanding immediately prior to the respective Payment Date, and during the amortizing period redeem the principal amount of the Notes by applying the amount remaining thereafter in accordance with the Order of Priority. The record date shall be the Business Day, by the close of business, preceding the Payment Date.

(b) Sums which are to be paid to the holders of the Cleared Notes shall be rounded down to the next lowest cent amount for each of the Cleared Notes. The amount of such rounding down to the next cent amount shall be used in the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to retain any amount less than PLN 3,000 remaining on the Legal Maturity Date (as defined below).

(c) Payments of principal and interest, if any, on the Cleared Notes shall be made by the Principal Paying Agent on the Issuer's behalf for further payment to Clearstream, Luxembourg and Euroclear or to their order for credit to the relevant account holders of Euroclear and Clearstream, Luxembourg. All payments in respect of any Cleared 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.

(d) The first Payment Date for the Cleared Notes shall be as specified in the applicable Final Terms. The final payment of the then outstanding principal amount plus interest thereon

is expected to take place on or before the Payment Date specified in the applicable Final Terms (the "**Scheduled Repayment Date**").

(e) Notwithstanding Condition 8(d), all payments of interest on and principal of the Cleared Notes will be due and payable at the latest in full on the legal maturity date of the Notes, which shall be the Payment Date specified in the applicable Final Terms (the "**Legal Maturity Date**").

(f) **Provided that** the holders of the Cleared Notes have received a notice from the Issuer in accordance with Condition 12 and substantially in the form set out in Schedule 1 to these Conditions no later than twenty (20) calendar days prior to the final day of the then current Revolving Period (the "**Series Revolving Period Expiration Date**"), all of the holders of the Cleared Notes, acting collectively, shall have the right, by written notice to the Principal Paying Agent, the Security Trustee and the Issuer in the form of Schedule 2 to these Conditions to be received not later than ten (10) calendar days immediately preceding the then amended Series Revolving Period Expiration Date, to request:

(i) the extension of the Series Revolving Period Expiration Date for a period specified in the relevant notice,

(ii) an amendment to the Margin, and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Series Revolving Period Expiration Date.

(g) Any amendments so requested shall become effective only if by no later than the third (3rd) Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders in the form prescribed by Condition 12 that it has received such confirmation and that it agrees to the requested amendments.

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

(i) Payments of interest and principal shall be made from the Issuer's accounts with U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) (the "**Account Bank**") by the Issuer to the Principal Paying Agent (which shall include a substitute or alternative paying agent), for on-payment to Clearstream Luxembourg and/or Euroclear or to their order for credit to the accounts of the relevant account holders of Clearstream Luxembourg or, as applicable Euroclear without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders of the Cleared Notes upon maturity.

(j) In their capacity as such, the Principal Paying Agent, the Calculation Agent, the Registrar and the Interest Determination Agent, respectively, shall act solely as agents of the Issuer and shall not maintain an agency or trust relationship with the holders of the Cleared Notes. The Issuer may appoint a new principal paying agent, calculation agent, registrar and/or an interest determination agent, or if there are grounds to do so, appoint an alternative principal paying agent, calculation agent, registrar and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent, the Calculation Agent, the Registrar and/or the Interest Determination Agent as provided for in clause 18 (*Allocation of payments*) of the Trust Agreement. Appointments and revocations thereof shall be announced pursuant to Condition 12. The Issuer will ensure that during the term of the Cleared Notes a paying agent, an interest determination agent and a calculation agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code.

10. **Taxes**

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

11. **Replacement of Issuer**

(a) The Issuer is at any time entitled to appoint another company (the "**New Issuer**") in place of the Issuer as debtor for all obligations arising from and in connection with the Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes, the Subordinated Loan, the Receivables Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Corporate Services Agreement, the Data Protection Trust Agreement, the Agency Agreement and any other Programme Document by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Security Trustee for the purpose of securing the obligations of the New Issuer, (ii) the holders of the Notes and the Subordinated Lender of the Subordinated Loan confirm that no further expenses or legal disadvantages of any kind arise for any of them from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Principal Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Security Trustee considers necessary for the effectiveness of the replacement and (v) the replacement will not adversely affect the validity and enforceability of the Security. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer *vis-à-vis* the holders of the Notes under or in connection with the Notes and the Subordinated Loan under or in connection with the Subordinated Loan.

(b) Such replacement of the Issuer must be published in accordance with Condition 12.

(c) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Notes shall be deemed to be a reference to the New Issuer.

12. **Notices**

All notices to the Noteholders regarding the Cleared Notes shall be delivered to the applicable clearing systems for communication by them to the Noteholders of the Cleared Notes. Any notice referred to above shall be deemed to have been given to all Noteholders of the Cleared Notes on the seventh day after the day on which the said notice was delivered to the respective clearing system.

13. **Miscellaneous**

(a) The form and content of the Cleared Notes and all of the rights and obligations of the holders of the Notes of Cleared Notes, the Issuer, the Principal Paying Agent, the Registrar and the Servicer under these Cleared Notes shall be subject in all respects to the laws of Germany. The Conditions of any Series of the Cleared Notes may only be modified through contractual agreement to be concluded between the Issuer and all holders of Cleared Notes as provided for in section 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – SchVG)*)

or by a Noteholder's resolution of the Cleared Notes adopted with unanimous consent of the holders of the Notes pursuant to sections 5 to 22 of the aforementioned act.

(b) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force.

(c) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) For any legal proceedings brought in connection with these Conditions which have been initiated against the Issuer in a court of Germany, the Issuer grants Intertrust (Deutschland) GmbH the authority to accept service of process. The Issuer undertakes to maintain an agent for accepting such service in the Federal Republic of Germany as long as any of the Cleared Notes are outstanding.

(e) Notwithstanding paragraph (a) above and subject to giving ten (10) Business Days prior notice to the Noteholders of the Cleared Notes in writing, including by email, the Issuer will be entitled to amend any term or provision of the Conditions of the Cleared Notes (except for the ranking of the Cleared Notes, any security securing the Cleared Notes, the Legal Maturity Date, the Scheduled Repayment Date, the Series Revolving Period Expiration Date, any Payment Date, the Notes Interest Rate or the amount of payments of any principal), with the consent of the Security Trustee, but without the consent of any Noteholder of Cleared Notes, the Subordinated Lender, the Arranger, the Lead Manager or any other person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation.

SCHEDULE 1 TO THE CLEARED NOTES

FORM OF NOTICE TO BE DELIVERED BY THE ISSUER TO THE HOLDERS OF THE CLEARED NOTES IN ACCORDANCE WITH CONDITION 9(F)

Notice to the holders of the Series 20xx-y Cleared Notes, issued by VCL Master Poland DAC (the "Cleared Notes"), to be given twenty (20) calendar days prior to the expiration of the Expiration Date

Terms not defined herein shall have the meaning given to them in the terms and conditions of the Cleared Notes.

Notice is hereby given to the holders of the Cleared Notes that they shall have the right exercisable by written notice to the Principal Paying Agent, the Security Trustee and the Issuer to be received not later than on the tenth (10^{th}) calendar day immediately preceding the then current Series Revolving Period Expiration Date, to request

(i) the extension of the Series Revolving Period Expiration Date for a period to be specified in the relevant notice,

(ii) an amendment to the Margin of the Notes, and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Series Revolving Period Expiration Date.

Ireland, [*date*]

VCL Master Poland DAC

SCHEDULE 2 TO THE CLEARED NOTES

FORM OF NOTICE TO BE DELIVERED BY THE HOLDERS OF THE CLEARED NOTES TO THE PRINCIPAL PAYING AGENT, THE SECURITY TRUSTEE AND THE ISSUER IN ACCORDANCE WITH CONDITION 9(F)

From:
[Name, address, phone number and fax number of relevant holder]

To:
VCL Master Poland DAC as Issuer
U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) as Principal Paying Agent
Intertrust Trustees Limited as Security Trustee

Cleared Notes, issued by VCL Master Poland DAC (the "Cleared Notes")

Dear Sirs,

Terms not defined in herein shall have the meaning given to them in the terms and conditions of the Cleared Notes.

Reference is made to Condition 9(f) of the terms and conditions of the above mentioned Cleared Notes and the notice published on [*date*].

We hereby request

(i) the extension of the Series Revolving Period Expiration Date for a period of one year so that the extended Series Revolving Period Expiration Date shall be [*to be inserted*],

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

(iii) the extension of the Legal Maturity Date for a period equal to the period specified under (i) above so that the extended Legal Maturity Date shall be [*to be inserted*].

We hereby represent and warrant that as of the date of this notice

(i) we hold [•] per cent. of the Cleared Notes outstanding on the date of this notice; and

(ii) we will not sell or transfer or otherwise dispose of any of the Cleared Notes prior to the 25th Business Day after the date of this notice.

We hereby acknowledge that the amendments requested above shall become effective only if by no later than the third (3rd) Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to us (as holders of the Cleared Notes) in the form prescribed in Condition 12 that it has received such reaffirmation and that it agrees to the requested amendments.

Kind regards,

[*name and signatures of holder*]

TERMS AND CONDITIONS OF THE UNCLEARED NOTES

The terms and conditions of the Uncleared Notes (the "**Conditions of the Uncleared Notes**") are set out below. Annex A to the Conditions of the Uncleared Notes sets out the relevant "FINAL TERMS OF THE UNCLEARED NOTES", Annex B to the Conditions of the Uncleared Notes sets out the "TRUST AGREEMENT", Annex C to the Conditions of the Uncleared Notes sets out the "MASTER DEFINITIONS SCHEDULE". In case of any overlap or inconsistency in the definition of a term or expression in the Conditions of the Uncleared Notes and elsewhere in this Offering Circular, the definition contained in the Conditions of the Uncleared Notes will prevail.

1. **Form and Nominal Amount of the Uncleared Notes**

The Programme is a PLN 3,300,000,000 Programme for the issuance of the Notes under which the Issuer may from time to time issue floating rate notes denominated in Polish zloty in cleared and uncleared form.

(a) Under the Programme, VCL Master Poland DAC (the "**Issuer**") may issue Notes in uncleared form in the aggregate nominal amount of up to PLN 800,000,000 (the "**Uncleared Notes Maximum Amount**"). The Uncleared Notes Maximum Amount is divided into

up to 800 Uncleared Notes issued in registered global note form
(the "**Uncleared Notes**")
each having a nominal amount of
PLN 1,000,000 (the "**Nominal Amount**").

Each Series of Uncleared Notes is issued in registered form and represented by a global note (each a "**Global Note**") without coupons attached. Each Global Note representing a Series of Uncleared Notes shall be deposited with and held in safe custody by U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) (the "**Registrar**").

(b) Under the Programme, the Issuer may also issue Notes in cleared form in the aggregate nominal amount of up to PLN 2,500,000,000 (the "**Cleared Noted Maximum Amount**") issued in registered global note form (the "**Cleared Note**") each having an initial nominal amount of PLN 1,000,000.

(c) Each Global Note representing a Series of Uncleared Notes will bear the personal signatures of two duly authorised directors of the Issuer and will be authenticated by one or more employees or attorneys of the Registrar.

(d) 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 of the Uncleared Notes and the particulars of such Series of Uncleared Notes held by them and all transfers and payments (of interest and principal) of such Series of Uncleared Notes. The rights of the Registered Holder evidenced by a Global Note and title to a Global Note itself pass by transfer and registration in the Register. Each Global Note representing a Series of Uncleared Notes will be issued in the name of a holder of Uncleared Notes (the "**Registered Holder of the Uncleared Notes**"). The Registered Holder of the Uncleared Notes will be registered as Noteholder of the Uncleared Notes in the Register.

(e) Any party which intends to become a Noteholder of an Uncleared Note must be a Qualifying Noteholder and must provide written confirmation on this point to the Issuer before it obtains an interest in an Uncleared Note. A Noteholder of an Uncleared Note must continue to be a Qualifying Noteholder while it remains a Noteholder of an Uncleared Note. A Noteholder of an Uncleared Note may only transfer an interest in an Uncleared Note to a party that is a Qualifying Noteholder and that has provided written confirmation on this point in the relevant Transfer Agreement.

(f) Unless otherwise agreed with the Issuer, any Noteholder of an Uncleared Note must give the Issuer no less than two (2) weeks written notice of its intention to transfer its rights under the Uncleared Notes.

(g) Any Noteholder of an Uncleared Note may transfer its rights under the Uncleared Notes only with effect as of any Payment Date if:

(i) the proposed new Noteholder of any Uncleared Notes (the "**Transferee**") accedes as a note purchaser to the programme agreement dated on the date of execution, as amended from time to time and entered into between, *inter alios*, the Issuer and any Noteholder of Uncleared Notes;

(ii) the transfer is made in accordance with the provisions of the Transfer Agreement substantially in the form as set out under Schedule 3 hereto and the Transferee has satisfied the Issuer's and the Principal Paying Agent's relevant anti-money laundering and "know your customer" requirements;

(iii) the Issuer has consented to such transfer by way of signing the Transfer Agreement substantially in the form as set out under Schedule 3 hereto;

(iv) the relevant Noteholder of Uncleared Notes shall surrender the relevant Global Note together with any Transfer Agreement duly completed and executed, at the designated office of the Registrar;

(v) the Transferee has confirmed in the Transfer Agreement that it is a Qualifying Noteholder;

(vi) the Transferee has provided the Principal Paying Agent, the Registrar and the Issuer with its relevant notice details as well as the account details to which any payments under the Uncleared Notes from the Issuer to the Transferee shall be made;

(vii) each transfer relates to the relevant total outstanding Nominal Amount of the relevant Note and therefore must be made in whole but not in part;

Upon any transfer of the rights arising under the relevant Uncleared Notes, a new Global note shall be issued and will within five (5) Business Days of delivery of the Global Note of the relevant previous Noteholder of Uncleared Notes and the duly completed and executed Form of Transfer Agreement be available for collection at the designated office of the Registrar or, at request and as specified in the relevant Form of Transfer Agreement, be mailed at the risk of the Transferee to such address as specified, subject to the prior entry of the Transferee into the Register by the Registrar or the completion of any other potential conditions under which the Form of Transfer Agreement comes into force.

(h) Notwithstanding paragraph (d) of this Condition 1, each person who is for the time being shown in the Register, as the holder of an Uncleared Notes of such Series of Uncleared Notes shall be treated by the Issuer and any paying agent as the holder of such a Series of Uncleared Notes for all purposes (and the expressions "**Noteholder of Uncleared Notes**" and "**holder of Uncleared Notes**" and related expressions shall be construed accordingly).

(i) On the Closing Date the Issuer will borrow the Subordinated Loan from the Subordinated Lender and on each Further Issue Date the Subordinated Loan Increase Amount, which rank junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.

(j) The Notes are subject to the provisions of the Trust Agreement between, *inter alia*, the Issuer, the Security Trustee and VWFS PL. The provisions of the Trust Agreement are set out in Annex B. Annex B constitutes part of these Conditions of the Uncleared Notes.

2. **Series**

(a) **Series of Uncleared Notes**

On a given Issue Date falling within the Revolving Period, all Uncleared Notes issued on that date will constitute one or several Series of Uncleared Notes, which shall be identified by means of:

(i) a four digit number representing the year on which the Series was issued, in the following format: Series "20xx", followed by:

(ii) the number of such Series in respect of the relevant year, in the following format "y".

(iii) in the following format: Series 20xx-y.

(b) **General principles relating to the Series of Uncleared Notes**

The Uncleared Notes of different Series shall not be fungible among themselves.

All Uncleared Notes issued within the same Series shall be fungible among themselves in accordance with and subject to the following provisions:

(i) the Series 20xx-y Uncleared Notes of the same Series shall all bear the same interest rate in accordance with the provisions of Condition 8;

(ii) the interest rate payable under the Series 20xx-y Uncleared Notes of a given Series shall be paid on the same Payment Dates; and

(iii) the Series 20xx-y Uncleared Notes in respect of a given Series shall have the same Scheduled Repayment Date and the same Legal Maturity Date as set out in Condition 9(c).

3. **Status and Ranking**

(a) The Uncleared Notes of any Series constitute direct, secured, unconditional, limited recourse and unsubordinated obligations of the Issuer.

(b) The Notes rank *pari passu* among themselves. The Notes rank senior to the Subordinated Loan.

(c) The claims of the holders of the Uncleared Notes under the Uncleared 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.

(d) After the full and complete repayment of the Uncleared Notes, the relevant Noteholder will return the respective Global note to the Registrar without undue delay and the Registrar shall inform the Issuer thereof.

4. **The Issuer**

The Issuer whose Constitution is subject to Irish law is a designated activity company limited by shares incorporated with limited liability under the laws of Ireland and which has been founded 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.

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

(a) The Issuer will use the proceeds of the Issue of the Notes and of the Subordinated Loan to acquire from VWFS PL during the Revolving Period as determined in Condition 5(a) the Lease Receivables pursuant to the Receivables Purchase Agreement. The Lease

Receivables include related Ancillary Rights, such as (without limitation) related Insurance Claims, claims for damages arising from a breach of contract or in tort against a respective Lessee in connection with the Lease Contract as well as any interest accrued on overdue lease instalments. Under the Receivables Purchase Agreement, VWFS PL makes certain warranties relating to the Purchased Lease Receivables and the Issuer will have certain warranty claims, for example the right to require VWFS PL to repurchase the Purchased Lease Receivables upon a breach of warranties. The collection and administration of the Purchased Lease Receivables, to which VWFS PL 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, VWFS PL (in this capacity, the "**Servicer**") and the Security Trustee. In addition, subject to revocation by the Security Trustee, VWFS PL is entitled and obligated 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 the Programme Documents in connection with the acquisition of the Purchased Lease Receivables and the Issue of the Notes and the raising of the Subordinated Loan, in particular, but not limited to, the Subordinated Loan Agreement with an Affiliate of Volkswagen AG, the Data Protection Trust Agreement with the Data Protection Trustee and the Security Trustee, a Corporate Services Agreement with the Corporate Services Provider, the Agency Agreement with VWFS PL and the Agents, the Account Agreement with the Account Bank. The creditors of the Issuer under the Programme Documents are referred to as "**Programme Creditors**".

(b) The Issuer has transferred or pledged the Purchased Lease Receivables and all of its claims arising under the Programme Documents to the Security Trustee as collateral 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.

(c) All payment obligations of the Issuer under the Notes and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount as generated, *inter alia*, by payments to the Issuer by the Lessees as available on the respective Payment Dates according to the Order of Priority of distribution. The Uncleared Notes of any Series 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 pursuant to clause 21 (*Distribution Account; Accumulation Account*) of the Trust Agreement in the Distribution Account. Further, the Issuer will on or around the Issue Date establish and thereafter maintain the Cash Collateral Account pursuant to clause 23 (*Cash Collateral Account; Accumulation Account; Issuer Registered Pledge Event Account*) 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 Programme Documents with the due care of a prudent businessman such that obligations under the Notes may, subject always to the provisions of the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Account are insufficient to satisfy in full the claims of all Programme Creditors any claims of holders of Uncleared Notes of the respective Series remaining unpaid shall be extinguished at the Legal Maturity Date applicable to the respective Series of Uncleared Notes and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Uncleared Notes of the respective Series nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid.

(d) The enforcement of the payment obligations under the Notes and the Subordinated Loan Agreement pursuant to paragraph (c) shall only be effected by the Security Trustee for the benefit of all Noteholders and the Subordinated Lender. The Security Trustee is required to foreclose on the Purchased Lease Receivables in case of a Foreclosure Event, on the conditions and in accordance with the terms set forth in clauses 17 (*Foreclosure on the Security; Foreclosure Event*) through 21 (*Distribution Account; Accumulation Account*) of the Trust Agreement.

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

(f) None of the Security Trustee, Programme Creditors nor the Noteholders shall be entitled to (i) institute against the Issuer any action or commence any proceedings against the Issuer to recover any amounts due and payable by the Issuer under the Programme Documents or the Notes except as permitted by the provisions in the Programme Documents; or (ii) take any action or commence any proceedings or petition a court for the liquidation or examinership of the Issuer, or enter into any arrangement, reorganisation or any other insolvency proceedings in relation to the Issuer (save for the appointment of a receiver or delegate in accordance with the provisions of Security Documents), whether under the laws of Ireland or other applicable insolvency laws.

(g) 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 Programme Documents or the Notes. Any recourse against such a person is excluded accordingly.

6. **Further Covenants of the Issuer**

(a) As long as any of the Notes and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Security Trustee, to carry out any activities described in clause 38 (*Actions Of The Issuer Requiring Consent*) of the Trust Agreement.

(b) The counterparties of the Programme Documents are not liable for covenants of the Issuer.

7. **Payment Date, Payment Related Information**

The Issuer (or the Principal Paying Agent on its behalf) shall inform the holders of the Uncleared Notes, not later than on the "**Servicer Report Performance Date**" which is the 5th Business Day prior to each Payment Date by means of the publication provided for under Condition 12, with reference to the Payment Date (as described below) of such month, as follows:

(a) the repayment of the nominal amount payable on each Series of Uncleared Notes (if any) and the amount of interest calculated and payable on each Series of Uncleared Notes on the succeeding 25th day of such calendar month or, if this is not a Business Day, on the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day (each respectively a "**Payment Date**");

(b) the nominal amount remaining outstanding on each Series of Uncleared Notes on each respective Payment Date and the amount of interest remaining unpaid, if any, on the Uncleared Notes of each Series as from such Payment Date;

(c) the Notes Factor for each Series of Uncleared Notes;

(d) the remaining General Cash Collateral Amount; and

(e) in the event of the final Payment Date with respect to a Series of Uncleared Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Uncleared Notes, in its offices at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Irleand, and during normal business hours, the documents from which the figures reported to the holders of the Uncleared Notes are calculated.

8. **Payments of Interest**

(a) Subject to the limitations set forth in Condition 5(c) each outstanding principal amount in respect of the Notes shall bear interest from (and including) the Initial Issue Date until (but excluding) the day on which the principal amount has been reduced to zero.

(b) Interest shall be paid in arrears on each Payment Date. The amount of interest payable in respect of each Uncleared Note on any Payment Date shall be calculated by applying the Notes Interest Rate for the relevant Interest Accrual Period to the principal amount outstanding of the Uncleared Notes immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 365 and rounding the result to the nearest full cent, all as determined by U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) (the "**Interest Determination Agent**", which shall include a substitute or alternative interest determination agent).

(c) The interest rate to be used for calculating the amount of interest payable pursuant to paragraph (a) shall be the WIBOR rate for one month PLN deposits plus the relevant margin set out in the Relevant Final Terms (the "**Margin**") *per annum*, subject to a floor of zero, (the "**Notes Interest Rate**"). Such determination shall also apply to the first Interest Accrual Period.

(d) Accrued Interest not paid on the Uncleared Notes on the Payment Date related to the Interest Accrual Period in which it accrued will be an "**Interest Shortfall**" with respect to such Uncleared Note and will constitute a Foreclosure Event, if not paid for a period of five Business Days from the relevant Payment Date.

9. **Payment obligations, extension of maturities and Agents**

(a) On each Payment Date the Issuer shall, subject to Condition 5(c), pay to each holder of a Note interest at the Notes Interest Rate on the principal amount of the Notes of such Series of Notes outstanding immediately prior to the respective Payment Date, and during the amortizing period redeem the principal amount of the Notes by applying the amount remaining thereafter in accordance with the Order of Priority. The record date shall be the Business Day, by the close of business, preceding the Payment Date.

(b) Sums which are to be paid to the holders of the Uncleared Notes shall be rounded down to the next lowest cent amount for each of the Uncleared Notes. The amount of such rounding down to the next cent amount shall be used in the next following Payment Date and the surplus carried over to the following Payment Date. The Servicer shall be entitled to retain any amount less than PLN 3,000 remaining on the Legal Maturity Date (as defined below).

(c) Payments of principal and interest, if any, on the Uncleared Notes shall be made by the Principal Paying Agent on the Issuer's behalf to the relevant Noteholder of Uncleared Notes. All payments in respect of any Uncleared Note made by, or on behalf of, the Issuer to, or to the order of the relevant Noteholder of Uncleared Notes shall discharge the liability of the Issuer under such Note to the extent of sums so paid.

(d) The first Payment Date for the Uncleared Notes shall be as specified in the applicable Final Terms. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date specified in the applicable Final Terms (the "**Scheduled Repayment Date**").

(e) Notwithstanding Condition 8(d), all payments of interest on and principal of the Uncleared Notes will be due and payable at the latest in full on the legal maturity date of the Notes, which shall be the Payment Date specified in the applicable Final Terms (the "**Legal Maturity Date**").

(f) **Provided that** the holders of the Uncleared Notes have received a notice from the Issuer in accordance with Condition 12 and substantially in the form set out in Schedule 1 to these Conditions no later than twenty (20) calendar days prior to the final day of the then current Revolving Period (the "**Series Revolving Period Expiration Date**"), all of the holders of the Uncleared Notes, acting collectively, shall have the right, by written notice to the Principal Paying Agent, the Security Trustee and the Issuer in the form of Schedule 2 to these Conditions to be received not later than ten (10) calendar days immediately preceding the then amended Series Revolving Period Expiration Date, to request:

(i) the extension of the Series Revolving Period Expiration Date for a period specified in the relevant notice,

(ii) an amendment to the Margin, and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Series Revolving Period Expiration Date.

(g) Any amendments so requested shall become effective only if by no later than the third (3rd) Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to the holders in the form prescribed by Condition 12 that it has received such confirmation and that it agrees to the requested amendments.

(h) The Issuer shall procure that the amendments that have become effective in accordance with these provisions regarding the Uncleared Notes will be notified to the Principal Paying Agent for further communication to the holders of the relevant Series of Uncleared Notes has been given.

(i) Payments of interest and principal shall be made from the Issuer's accounts with U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) (the "**Account Bank**") by the Issuer to the Principal Paying Agent (which shall include a substitute or alternative paying agent), for on-payment to the relevant Noteholder of Uncleared Notes without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders of the Uncleared Notes upon maturity.

(j) In their capacity as such, the Principal Paying Agent, the Calculation Agent, the Registrar and the Interest Determination Agent, respectively, shall act solely as agents of the Issuer and shall not maintain an agency or trust relationship with the holders of the Uncleared Notes. The Issuer may appoint a new principal paying agent, calculation agent, registrar and/or an interest determination agent, or if there are grounds to do so, appoint an alternative principal paying agent, calculation agent, registrar and/or an alternative interest determination agent and revoke the appointment of the Principal Paying Agent, the Calculation Agent, the Registrar and/or the Interest Determination Agent as provided for in clause 18 (*Allocation of payments*) of the Trust Agreement. Appointments and revocations thereof shall be announced pursuant to Condition 12. The Issuer will ensure that during the term of the Uncleared Notes a paying agent, an interest determination agent and a calculation agent will be appointed at all times and will be released from the restrictions of section 181 of the German Civil Code.

10. **Taxes**

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

11. **Replacement of Issuer**

(a) The Issuer is at any time entitled to appoint another company (the "**New Issuer**") in place of the Issuer as debtor for all obligations arising from and in connection with the Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes, the Subordinated Loan, the Receivables Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Corporate Services Agreement, the Data

Protection Trust Agreement, the Agency Agreement and any other Programme Document by means of an agreement with the Issuer; provided further, the Security is, upon the Issuer's replacement, to be held by the Security Trustee for the purpose of securing the obligations of the New Issuer, (ii) the holders of the Notes and the Subordinated Lender of the Subordinated Loan confirm that no further expenses or legal disadvantages of any kind arise for any of them from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Principal Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Security Trustee considers necessary for the effectiveness of the replacement and (v) the replacement will not adversely affect the validity and enforceability of the Security. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer *vis-à-vis* the holders of the Notes under or in connection with the Notes and the Subordinated Loan under or in connection with the Subordinated Loan.

(b) Such replacement of the Issuer must be published in accordance with Condition 12.

(c) In the event of such replacement of the Issuer, each reference to the Issuer in these Conditions of the Notes shall be deemed to be a reference to the New Issuer.

12. **Notices**

All notices to the Noteholders regarding the Uncleared Notes shall be delivered to the Principal Paying Agent for communication by it to the Noteholders of the Uncleared Notes. Any notice referred to above shall be deemed to have been given to all Noteholders of the Uncleared Notes on the seventh day after the day on which the said notice was delivered to the respective Noteholder of Uncleared Notes.

13. **Miscellaneous**

(a) The form and content of the Uncleared Notes and all of the rights and obligations of the holders of the Notes of Uncleared Notes, the Issuer, the Principal Paying Agent, the Registrar and the Servicer under these Uncleared Notes shall be subject in all respects to the laws of Germany. The Conditions of any Series of the Uncleared Notes may only be modified through contractual agreement to be concluded between the Issuer and all holders of Uncleared Notes.

(b) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force.

(c) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

(d) For any legal proceedings brought in connection with these Conditions which have been initiated against the Issuer in a court of Germany, the Issuer grants Intertrust (Deutschland) GmbH the authority to accept service of process. The Issuer undertakes to maintain an agent for accepting such service in the Federal Republic of Germany as long as any of the Uncleared Notes are outstanding.

(e) Notwithstanding paragraph (a) above and subject to giving ten (10) Business Days prior notice to the Noteholders of the Uncleared Notes in writing, including by email, the Issuer will be entitled to amend any term or provision of the Conditions of the Uncleared Notes (except for the ranking of the Uncleared Notes, any security securing the Uncleared Notes, the Legal Maturity Date, the Scheduled Repayment Date, the Series Revolving Period Expiration Date, any Payment Date, the Notes Interest Rate or the amount of payments of any principal), with the consent of the Security Trustee, but without the consent of any

Noteholder of Uncleared Notes, the Subordinated Lender, the Arranger, the Lead Manager or any other person if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation.

SCHEDULE 1 TO THE UNCLEARED NOTES

FORM OF NOTICE TO BE DELIVERED BY THE ISSUER TO THE HOLDERS OF THE UNCLEARED NOTES IN ACCORDANCE WITH CONDITION 9(F)

Notice to the holders of the Series 20xx-y Uncleared Notes, issued by VCL Master Poland DAC (the "Uncleared Notes"), to be given twenty (20) calendar days prior to the expiration of the Expiration Date

Terms not defined herein shall have the meaning given to them in the terms and conditions of the Uncleared Notes.

Notice is hereby given to the holders of the Uncleared Notes that they shall have the right exercisable by written notice to the Principal Paying Agent, the Security Trustee and the Issuer to be received not later than on the tenth (10^{th}) calendar day immediately preceding the then current Series Revolving Period Expiration Date, to request

(i) the extension of the Series Revolving Period Expiration Date for a period to be specified in the relevant notice,

(ii) an amendment to the Margin of the Notes, and

(iii) the extension of the Legal Maturity Date for a period to be specified in the relevant notice, which shall be equal to the period specified in such notice for the extension of the Series Revolving Period Expiration Date.

Ireland, [*date*]

VCL Master Poland DAC

SCHEDULE 2 TO THE UNCLEARED NOTES

FORM OF NOTICE TO BE DELIVERED BY THE HOLDERS OF THE UNCLEARED NOTES TO THE PRINCIPAL PAYING AGENT, THE SECURITY TRUSTEE AND THE ISSUER IN ACCORDANCE WITH CONDITION 9(F)

From:
[Name, address, phone number and fax number of relevant holder]

To:
VCL Master Poland DAC as Issuer
U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC) as Principal Paying Agent
Intertrust Trustees Limited as Security Trustee

Uncleared Notes, issued by VCL Master Poland DAC (the "Uncleared Notes")

Dear Sirs,

Terms not defined in herein shall have the meaning given to them in the terms and conditions of the Uncleared Notes.

Reference is made to Condition 9(f) of the terms and conditions of the above mentioned Uncleared Notes and the notice published on [*date*].

We hereby request

(i) the extension of the Series Revolving Period Expiration Date for a period of one year so that the extended Series Revolving Period Expiration Date shall be [*to be inserted*],

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

(iii) the extension of the Legal Maturity Date for a period equal to the period specified under (i) above so that the extended Legal Maturity Date shall be [*to be inserted*].

We hereby represent and warrant that as of the date of this notice

(i) we hold [•] per cent. of the Uncleared Notes outstanding on the date of this notice; and

(ii) we will not sell or transfer or otherwise dispose of any of the Uncleared Notes prior to the 25th Business Day after the date of this notice.

We hereby acknowledge that the amendments requested above shall become effective only if by no later than the third (3rd) Business Day prior to the then current Series Revolving Period Expiration Date, the Issuer has confirmed by notice to us (as holders of the Uncleared Notes) in the form prescribed in Condition 12 that it has received such reaffirmation and that it agrees to the requested amendments.

Kind regards,

[*name and signatures of holder*]

SCHEDULE 3 FORM OF TRANSFER AGREEMENT

THIS TRANSFER AGREEMENT (the "**Agreement**") is dated [*insert date*] and is entered into between:

(1) [*insert name and address of transferor*] (the "**Transferor**");

(2) [*insert name and address of transferee*] (the "**Transferee**"); and

(3) **VCL MASTER POLAND DAC**, a designated activity company limited by shares incorporated with limited liability under the laws of Ireland, having its registered office at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Ireland and registered with the Companies Registration Office under number 698760 (the "**Issuer**").

Now and therefore, the Transferor, the Transferee and the Issuer agree as follows:

1. DEFINITIONS

Capitalised terms in this Agreement shall have the same meaning as defined in the Conditions of the Uncleared Notes unless defined otherwise in this Agreement.

2. SALE AND TRANSFER OF UNCLEARED NOTES

2.1 The Transferor hereby offers to the Transferee to sell, assign and transfer on [*insert date which shall be a Payment Date*] (the "**Transfer Date**") to the Transferee all its rights, titles and interests against the Issuer under:

[*insert number*] Uncleared Notes (the "**Transferred Uncleared Notes**").

2.2 The Transferee hereby accepts such offer and purchases and acquires the Transferred Uncleared Notes on the Transfer Date.

2.3 The Transferee shall pay to the Transferor a purchase price in an amount equal to PLN [*insert amount*] on the Transfer Date for the credit of the following account of the Transferor:

[*insert account details*]

2.4 The Transferee shall return all Global Notes evidencing the Transferred Uncleared Notes to the Issuer by not later than one Business Day prior to the Transfer Date. The details of the Transferee to be entered into the Register by the Issuer in accordance with Condition 1(d) of the Conditions of the Uncleared Notes. The transfer of ownership shall occur in accordance with the Conditions of the Uncleared Notes and shall be recorded in the Register.

2.5 The Transferee confirms that it is a Qualifying Noteholder.

3. ACCESSION TO PROGRAMME AGREEMENT

3.1 The Transferee hereby accedes to the Programme Agreement as Note Purchaser of the Uncleared Notes as of the Transfer Date in accordance with clause 17 of the Programme Agreement. The Transferee shall be vested with all rights, duties and obligations of a Note Purchaser as if originally named as Note Purchaser in the Programme Agreement. Schedule 2 to the Programme Agreement (subscription ratios) shall be amended as follows:

[*insert new table whereby the sum of the ratios of the Transferor and the Transferee shall be equal to the subscription ratio of the Transferor prior to the Transfer Date.*]

3.2 The accession of the Transferee to the Programme Agreement shall be subject to the condition precedent such Transferee has provided the Issuer and all relevant Parties thereof with such information required for them to fulfil its "know your customer" requirements.

3.3 The Transferee hereby repeats all representations and warranties, covenants, acknowledgements and undertakings of a Note Purchaser as set out in clause 6 and 7 of the Programme Agreement as of the Transfer Date.

4. [CESSATION FROM PROGRAMME AGREEMENT]

[The Transferor hereby ceases to be a party to the Programme Agreement as a Note Purchaser in accordance with clause 16 of the Programme Agreement as of the Transfer Date. Following the Transfer Date, no further duties, obligations, rights, titles and claims other than those which by their terms survive the cessation of a Note Purchaser shall continue to exist under the Programme Agreement.]

[Please delete if not applicable – only relevant if all Notes of a Note Purchaser are sold and transferred.]

5. CONSENT OF THE ISSUER

This Agreement, the sale and transfer in accordance with Clause 2 of this Agreement, the accession of a new Note Purchaser in accordance with Clause 3 of this Agreement [and the cessation and replacement of the old Note Purchaser in accordance with Clause [4]] are subject to the consent of the Issuer, which is granted by way of executing this Agreement.

8. PARTIAL INVALIDITY

Should any of the provisions of this Agreement be or become invalid, in whole or in part, the other provisions of this Agreement shall remain in force. Invalid provisions shall, according to the intent and purpose of this Agreement, be replaced by such valid provisions which in their economic effect come as close as legally possible to that of the invalid provisions.

9. GOVERNING LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION

9.1 This Agreement and all contractual and non-contractual disputes arising out of or in connection therewith shall be governed by and construed in accordance with German law.

9.2 The place of performance shall be Frankfurt am Main.

9.3 Place of jurisdiction in respect of all matters covered in this Agreement shall be Frankfurt am Main.

ANNEX A
FINAL TERMS OF [CLEARED/UNCLEARED] NOTES

[*To be inserted in accordance with Form of Final Terms of Cleared Notes or Form of Final Terms of Uncleared Notes (as applicable).*]

FORM OF FINAL TERMS OF CLEARED NOTES

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 Cleared Notes has led to the conclusion that: (i) the target market for the Cleared Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Cleared Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Cleared 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 Cleared 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 Cleared 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 Cleared 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 Cleared 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 Cleared Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Final Terms

[Date]

VCL MASTER POLAND DAC

(*a designated activity company limited by shares incorporated with limited liability in Ireland with registration number 698760*)

as Issuer

for the issuance of the

PLN [•] Series [•] Cleared Notes

[(*to be consolidated and form a single Series with the PLN [•] Series [•] Cleared Notes already outstanding*)].

issued pursuant to the

PLN [•] Programme for the Issuance of Notes

These Final Terms are issued to replicate the information in relation to issue of Cleared Notes by VCL Master Poland DAC under the PLN [•] Programme for the issuance of Notes (the "**Programme**").

Capitalised terms not otherwise defined herein shall have the meaning specified in the Conditions of the Cleared Notes. All references in these Final Terms to numbered Conditions are to be read as reference to the respective Conditions of the Cleared Notes.

1.	Issue Price:	[•]
2.	[Initial] [Further] Issue Date (Condition 8(a)):	[•]

3.	Series Number:	[•]
	Tranche Number:	[•]
4.	Aggregate Nominal Amount of [Further] Series [•] Cleared Notes:	PLN [•]
5.	[Aggregate Nominal Amount of Series [•] Cleared Notes (including the Notes subject of these Final Terms):]	PLN [•] [Not Applicable]
6.	Series [•] Cleared Notes Interest Rate / yield:	WIBOR rate for one month PLN deposits plus the Margin as set out in Condition 8(c) / [•]
	Amount on which interest is to be paid on the first Payment Date (Condition 9(a)):	PLN: [•]
7.	Margin (Condition 8(c)):	[•] per cent. *per annum*
	First Payment Date with respect to the Series [•] Cleared Notes:	[•]
8.	Series Revolving Period Expiration Date:	Payment Date falling in [•] (including) (or as extended in accordance with Condition 9(f))
9.	Scheduled Repayment Date (Condition 9(d)):	Payment Date falling in [•] (or as extended in accordance with Condition 9(f) as a consequence of the extension of the Series Revolving Period Expiration Date)
10	Legal Maturity Date (Condition 9(e)):	[•] (or as extended in accordance with Condition 9(f) as a consequence of the extension of the Series Revolving Period Expiration Date)
11	Settlement information:	[delivery against payment] / [delivery free of payment] / [Not applicable]
12	Clearing Codes:	
	• ISIN Code	[•]
	• Common Code	[•]
13	Use of proceeds	[as set out in the Offering Circular] [specify other use of proceeds]
14	Net amount of proceeds	PLN [•]

[*In case of Further Notes being the subject to these Final Terms: please insert updated portfolio data*].

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Series [•] Cleared Notes described herein (as from [*insert Issue Date*]).

VCL Master Poland DAC

[*Name and title of signatories*]

FORM OF FINAL TERMS OF UNCLEARED NOTES

Final Terms

[Date]

VCL MASTER POLAND DAC

(*a designated activity company limited by shares incorporated with limited liability in Ireland with registration number 698760*)

as Issuer

for the issuance of the

PLN [•] Series [•] Uncleared Notes

[(*to be consolidated and form a single Series with the PLN [•] Series [•] Uncleared Notes already outstanding*)].

issued pursuant to the

PLN [•] Programme for the Issuance of Notes

These Final Terms are issued to replicate the information in relation to issue of Uncleared Notes by VCL Master Poland DAC under the PLN [•] Programme for the issuance of Notes (the "**Programme**").

Capitalised terms not otherwise defined herein shall have the meaning specified in the Conditions of the Uncleared Notes. All references in these Final Terms to numbered Conditions are to be read as reference to the respective Conditions of the Uncleared Notes.

1.	Issue Price:	[•]
2.	[Initial] [Further] Issue Date (Condition 8(a)):	[•]
3.	Series Number:	[•]
	Tranche Number:	[•]
4.	Aggregate Nominal Amount of [Further] Series [•] Uncleared Notes:	PLN [•]
5.	[Aggregate Nominal Amount of Series [•] Uncleared Notes (including the Uncleared Notes subject of these Final Terms):]	PLN [•] [Not Applicable]
6.	Series [•] Uncleared Notes Interest Rate / yield:	WIBOR rate for one month PLN deposits plus the Margin as set out in Condition 8(c) / [•]
	Amount on which interest is to be paid on the first Payment Date (Condition 9(a)):	PLN: [•]
7.	Margin (Condition 8(c)):	[•] per cent. *per annum*
	First Payment Date with respect to the Series [•] Uncleared Notes:	[•]
8.	Series Revolving Period Expiration Date:	Payment Date falling in [•] (including) (or as extended in accordance with Condition 9(f))
9.	Scheduled Repayment Date (Condition 9(d)):	Payment Date falling in [•] (or as extended in accordance with Condition 9(f) as a

		consequence of the extension of the Series Revolving Period Expiration Date)
10	Legal Maturity Date (Condition 9(e)):	[•] (or as extended in accordance with Condition 9(f) as a consequence of the extension of the Series Revolving Period Expiration Date)
11	Settlement information:	[delivery against payment] / [delivery free of payment] / [Not applicable]
12	Use of proceeds	[as set out in the Offering Circular] [specify other use of proceeds]
13	Net amount of proceeds	PLN [•]

[*In case of Further Notes being the subject to these Final Terms: please insert updated portfolio data*].

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Series [•] Uncleared Notes described herein (as from [*insert Issue Date*]).

VCL Master Poland DAC

[*Name and title of signatories*]

ANNEX B
TRUST AGREEMENT

The following is the text of the material terms of the Trust Agreement between the Issuer, the Security Trustee, the Subordinated Lender, the Data Protection Trustee, the Corporate Services Provider, the Principal Paying Agent, the Interest Determination Agent, the Calculation Agent, the Account Bank, VWFS PL, the Lead Manager and the Arranger. The text is attached to the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes as Annex B and constitutes an integral part of the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes – In case of any overlap or inconsistency in the definition of a term or expression in the Trust Agreement and elsewhere in this Offering Circular, the definition contained in the Conditions of the Cleared Notes and/or the Conditions of the Uncleared Notes 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 Programme 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 13 *(Non-Petition and limited Recourse in Favour of the Issuer*) and clause 14 (*Obligations of the Issuer as Corporate Obligations*) 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 34 (*Governing law*) of the Common Terms. Clause 35 (*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

2.1 This Agreement establishes the rights and obligations of the Security Trustee to carry out the tasks assigned to it in this Agreement. Unless otherwise 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 Programme Documents or to carry out duties which are the responsibility of the management of VCL Master Poland DAC.

2.2 The Issuer agrees and authorises that the Security Trustee acts for the Programme Creditors pursuant to the terms of this Agreement, and the Security Documents. The Security Trustee agrees to act accordingly.

3. POSITION OF THE SECURITY TRUSTEE IN RELATION TO THE PROGRAMME CREDITORS

3.1 The Security Trustee carries out the duties specified in this Agreement as a trustee for the benefit of the Programme Creditors. The Security Trustee shall exercise its respective duties hereunder with particular regard to the interests of the Programme Creditors, giving priority to the interests of each Programme Creditor in accordance with the Order of Priority, especially to the interests of the Noteholders.

3.2 This Agreement grants all Programme 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 Programme 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 of the German Civil Code (*echter Vertrag zugunsten Dritter*). 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 will be transferred by the Issuer to the Security Trustee for collateral purposes in accordance with clause 5.1, 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 to the Security Trustee a separate claim (the "**Trustee Claim**") by way of abstract acknowledgement of debt (*abstraktes Schuldanerkenntnis*), 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 Programme Creditor of the Programme Documents shall be fulfilled; and

(c) (if the Issuer is in default with any Secured Obligation(s) and insolvency proceedings according to the Applicable Insolvency Law 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 Programme Creditors and discharge the Issuer's obligation accordingly.

The right of the Issuer to make payments to the respective Programme Creditor shall remain unaffected. The Trustee Claim in whole or in part may be enforced separately from the relevant Programme Creditor's claim related thereto. In the case of a payment pursuant to clause 4.2(c), the Issuer shall have a claim against the Security Trustee for on-payment to the respective Programme Creditors.

"**Secured Obligations**" means any and all obligations (present and future, actual and contingent) which are (or are expressed to be) or become owing by the Issuer to the Noteholders under the Notes and the other Programme Creditors or any of them (including any future Programme Creditor following a transfer or assignment, accession, assumption of contract (*Vertragsübernahme*) or novation of certain rights and obligations in accordance with the relevant provisions of the relevant current or future Programme Documents) under or in connection with any of the Programme Documents, as each may be amended, novated, supplemented or extended from time to time, and which shall, for the avoidance of doubt, include, without limitation, (i) any fees to be paid by the Issuer to any Programme Creditor in connection with the Programme Documents irrespective of

whether such fees are agreed or determined in the Programme Documents or in any fee arrangement relating thereto, (ii) any obligations incurred by the Issuer on, as a consequence of or after the opening of any insolvency proceedings and (iii) any potential obligations on the grounds of any Invalidity or unenforceability of any of the Programme Documents, in particular claims on the grounds of unjustified enrichment (*ungerechtfertigte Bereicherung*).

4.3 The obligations of the Security Trustee under this Agreement are owed exclusively to the Programme Creditors, except for the obligations and declarations of the Security Trustee to the Issuer pursuant to clause 4.1, clause 4.2 last sentence, clause 10, clause 33 and clause 38 hereof.

PART B.
GRANTING OF COLLATERAL

5. ASSIGNMENT FOR SECURITY PURPOSES; TRANSFER OF TITLE FOR SECURITY PURPOSES

5.1 The Issuer hereby assigns (*abtreten*) or transfers (*übertragen*) (as applicable) all its claims and other rights arising from the German law governed Programme 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 or the Subordinated Loan to the Security Trustee as security for the Trustee Claim and the Secured Obligations (the "**German Assigned Security**").

The Security Trustee hereby accepts the assignment and transfer of the German Assigned Security and any security related thereto and the covenants of the Issuer hereunder.

5.2 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 the Issuer), as well as the right to terminate the current account relationship and to the determination and payment of the closing net balance upon termination.

6. PLEDGE

6.1 The Issuer hereby grants to the Security Trustee as security for the Trustee Claim and the Secured Obligations a pledge (*Pfandrecht*) pursuant to Sections 1204 *et seqq*. of the German Civil Code (*Bürgerliches Gesetzbuch*) with regard to:

> all its present and future, contingent and unconditional rights and claims against the Security Trustee arising under this Agreement including any and all related non-ancillary (*selbständige*) and ancillary (*unselbständige*) rights to determine unilaterally legal relationships (*Gestaltungsrechte*), including any termination rights (*Kündigungsrechte*) (the "**German Pledged Security**").

6.2 The Security Trustee hereby accepts the pledges referred to in Clause 6.1 above. The Issuer hereby gives notice to the Security Trustee of such pledges pursuant to Section 1280 of the German Civil Code (*Bürgerliches Gesetzbuch*) and the Security Trustee hereby confirms the receipt of such notice. The Security Trustee hereby waives any existing pledge or other security interest relating to the claims being the subject of such pledges (including, but not limited to, the rights relating to the accounts), whether pursuant to its standard terms and conditions (*Allgemeine Geschäftsbedingungen*) or otherwise and confirms that it is not aware of any rights of the parties in respect of such claims.

6.3 The security interest granted pursuant to clauses 5.1 and 6.1, the security granted pursuant to clause 2 of the Security Assignment Agreement and the Registered Pledge Agreement as well as the security granted pursuant to clause 4 (*Security*) of the Irish Security Deed together shall constitute the "**Security**". The Issuer shall promptly give any notice, make any filing or perform any other act in order to create and maintain a valid and perfected first priority security interest of the Security Trustee in the assets forming the Security. The Issuer undertakes to grant to the Security Trustee a security interest in all of the assets or claims held by the Issuer at any time and

the Issuer shall perform any act, make any filing or give any notice to create and maintain such security interest.

7. SECURITY PURPOSE

7.1 The assignment and/or transfer for security purposes pursuant to clauses 5.1 through 5.5 and the pledge pursuant to clause 6.1 through 6.3 as well as the security granted pursuant to the Security Assignment Agreement and the Irish Security Deed serve to secure the Trustee Claim of the Security Trustee and the Secured Obligations.

7.2 The Registered Pledge Agreement referred to in clause 6.3 serves to establish a right *in rem* (registered pledge under Polish law) over Transaction Leased Vehicles to secure to the Issuer's Secured Claims.

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 its business or otherwise to use the rights and assets assigned for security purposes pursuant to clause 5 and the rights pledged pursuant to clause 6 hereof.

8.2 The authority provided in clause 8.1 hereof 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 at any time if this is necessary in the opinion of the Security Trustee to avoid endangering the Security or its value. The authority shall automatically terminate upon the occurrence of a Foreclosure Event pursuant to clause 17 hereof.

8.3 The Security Trustee shall in its respective relationship to the Issuer and to VWFS PL 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 VWFS PL and the Lessees). Such continuing duties shall not include, in particular, any of the payment obligations of the Issuer, including the payment obligations of the Issuer (i) pursuant to 3 (*Payment of Purchase Price*) of the Receivables Purchase Agreement, or (ii) as compensation for damages.

8.4 The Security Trustee is authorised to (and in the case of (a) below, shall) assign the Assigned Security:

(a) in the event the Security Trustee is replaced and all Purchased Rights are assigned to a new Security Trustee (the "**New Security Trustee**"); or

(b) upon occurrence of a Foreclosure Event pursuant to clause 17 hereof; or

(c) if the Foreclosure Event pursuant to clause 17 hereof threatens to occur because taxes are levied by Polish and/or Irish tax authorities 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

(d) if – as long as VWFS PL is the Servicer – VWFS PL 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 negatively and materially affect the interests of VWFS PL, the Lessees or the Issuer and the Programme Creditors risk material disadvantages without such a transfer.

8.5 In the case of an assignment pursuant to clause 8.4 above, the Security Trustee shall agree with the respective transferee that the transferee:

(a) in the case of an assignment pursuant to clause 8.4(a), shall assume the obligations of Security Trustee pursuant to clause 8.3, and

(b) in all other cases under clause 8.4 with regard to the Purchased Lease Receivables, 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).

9. REPRESENTATION OF THE ISSUER

The Issuer gives the following representations and warranties for itself and as set out below (in the form of an independent guarantee (*selbstständiges Garantieversprechen*))

9.1 Incorporation

The Issuer is a designated activity company incorporated with limited liability under the laws of Ireland, having its registered address at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Ireland and registered with the Companies Registration Office under number 698760.

9.2 Centre of main interests

The Issuer has its "centre of main interests", as that term is used in Article 3(1) of the EU Insolvency Regulation, in Ireland.

9.3 No Litigation

No litigation, arbitration or administrative proceedings of or before any court, tribunal or governmental body have been commenced or, so far as the Issuer is aware, are pending or threatened against the Issuer or any of its assets or revenues which may have a material adverse effect on the Issuer, any Programme Document or any Lease Receivables.

9.4 Solvency

No Insolvency Event has occurred and is continuing in respect of the Issuer. No Foreclosure Event has occurred and is still continuing.

9.5 Tax Residence in Ireland

(a) The Issuer is a company which is and has, since incorporation, been considered resident for tax purposes solely in Ireland;

(b) it has its own board of directors responsible for the management of the Issuer, separate stationary (showing its street address, phone and fax number and e-mail address) and maintains an actual place of business at its registered (shared) office in Ireland;

(c) it does not have and has not had a fixed business installation or equipment located outside of Ireland which serves its activities;

(d) it does not have and has not had a branch office or office facilities outside of Ireland;

(e) it does not have and has not had any storage facilities or purchase facilities outside of Ireland;

(f) the Issuer executes the Programme Documents to which the Issuer is a party in Ireland, the Issuer carries out other material business and transactions, if any, in Ireland, the Corporate Services Provider is acting from inside Ireland when performing such corporate services and, as a result of the foregoing, the Issuer does not have its management or part of its management exercising management functions on behalf of the Issuer outside of Ireland, there is no Person outside of Ireland that makes business or management decisions on its behalf, and its business and management decisions are made in Ireland;

(g) there is no person (individual or legal entity) who constantly carries out business outside of Ireland on behalf of the Issuer and no person who is incorporated or resident outside of Ireland acting on behalf of the Issuer is subject to or considers itself subject to instructions (whether in writing or orally) of the Issuer, unless otherwise agreed under the Programme Documents, in particular, none of its directors is resident for tax purposes outside of Ireland or exercises his/her managing functions outside of Ireland; and

(h) the Issuer does not have and has not had a representative outside of Ireland with a power of attorney or a power of attorney in fact to represent the Issuer or to enter into contracts on behalf of the Issuer (as the case may be) and who uses such power constantly or is seeking or has sought the conclusion of contracts for the Issuer outside of Ireland.

9.6 Management and Administration

The Issuer's management, the places of residence of the majority of the directors of the Issuer and the place at which meetings of the board of directors of the Issuer are held are all situated in Ireland.

9.7 No Establishment, Subsidiaries, Employees or Premises

The Issuer has no "establishment", as that term is used in Article 2(10) of the EU Insolvency Regulation, branch office, subsidiaries, employees or premises in any jurisdiction other than Ireland.

9.8 No Encumbrances

No Encumbrance exists over or in respect of any asset of the Issuer, other than as set forth in the Programme Documents.

9.9 Issuer's Activities

The Issuer has not engaged in any material activities since its incorporation other than those disclosed in the Programme Documents or directly related to its establishment.

9.10 Contents

(a) The Issuer has obtained all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the relevant Programme Document pursuant to any law or any regulation applicable to the Issuer in Ireland.

(b) The Issuer has opened each of the Issuer Accounts with the Account Bank.

9.11 No Governmental Investigation

No governmental or official investigation or inquiry concerning the Issuer is progressing or pending or, so far as the Issuer is aware, has been threatened in writing which may have a material adverse effect on the Issuer, any Programme Document, or any of the Lease Receivables.

9.12 Corporate Power

(a) The Issuer has the requisite power and authority to:

(b) enter into each Programme Document (including relating power of attorneys);

(c) issue the Notes and create the Security; and

(d) undertake and perform the obligations expressed to be assumed by it pursuant to each Programme Document.

9.13 Authorisation

(a) All acts, conditions and things required to be done, fulfilled and performed, including all relevant resolutions of its board of directors are satisfied, in order:

(b) to enable the Issuer lawfully to enter into each Programme Document;

(c) to enable the Issuer lawfully to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Programme Documents; and

(d) to enable the Issuer lawfully to issue, distribute and perform the terms of the Notes in accordance with the Programme Agreement.

9.14 No Breach of Law or Contract

(a) The entry by the Issuer into and the execution (and, where appropriate, delivery) of the Programme Documents and the performance by the Issuer of its obligations under the Programme Documents do not and will not conflict with or constitute a breach or infringement by the Issuer of:

(b) the Issuer's Constitution;

(c) any mandatory law or regulation; or

(d) any agreement, indenture, contract, mortgage, deed or other instrument to which the Issuer is a party or which is binding on it or any of its assets.

9.15 Valid and Binding Obligations

The obligations expressed to be assumed by the Issuer under the Programme Documents are legal and valid obligations, binding on it and enforceable against it in accordance with their terms, except:

(a) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally; and

(b) as such enforceability may be limited by the effect of general principles of equity (*Grundsätze von Treu und Glauben*).

9.16 Security

At all times, the Notes, the Secured Obligations and the obligations of the Issuer under the Programme Documents will be validly secured by and in accordance with the provisions of the Security Trust Agreements.

9.17 The Issuer shall pay damages pursuant to sections 280(1) and 280(3) of the German Civil Code (*Schadensersatz statt der Leistung*) if the legal existence of the Security transferred for security purposes in accordance with this Agreement is invalid as a consequence of any action or omission by the Issuer contrary to clause 9.1 hereof.

10. COVENANTS OF THE ISSUER

The Issuer shall until the Programme Maturity Date:

10.1 Financial Statements

(a) Preparation of Financial Statements

Cause to be prepared in respect of each of its financial years, financial statements in such form as will comply with all mandatory laws.

(b) Delivery of Financial Statements

As soon as the same become available and in any event within 6 months of the end of each fiscal year of the Issuer, unless required earlier pursuant to Irish law, deliver to the Security Trustee, the Lead Manager and Arranger a copy of its financial statements for such financial year signed by its directors in such form as agreed between the Issuer, the Lead Manager and Arranger, including any reports and auditor reports.

10.2 Existence and Conduct

At all times maintain its existence and carry on and conduct its own business and affairs in its own name and in a proper and efficient manner in compliance with any applicable mandatory law and

regulation from time to time in force in Ireland and act in compliance therewith, and at all times observe all corporate or other formalities required by the constituting documents.

10.3 Consents

Obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents necessary under any applicable mandatory law and regulation from time to time in force in Ireland or in any other applicable jurisdiction:

(a) in connection with its business; and

(b) to enable it lawfully to perform its obligations under the Programme Documents.

10.4 Authorised Signatories

Deliver to the Lead Manager, Arranger, the Security Trustee and the Notes Purchaser on the date hereof, and thereafter upon any change of the same, a list of authorised signatories of the Issuer together with a specimen signature of each authorised signatory.

10.5 Registered Office, Head Office and Centre of Main Interests, Company Name

Maintain its registered office, its head office and its "centre of main interests", as that term is used in Article 3(1) of the EU Insolvency Regulation, in Ireland and will not move such offices to another jurisdiction. The Issuer shall not change its legal name, without at least thirty (30) days' prior written notice to the Security Trustee.

10.6 Board Meetings, Management and Administration

Hold all meetings of the board of directors of the Issuer in Ireland and not hold any such meeting outside Ireland and procure that the Issuer's management, and the place where the Issuer effects its central management and decision-making are all, at all times, situated in Ireland.

10.7 No Foreign Establishment

Not establish any "establishment", as that term is used in Article 2(10) of the EU Insolvency Regulation, outside of Ireland, unless otherwise arising under the Programme Documents.

10.8 General Negative Undertakings

(a) Ensure that its assets will be exclusively available to satisfy the rights of the Noteholders, other Programme Creditors and the other creditors of the Issuer in respect of the Programme and all matters connected therewith and no other creditors (unless related to the Programme) of the Issuer will have recourse against the assets of the Issuer.

(b) Prior to the Programme Maturity Date, save to the extent permitted by the Programme Documents or with the prior written consent of the Security Trustee, not:

(i) carry on any business or enter into any transactions or documents other than those contemplated by the Programme Documents and without the consent of the Security Trustee;

(ii) save as contemplated by the Programme Documents, sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with the Security or undertake or grant any option or right to acquire the same;

(iii) grant, create or permit to exist any encumbrance over the Security;

(iv) incur or permit to subsist any indebtedness whatsoever, except:

(A) indebtedness arising under or pursuant to the Programme Documents;

(B) indebtedness representing (i) fees or expenses payable to its accountants, auditors or legal counsel or directors and (ii) any fees due to the government of Ireland, Germany, Poland or other relevant jurisdiction from time to time;

(C) taxes;

except as to (A) and (B) above, indebtedness on account of incidentals or services supplied or furnished to it, provided that the aggregate amount of the indebtedness in this sub-clause (d) shall not collectively exceed EUR 10,000 at any one time outstanding; or any other indebtedness consented to in writing by the Security Trustee.

(v) make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any Person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other Person;

(vi) consolidate or merge with any other Person;

(vii) save as contemplated by the Programme Documents, surrender any assets or rights to any other company;

(viii) have any employees or premises or have any subsidiaries or become a director of any company;

(ix) have any bank account other than those contemplated in the Programme Documents (and any replacement account as permitted under the Programme Documents), unless permitted by the Security Trustee;

(x) amend, supplement or otherwise modify its Constitution and the representative bodies of the Issuer, unless permitted by its shareholders and approved by the Security Trustee;

(xi) permit the validity or effectiveness of the Security to be impaired;

(xii) commingle assets with those of any other entity;

(xiii) guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;

(xiv) pledge or otherwise encumber its assets for the benefit of any other entity other than those permitted pursuant to the Programme Documents;

(xv) acquire the obligations or securities of its shareholders;

(xvi) declare or pay any distribution, purchase, redeem, retire or otherwise acquire for value any of its shares now or hereafter outstanding, return any capital to its shareholders as such or make any distribution of assets to its shareholders as such, except that the Purchaser may (i) declare and deliver distributions payable only in its shares, (ii) purchase, redeem, retire or otherwise acquire its shares with the proceeds from the issuance of new shares, and (iii) make payment of dividends up to the amount of its profits as evidenced in its audited financial statements; or

(xvii) amend or consent to amending the relevant Receivables Purchase Agreement or waive any condition precedent without prior written consent of the Security Trustee.

10.9 General Positive Undertakings

Until the Final Maturity Date, save to the extent otherwise permitted by the Programme Documents or with the prior written consent of the Security Trustee, the Issuer shall:

(a) maintain books and records (including the Records) separate from any other entity or Person;

(b) maintain its accounts separate from those of any other person or entity and prepare separate financial statements;

(c) use separate stationery, invoices and checks, if any;

(d) pay its own liabilities out of its own funds;

(e) maintain adequate capital in light of the administrative costs incurred for its contemplated business operations;

(f) maintain and keep open each of the Issuer Accounts in accordance with the Programme Documents;

(g) provide that all indebtedness incurred by the Issuer shall be payable in accordance with the applicable Order of Priority and shall not constitute a claim against it to the extent that funds are insufficient to pay such indebtedness;

(h) have at all times at least one director independent from the Seller;

(i) hold itself out as a separate, individual entity;

(j) correct any known misunderstanding regarding its separate identity;

(k) maintain an arm's-length relationship with its Affiliates, if any;

(l) at all times before the Programme Maturity Date realise, or procure the realisation of, all amounts arising from rights under the Programme Documents by any Programme Party when due and payable and shall collect, or procure the collection of, the proceeds of all rights under the Programme Documents, credit, or procure the crediting of, all proceeds from rights under the Programme Documents to the Issuer Accounts and not use any moneys standing to the credit of the Issuer Accounts for the time being other than for the purposes specified in, and in accordance with, the provisions of the Programme Documents;

(m) comply with the Data Protection Rules at all times; the Purchaser shall promptly give the Seller and the Servicer (if not the Seller) a copy of any written communication that it receives from a data subject (or person claiming to be a data subject) or supervisory authority or other data protection authority in respect of any processing of personal data carried out by or on behalf of the Servicer or the Issuer in connection with the purchased Lease Receivables and the Issuer's rights and obligations under the Programme Documents;

(n) for so long as any of the Notes remain outstanding, procure to satisfy the following requirements and, upon request of the Irish tax authorities, provide evidence to the satisfaction of the Irish tax authorities that:

(i) it has its own board of directors responsible for the management of the Issuer, separate stationery (showing its street address, phone and fax number and e-mail address) and maintain an actual place of business at its registered (shared) office in Ireland;

(ii) it does not have any fixed business installation or equipment located outside of Ireland which serves its activities, in particular, it does not have its management or part of its management exercising any of their management functions outside of Ireland;

(iii) it does not have a branch office or office facilities outside of Ireland;

(iv) it does not have any storage facilities or purchase facilities outside of Ireland;

(v) it carries out any material business and transactions in Ireland, and that there is no person outside of Ireland making business or management decisions on its behalf, and its business and management decisions are made in Ireland, unless otherwise agreed in the Programme Documents;

(vi) the Issuer does not have a representative outside of Ireland with a power of attorney or a power of attorney in fact to represent the Purchaser or to enter into contracts on behalf of the Issuer (as the case may be) and who uses such power constantly (*nachhaltig*) or is seeking the conclusion of contracts for the Issuer in Ireland; and there is no Person (individual or legal entity) who constantly (*nachhaltig*) carries out business in Ireland on behalf of the Issuer and no person who is incorporated or resident in Ireland acting on behalf of the Issuer is subject to or considers itself subject to instructions (whether in writing or orally) of the Issuer, in particular, none of its directors is resident for tax purposes outside of Ireland or exercises his managing functions outside of Ireland, unless otherwise agreed in the Programme Documents;

(o) pay and discharge promptly or cause to be paid and discharged promptly all Taxes imposed upon it or upon its income or profits or upon any of its properties, provided that the payment of any such Taxes shall not be made so long as the amount, applicability or validity thereof is contested in good faith by appropriate proceedings and the Issuer shall have set aside on its books adequate reserves in respect thereof (segregated to the extent required by generally accepted accounting principles).

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10.10 Compliance with Programme Documents

Comply with and perform all its obligations under the Programme Documents, in particular the Notes.

10.11 Exercise of Rights

Preserve and/or exercise and/or enforce any of its rights under and pursuant to the Programme Documents taking into account the reasonable interests of the Programme Creditors (in the order set out in the relevant Order of Priority).

10.12 Notifications and Information

(a) Immediately notify the Security Trustee, the Lead Manager and Arranger and the Notes Purchasers if the Issuer becomes aware of any breach of the representations and warranties of the Issuer or of any breach of any undertaking given by the Issuer in any Programme Document.

(b) Give to the Security Trustee, the Lead Manager and Arranger and the Seller such information, opinions, certificates and other evidence as the Security Trustee, the Lead Manager and Arranger and the Seller and any persons appointed by the Security Trustee shall require (and which it is reasonably practicable to procure) for the purposes of the discharge of the duties, rights, trusts, powers, authorities and discretions vested in the Security Trustee by or pursuant to the Security Trust Agreements or any other Programme Document.

(c) Immediately notify the Security Trustee, the Lead Manager and Arranger and the Seller if the Issuer becomes aware of any breach of any material obligations by any other party under any Programme Document.

(d) Immediately notify the Security Trustee, the Lead Manager and Arranger and the Seller if the Issuer becomes aware of the termination or cessation of any Programme Document.

10.13 Legal Proceedings

(a) Notification of Legal Proceedings

If any legal proceedings are instituted against it by any Person or in respect of any of Purchased Lease Receivables, including any litigation or claim calling into question in any material way the Issuer's interest therein, immediately:

(i) notify the Seller, the Lead Manager and Arranger and the Security Trustee of such proceedings; and

(ii) notify the court and any receiver appointed in respect of the property the subject of such proceedings of the interests of the Security Trustee in the purchased Mortgage Receivables.

(b) Join in Legal Proceedings

If the Security Trustee so requires, join in any legal proceedings brought by the Security Trustee against any Person in respect of, or in connection with, the Programme.

10.14 Notification of Foreclosure Event or Servicer Replacement Event

Deliver notice to the Security Trustee, the Lead Manager and Arranger and the Notes Purchaser forthwith upon becoming aware of any Foreclosure Event or Servicer Replacement Event without waiting for the Security Trustee, the Lead Manager and Arranger and the Notes Purchaser to take any further action.

10.15 No Encumbrances

Not create or permit to subsist any encumbrance in respect of either of the Issuer Accounts or any assets of the Issuer other than pursuant to the Security Trust Agreement.

10.16 No Amendments

Notify the Lead Manager and Arranger and the Seller of any amendment to or termination of the Receivables Purchase Agreement or any related Programme Documents to which it is a party and of which the Issuer is aware of not later than five (5) days prior to the making of any such change, amendment or termination (subject to Clause 8 (*Amendments*) of the Common Terms), nor amend, supplement or otherwise modify the Corporate Services Agreement without the consent of the Security Trustee or in a manner which would increase the Issuer's liability to the Corporate Services Provider or facilitate the assertion of claims of the Corporate Services Provider against the Issuer.

10.17 Interests in the purchased Lease Receivables

At all times own, exercise and protect its rights in respect of the Purchased Receivables and its interest in the Purchased Receivables and perform and comply with its obligations in respect of the Purchased Receivables under the terms of the Programme Documents.

11. REPRESENTATIONS OF THE SECURITY TRUSTEE

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

12. RELEASE OF SECURITY

12.1 Upon the full and final discharge of the Secured Obligations and the Trustee Claim and to the extent the collateral has not been previously released pursuant to this Agreement, the Security Trustee shall, at the Issuer's cost and expense, promptly release and, to the extent applicable, transfer to the Issuer or to the Issuer's order the collateral transferred to it as Security under the Security Documents.

12.2 The Security Trustee shall notify the Issuer of the full discharge and 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 discharge and

satisfaction of the obligations secured by this Agreement have been transferred to the Principal Paying Agent for further distribution in accordance with the Agency Agreement. A written confirmation of the Principal Paying Agent will be sufficient evidence.

12.3 With respect to the pledges granted pursuant to Clause 6.1 above, the Security Trustee shall grant its consent, and to declare its consent *vis-à-vis* the relevant party, pursuant to Section 1276 of the German Civil Code (*Bürgerliches Gesetzbuch*) to any expiry, extinction or modification of any other right or claim pledged hereunder to the Security Trustee **provided that** any of the Programme Documents provides for such expiry, extinction or modification.

PART C.
DUTIES OF THE SECURITY TRUSTEE PRIOR TO OCCURRENCE OF THE FORECLOSURE EVENT

13. ACCEPTANCE, SAFEKEEPING, AND REVIEW OF DOCUMENTS; NOTIFICATION OF THE ISSUER

13.1 The Security Trustee may demand from the Issuer the on-transfer of the documents delivered to the Issuer in connection with the reporting of the Seller pursuant to clause 2.1 (*Sale and assignment of the Initial Lease Receivables*) and clause 2.2 (*Sale and assignment of the Additional Lease Receivables*) of the Receivables Purchase Agreement and clause 13.1 (*Reporting Duties*) of the Servicing Agreement and the Security Trustee 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 the Seller; or

(b) forward the documents to the New Security Trustee if the Security Trustee is replaced in accordance with clauses 31 through 33 hereof.

14. ACCOUNTS

14.1 The terms of the Accounts are set out in the Account Agreement. Should any Account Bank cease to have the Account Bank Required Ratings, the Account Bank shall notify the Security Trustee thereof and within sixty (60) days from the loss of the Account Bank Required Rating procure transfer of the accounts held with it to an Eligible Collateral Bank, notified to it by the Issuer. If within this sixty (60) day period the measure set out above is not taken, the Issuer shall arrange the opening of the accounts with a Successor Bank pursuant to clause 14.2 hereof and shall terminate the respective Account Agreement, effective to the date of the opening of the accounts with such Successor Bank.

14.2 Should one of the Accounts be terminated either by the Account Bank, or by the Issuer, the Issuer shall promptly inform the Security Trustee of such termination. The Issuer shall, together with the Security Trustee, open an account, on conditions as close as possible to those previously received, with a Successor Bank, which has at least the Account Bank Required Ratings. 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 a provision, in which the Successor Bank undertakes to promptly notify the other contract parties of any downgrade in its rating.

14.3 For the avoidance of doubt, in case one of the Accounts is at any time held with a Successor Bank, and the Issuer or the Security Trustee receives a notice pursuant to clause 14.1 with regard to the Successor Bank, then the procedure laid out in clause 14.1 and 14.2 hereof shall also apply for such Successor Bank.

15. BREACH OF OBLIGATIONS BY THE ISSUER

15.1 If the Security Trustee in the course of its respective 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 hereof, 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 necessary to avoid such threat. To the extent that the Issuer does not comply with its obligations pursuant to clause 36 hereof in respect of the Security and does not remedy such failure within the 90-day period after the notice set forth above, the Security Trustee is in particular authorised and shall exercise all rights arising under the Programme Documents on behalf of the Issuer. For the avoidance of doubt, this shall not constitute an obligation for the Security Trustee to monitor compliance of the Issuer with the Programme Documents.

15.2 The Security Trustee shall only intervene in accordance with clause 15.1 hereof if and to the extent that it is assured that it will be indemnified to its satisfaction, at its discretion either by reimbursement of costs or in any other way it deems appropriate, against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors, or other experts as well as the expenses for retaining third parties to perform certain duties) and against all liability, any other obligations and legal proceedings. Clause 34 hereof 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 Programme 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 hereof 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

17. FORECLOSURE ON THE SECURITY; FORECLOSURE EVENT

17.1 Subject to clause 19 hereof, the Security shall be subject to enforcement and/or foreclosure upon the occurrence of a Foreclosure Event. Upon becoming aware of the occurrence of a Foreclosure event, the Security Trustee shall without undue delay give notice to the Noteholders and the Subordinated Lender of the occurrence of such a Foreclosure Event.

17.2 After the occurrence of a Foreclosure Event, the Security Trustee will after delivery of an Enforcement Notice to the Issuer foreclose or enforce or cause the foreclosure or the enforcement of the Security. Unless compelling grounds to the contrary exist, the foreclosure and enforcement shall be performed by collecting payments made into the Issuer Accounts from the Security or, *inter alia*, by assignment pursuant to clause 8.4(b) hereof. The provisions of the Corporate Services Agreement shall be unaffected by the foreclosure of the Security (subject to the provisions of clause 8.4 hereof).

17.3 Within fifteen (15) days after the occurrence of a Foreclosure Event, the Security Trustee shall give notice to the Noteholders and the Subordinated Lender, requesting instructions as to the manner of foreclosure and enforcement of the Security, in particular, whether it intends to sell the Security, and apply the proceeds from such foreclosure and/or enforcement to satisfy the obligations of the Issuer, subject to the Order of Priority in clause 22.2 hereof. For the avoidance of doubt, upon the occurrence of a Foreclosure Event, the Security Trustee is not automatically required to liquidate the Purchased Lease Receivables at market value.

18. ALLOCATION OF PAYMENTS

18.1 Subject to clause 18.4 and, where applicable, the provisions of and the operation of Applicable Law or the Credit and Collection Policy which would require a contrary treatment as to apportionment to be applied, the Servicer will, if a person owing a payment obligation in respect of a Purchased Lease Receivable makes a payment to the Servicer on account of a Purchased Lease Receivable or any other monies due for any reason whatsoever to VWFS PL and all or part of these

funds are assigned to the Purchased Lease Receivable in accordance with internal accountancy rules such payment will be allocated in the following manner:

(a) firstly, to the oldest invoice then outstanding until the outstanding balance of such invoice has been reduced to zero and thereafter to the next oldest invoices in order until the outstanding balance of such invoices has been reduced to zero;

(b) secondly, to the satisfaction of due amounts in the following order of priority:

(i) VAT;

(ii) tax on means of transport (if any);

(iii) reimbursement of collection costs (if any);

(iv) Interest Portion;

(v) Principal Portion;

(vi) other payments.

18.2 Additionally, the *pro rata* share of the Collections received and allocated to the Purchased Lease Receivables should first be applied and allocated to interest, and thereafter to principal.

18.3 The Issuer shall be entitled to a portion of the Repossession Benefits representing the Issuer's Share.

18.4 The Issuer shall be entitled to any Insurance Proceeds, with the exception of (i) any Insurance Proceeds to be applied for the repair of the Leased Vehicle or which are due to be released to the relevant Lessee in accordance with the relevant Lease Contract and/or the Credit and Collection Policy, or (ii) a portion of the Insurance Proceeds representing the Seller's Share (where an Insurance Total Loss Event occurs and the Seller does not exercise its option to repurchase the Purchased Lease Receivable at the Insurance Call Option Price in accordance with clause 8.3 of the Receivables Purchase Agreement).

18.5 If the Lessee makes a combined payment on lease receivables for more than one lease contract that it has with VWFS PL and does not instruct which payment should be allocated to which lease contract, then the allocation between the Purchased Lease Receivables and the other lease receivables still held by VWFS PL or third parties shall be made by VWFS PL after consulting the Lessee. The Lessee will then instruct VWFS PL how to allocate this combined payment. If this combined payment covers the total amount of all his respective monthly instalments, VWFS PL will allocate the payment to each contract of the Lessee in accordance with the respective payment schedules for such lease contracts.

18.6 All proceeds of the Purchased Lease Receivables shall be allocated, in the event of the assertion of claims of the Issuer against VWFS PL resulting from a breach of warranties and obligations as set forth in clauses 5.1 and 5.2 (*Warranties by VWFS PL with respect to the Purchased Lease Receivables*) of the Receivables Purchase Agreement or the obligation to credit collected Lease Receivables to the Relevant Distribution Account, until these claims are fully satisfied.

18.7 Where an Insurance Total Loss Event occurs and the Seller does not exercise its option to repurchase the Purchased Lease Receivable at the Insurance Call Option Price in accordance with clause 8.3 of the Receivables Purchase Agreement, the Seller will be entitled to receive a portion of the Insurance Proceeds representing the Seller's Share.

18.8 The Issuer shall have a direct and independent claim to receive any payment owed to it under this clause 18 against the Security Trustee. The amount of such claim shall be limited to the amount of payments actually received by the Security Trustee under this clause 18 and not paid or payable to any Programme Creditor.

18.9 Any Collections received, collected or otherwise recovered in respect of Written Off Purchased Lease Receivables shall be allocated to VWFS PL **provided that** no Insolvency Event has occurred with respect to VWFS PL.

19. PAYMENTS UPON OCCURRENCE OF THE FORECLOSURE EVENT

19.1 Upon the occurrence of a Foreclosure Event, the Security may be claimed exclusively by the Security Trustee and all payments from such Security hereafter shall only be made to the Security Trustee. The Security Trustee shall invest the payments which it receives in this manner, as provided for in clause 22.2(a) hereof, until they are paid to the Programme Creditors of the Issuer in accordance with the Order of Priority pursuant to clause 22.2(c) hereof.

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 in accordance with the Order of Priority.

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 Cleared Notes, the Conditions of the Uncleared Notes or the Subordinated Loan. In the case of such payment, the Security Trustee is only responsible for making the relevant amount available to the Principal Paying Agent. In order to do so, the Security Trustee shall rely on the records of the Relevant Clearing Systems in relation to any determination of the principal amount outstanding of each Global Note in relation to the Cleared Notes (for this purpose, "records" means 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) and shall in relation to the Uncleared Notes rely on the Register in relation to any determination of the principal amount outstanding of each Global Note in relation to the Uncleared Notes.

19.4 After all obligations under the Programme Documents have been finally discharged and paid in full the Security Trustee shall pay out any remaining amounts to the Issuer.

20. CONTINUING DUTIES

Clauses 13 through 15 shall continue to apply after the Foreclosure Event has occurred.

PART E.
ACCOUNTS; ORDER OF PRIORITY

21. DISTRIBUTION ACCOUNT; ACCUMULATION ACCOUNT

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 it shall be made by way of a bank transfer to or deposit or in any other way into the respective Distribution Account.

21.3 The Accumulation Account shall be used on each Payment Date to collect moneys paid under item *tenth* of the respective Order of Priority for reinvestment in Additional Lease Receivables at any time after such Payment Date to deposit moneys arising from the repayment of principal under the Lease Receivables which amounts may be used to purchase Additional Lease Receivables during the Revolving Period. No principal will be paid on the principal of the Notes during the Revolving Period, except (i) to the extent the relevant Series of Notes qualifies as an Amortising Series, or (ii) in the context of a disposal of assets by the Issuer as foreseen in clause 8 (*Early Settlement and Clean-up Call Option*) of the Receivables Purchase Agreement.

22. ORDER OF PRIORITY

22.1 Prior to the full and unconditional discharge of all obligations of the Issuer to the Programme Creditors, any credit in the Distribution Account (the "**Credit**") and the Cash Collateral Account (other than repayments due to VWFS PL in accordance with clause 11 (*Payments; repayment claims*) of the Receivables Purchase Agreement) shall be distributed exclusively in accordance with clauses 22.2 and clause 23.

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

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

first, in or towards payment of amounts due and payable in respect of taxes (if any) by the Issuer;

second, in or towards payment, rateably and *pari passu*, of amounts (excluding any payments under the Trustee Claims) due and payable (i) to the Security Trustee under or in connection with this Agreement, the Security Assignment Agreement or any other agreement or document entered into by the Security Trustee 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 this Agreement;

third, in or towards payment of the Issuer Profit Amount into the Issuer Profit Account;

fourth, in or towards payment of the Servicer Fee to the Servicer;

fifth, in or towards payment, rateably and *pari passu*, of amounts due and payable (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement, and (iii) to the Process Agent under the process agency agreements;

sixth, in or towards payment, rateably and *pari passu*, of amounts due and payable in respect of other administration costs and expenses of the Issuer including without limitation, any auditors' fees, any tax filing fees and any annual return and the winding-up costs of the Issuer;

seventh, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Account Bank maintaining the Account for account management fees and amounts payable to the Cash Administrator for cash administration fees due under the Account Agreement, the Principal Paying Agent, the Registrar, the Interest Determination Agent and the Calculation Agent under the Agency Agreement and a Note Purchaser under the Programme Agreement;

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

ninth, in or towards payment to the Cash Collateral Account (as defined below), until the General Cash Collateral Amount is equal to the Specified General Cash Collateral Account Balance;

tenth, *pari passu* and rateably, in or towards payment of (a) the Amortisation Amounts to each Amortising Series of Notes and (b) an amount equal to the Accumulation Amount to the Accumulation Account maintained for Non-Amortising Series of Notes;

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

twelfth, in or towards payment to the Subordinated Lender to reduce the outstanding principal amount of the Subordinated Loan; and

thirteenth, to pay all remaining excess to VWFS PL by way of a final success fee.

(b) Distribution will be made from the Cash Collateral Account on any Payment Date prior to the occurrence of a Foreclosure Event, if and to the extent the General Cash Collateral Amount exceeds the Specified General Cash Collateral Account Balance and no Credit Enhancement Increase Condition is in effect, according to the following Order of Priority,

provided that for any Payment Date on which a Term Takeout takes place, the Specified General Cash Collateral Account Balance shall be calculated using the aggregate outstanding principal amount of the Notes following the redemption of the Notes that occurs on such Payment Date as a result of such Term Takeout:

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

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

third, all remaining excess to VWFS PL by way of a final success fee.

(c) Following the occurrence of an Enforcement Event, distributions will be made by the Security Trustee from the Available Distribution Amount and from any amounts standing to the credit of the Cash Collateral Account, and according to the following Order of Priority:

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

second, amounts (excluding any payments under the Trustee Claim) due and payable (i) to the Security Trustee under or in connection with this Agreement, the Security Assignment Agreement or any other agreement or document entered into by the Security Trustee 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 this Agreement;

third, in or towards payment of the Issuer Profit Amount into the Issuer Profit Account;

fourth, in or towards payment of the Servicer Fee to the Servicer;

fifth, in or towards payment, rateably and *pari passu*, of amounts due and payable (i) to the Corporate Services Provider under the Corporate Services Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement, and (iii) to the Process Agent under the process agency agreements;

sixth, in or towards payment, rateably and *pari passu*, of amounts due and payable in respect of other administration costs and expenses of the Issuer including without limitation, any auditors' fees, any tax filing fees and any annual return and the winding-up costs of the Issuer;

seventh, in or towards payment, rateably and *pari passu*, of amounts due and payable and allocated to the Account Bank maintaining the Account for account management fees and amounts payable to the Cash Administrator for cash administration fees due under the Account Agreement, the Principal Paying Agent, the Registrar, the Interest Determination Agent and the Calculation Agent under the Agency Agreement and a Note Purchaser under the Programme Agreement;

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

ninth, *pari passu* and rateably to the holders of Notes in respect of principal until the Notes are redeemed in full;

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

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

twelfth, to pay all remaining excess to VWFS PL by way of a final success fee.

22.3 Notwithstanding the provisions of clause 22.2(a) hereof amounts due and payable under items *first* through *sixth* may be paid once in a Monthly Period on any date other than a Payment Date from any funds available on the Accounts in the Order of Priority.

22.4 Notwithstanding the provisions of clauses 22.1 through 22.3 hereof, (i) any proceeds arising from a Term Takeout shall not be distributed according to the Order of Priority but shall be distributed

first to the then outstanding Notes, until the Redeemable Amount of all then outstanding Notes has been redeemed in full;

second to the Subordinated Loan; and

third to VWFS PL by way of an additional success fee

and (ii) amounts distributed to a specific Series of Notes exceeding the amount required to redeem such Series in full shall be distributed to the other Series of Notes whereas in case of Non-Amortising Series of Notes, any redemption payments shall be made in a way to redeem a certain number of Notes in their principal amount of PLN 1,000,000.

22.5 Where it becomes necessary or desirable to provide for an amount which is to be converted or to convert an amount which is payable in accordance with the Order of Priority in clause 22.2 into another currency for the purposes of making such payment, such amount may be provided for or converted at such rate, on such date and in accordance with such method (including providing for and/or converting an amount at the spot rates together with an adjustment factor of 1.20) as the Issuer or the Servicer on its behalf may determine having regard to the fixing rate provided by the Polish national bank (*National Bank Poland*) as of the last business day of each month if available. Any amounts provided for or converted and not used shall be reconverted (if applicable) and retained in the Distribution Account and will be deemed to form part of the Available Distribution Amount for application on the next Payment Date.

23. CASH COLLATERAL ACCOUNT; ACCUMULATION ACCOUNT; ISSUER REGISTERED PLEDGE EVENT ACCOUNT

23.1 The Issuer has established in accordance with clause 12 (*Cash Collateral Account*) of the Receivables Purchase Agreement at the Account Bank the Cash Collateral Account to be used for the cash collateral equal to 2.6 per cent. of the principal amount of the Notes that serves as the initial General Cash Collateral Amount.

23.2 In case of a Registered Pledge Event in accordance with clause 13 of the Receivables Purchase Agreement, the Issuer shall open and maintain the Issuer Registered Pledge Event Account with the Account Bank.

23.3 On each Payment Date amounts payable under item *ninth* of the Order of Priority according to clause 22.2(a) above will be paid until the amount of funds in the Cash Collateral Account is equal to the Specified General Cash Collateral Account Balance. On each Payment Date, the General Cash Collateral Amount shall be used

(a) to cover any shortfalls in the amounts payable under items *first* through *eighth* of the Order of Priority in clause 22.2(a) above;

(b) to make payment of the amounts due and payable under clause 22.2(b) above; and

(c) on the earlier of (i) the latest occurring Legal Maturity Date of any Series of Notes or (ii) the date on which the Aggregate Outstanding Principal Balance has been reduced to zero, to make payment of the amounts due and payable under items *tenth*, *eleventh*, *twelfth* and *thirteenth* of the Order of Priority set out in clause 22.2(a) above.

23.4 Upon full and final discharge of all obligations under the Notes and the Subordinated Loan and upon fulfilment of all claims of all Programme Creditors, VWFS PL shall be entitled to the sums remaining in the Cash Collateral Account. The Cash Collateral Account shall be closed as soon as

all Purchased Lease Receivables as well as all rights to Security have been realised after final payment in full of the Notes and the Subordinated Loan. After the closing of the Cash Collateral Account, VWFS PL is entitled to any Purchased Lease Receivables still outstanding.

23.5 The Issuer has established at the Accumulation Account Bank the Accumulation Account to collect during the Revolving Period payments as set forth in item *tenth* of the respective Order of Priority according to clauses 22.2(a). During the Revolving Period, amounts on deposit in the Accumulation Account shall be used by the Issuer for the purchase of Additional Lease Receivables from VWFS PL according to the terms for the purchase of Additional Lease Receivables as set forth in clause 2.2 2 (*Sale and assignment of the Additional Lease Receivables*) of the Receivables Purchase Agreement pursuant to the relevant Additional Receivables Purchase Agreement. Interest earned on the Accumulation Account shall be paid to the Issuer in accordance with the relevant bank mandate and shall be part of the Available Distribution Amount. Upon the occurrence of an Early Amortisation Event, the Accumulation Account shall be closed on the subsequent Payment Date and any amounts on deposit in the Accumulation Account shall be transferred on the subsequent Payment Date to the Distribution Account.

24. RELATION TO THIRD PARTIES; OVERPAYMENT

24.1 The Order of Priority shall be binding on all Programme Creditors of the Issuer.

24.2 The Order of Priority set forth in clause 22 above 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 Programme Creditors shall be subject to the condition that, if a payment is made to a Programme Creditor in breach of the Order of Priority such Programme Creditor shall repay - with commercial effect to the relevant Payment Date - the received amount to the Security Trustee; the Security Trustee shall then pay - with commercial effect to the relevant Payment Date - such moneys received in the way that they were payable in accordance with the aforementioned Order of Priority on the relevant Payment Date. If such non-complying payment is not repaid on the relevant Payment Date by such Programme Creditor, following the non-complying payment or if the claim to repayment is not enforceable, the Security Trustee is authorised and obliged to adapt the distribution provisions pursuant to clause 22 above in such a way that any over- or underpayments made in breach of clause 22 above 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 above, specifically the enforcement of certain claims against the Issuer or a Programme Creditor;

(b) the foreclosure on the Security pursuant to clause 17 above;

(c) the settlement of payments pursuant to clause 19 above; and

(d) the settlement of overpayments pursuant to clause 24 above.

25.2 If third parties are retained pursuant to clause 25.1 above, the Security Trustee shall remain liable in accordance with Section 278 of the German Civil Code (*Bürgerliches Gesetzbuch*). The Security Trustee, however, shall not be liable for any negligence of the third party. In case of any damage caused by such third party, the Security Trustee shall enforce any claims for damages against such third party for the benefit of the Programme Creditors.

26. ADVISORS

26.1 The Security Trustee is authorised, in connection with the performance of its duties under the Funding and the Programme Documents, at its own discretion, at the expense of the Issuer, 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 Programme Creditor, or any other person involved in the transactions under the Notes, the Subordinated Loan or the Programme Documents), at market prices (if appropriate, after obtaining several offers).

26.2 The Security Trustee may rely on such information and such advice of such external advisors without having to make its own investigations. The Security Trustee shall not be liable for any damages or losses caused by acting in reliance on the information or the advice of such persons. 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 Programme Document or any other event which results in the Security Trustee undertaking additional tasks, the Issuer shall pay or procure to be paid to the Security Trustee such additional remuneration as shall be agreed between the Issuer and the Security Trustee. In the event that the Issuer and the Security Trustee fail to agree as to whether and/or in which amount an additional remuneration shall be payable in accordance with the preceding sentence, such matters shall be determined by a bank, financial services institution or auditing firm of recognised standing (acting as an expert and not as an arbitrator) jointly determined by the Issuer and the Security Trustee. The determination made by such expert shall be final and binding upon the Issuer and the Security Trustee.

28. REIMBURSEMENT OF EXPENSES; ADVANCE

The Issuer shall bear all reasonable costs and disbursements (including costs for legal advice and costs of other experts) properly incurred by the Security Trustee in connection with the performance of its respective duties under this Agreement, including the costs and disbursements in connection with the creation, holding, and foreclosure on the Security. The Security Trustee shall be entitled to claim prefunding of its costs and disbursements from the Issuer to which the Issuer shall not unreasonably withhold its consent.

29. RIGHT TO INDEMNIFICATION

29.1 The Issuer shall indemnify and/or secure and/or prefund the Security Trustee (which the Security Trustee shall elect after consulting with the Issuer in good faith) 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) and other than indirect and consequential damages), actions in and out of court, and costs and disbursements incurred by the Security Trustee in connection with this Agreement or any other Programme Document, unless such costs and expenses are incurred by the Security Trustee due to a wilful or gross negligent breach of its standard of care pursuant to clause 34. The Security Trustee shall be under no obligation to take any action under or in connection with this Agreement as long as any claim of the Security Trustee under this clause 29.1 remains outstanding.

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 Poland or in Ireland on or in connection with (i) the creation, holding, foreclosure or enforcement of Security, (ii) on any measure taken by the Security Trustee pursuant to the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes, the Subordinated Loan or the Programme Documents, and (iii) the Issue of the Notes, the conclusion of the Subordinated Loan Agreement or the conclusion of Programme 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

31.1 The Security Trustee may resign from its office as Security Trustee at any time, with 90 days prior written notice to the Issuer, **provided that** upon or prior to its resignation the Issuer, appoints a reputable bank in Germany or a reputable German auditing company and/or fiduciary company as successor and such appointee is experienced in the business of security trusteeship in Germany and 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 The appointment of the new Security Trustee pursuant to clause 31.1 shall only take effect if VWFS PL consents to the appointment of the proposed new Security Trustee or withholds such consent unreasonably. Consent pursuant to the above shall be deemed granted if the Issuer requests VWFS PL in writing for consent to the appointment and consent is not refused by VWFS PL within five (5) banking days in Frankfurt am Main of having received the request or proof of reasonable cause for refusing to give consent is not provided within five (5) banking days in Warsaw after VWFS PL receives the request.

31.3 Notwithstanding any termination pursuant to clause 31.1 above, 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 hereof have been assigned to it.

32. REPLACEMENT OF THE SECURITY TRUSTEE

The Issuer shall be authorised to and shall, with 60 days prior written notice to the Security Trustee replace the Security Trustee with a reputable bank or a reputable German auditing company and/or law firm and/or a fiduciary company that is experienced in the business of security trusteeship in Germany, if the Issuer has been so instructed in writing by a Noteholder or Noteholders owning at least 25 per cent. of the aggregate outstanding principal amount of all Notes or by the Subordinated Lender. The Issuer shall notify VWFS PL within 30 calendar days upon receipt of such request to replace the Security Trustee on the 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 above, the Security Trustee shall forthwith transfer all assets and other rights it holds as fiduciary under this Agreement, as well as its Trustee Claim under clause 4 hereof (including the pledged rights granted for the same pursuant to clause 6 hereof) 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 the first sentence.

33.2 The costs incurred in connection with replacing the Security Trustee pursuant to clause 31 or clause 32 above shall be borne by the Issuer. If the replacement pursuant to clause 31 or clause 32 above is caused by a violation of obligations of the Security Trustee as set out in clause 34 and 35 below, 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 above shall be published without delay in accordance with the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes, and the Subordinated Loan, or, if this is not possible, in any other appropriate way.

33.4 The Security Trustee shall provide the New Security Trustee with all relevant information 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 of a prudent merchant (*Sorgfalt eines ordentlichen Kaufmanns*).

35. EXCLUSION OF LIABILITY

35.1 The Security Trustee shall not be liable for: (i) any action or failure to act of the Issuer or of other parties to the Programme Documents (including to the extent performed on behalf of the Security Trustee), (ii) the Notes, the Subordinated Loan, the Purchased Lease Receivables, the Security and the Programme Documents being or not being legal, valid, binding, or enforceable, or for the fairness of the provisions set forth in the Notes, the Subordinated Loan or in the aforementioned agreements, (iii) a loss of documents related to the Purchased Rights not 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 hereof – the Seller's failure to meet all or part of its contractual obligations to submit documents to the Security Trustee.

35.2 The Security Trustee shall not be liable for special, punitive, indirect or consequential damages, lost profits, loss of goodwill or reputation or loss of opportunity, unless caused by its own wilful default (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*).

35.3 Notwithstanding any provision of this Agreement or any other Programme Document to the contrary, the Security Trustee is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality and the Security Trustee may do anything which, in its opinion, is necessary or desirable to comply with any applicable law or regulation.

35.4 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.

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 material decrease in the aggregate value or in a loss of the Security; to the extent that there are indications that a Programme Creditor does not properly fulfil its obligations under a Programme Document, the Issuer will in particular exercise the due care of a merchant (*die Sorgfalt eines ordentlichen Kaufmanns*) to take all necessary action to prevent the Security or their value from being jeopardised;

(b) to mark in its books and documents the transfer for security purposes and the 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, including by e-mail, 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 in writing, including by e-mail, if circumstances occur which constitute a Foreclosure Event pursuant to clause 17 hereof;

(b) submit to the Security Trustee at least once a year and in any event not later than 120 days after the end of its fiscal year and at any time upon demand within five days a certificate signed by 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, on behalf of the Issuer, that during the period between the date the preceding certificate was submitted (or, in the case of the first certificate, the date of this Agreement) and the date on which the relevant certificate is submitted, the Issuer has fulfilled its obligations under the Notes, the Subordinated Loan and the Programme 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 English language of any balance sheet, any profit and loss accounts, any report or notice, or any other memorandum sent out by the Issuer to its shareholder either at the time of the mailing of those documents to the shareholder or as soon as possible thereafter;

(e) send or have sent to the Security Trustee a copy of any notice given in accordance with the Conditions of the Cleared Notes, the Conditions of the Uncleared Notes and/or the Subordinated Loan immediately, or at the latest on the day of the publication of such notice;

(f) ensure that the Principal Paying Agent notifies the Security Trustee immediately if it does not receive the moneys needed to discharge in full any obligation to repay the full or partial principal amount due to the Noteholders and/or the Subordinated Lender on any Payment Date;

(g) have at all times at least one director independent from the Seller and the Issuer's shareholders;

(h) correct any known misunderstanding regarding its separate identity;

(i) conduct its own business in its own name; and

(j) at all times ensure that its central management and control is exercised in Ireland.

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 Programme Documents and under any other agreements which have been entered or may be entered into in connection with the Funding;

(b) the enforcement of its rights;

(c) the performance of any acts which are necessary or useful in connection with (a) or (b) above; and

(d) the execution of all further documents and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Security Trustee, are necessary or desirable with respect to the reasonable interests of the Noteholders or the Subordinated Lender in order to ensure that the Conditions of the Cleared Notes, the Conditions of the Uncleared Notes or the Subordinated Loan Agreements 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 of the Cleared Notes, the Conditions of the Uncleared Notes and the Subordinated Loan);

38.3 dispose or pledge of any assets or any part thereof or interest therein and/or make, incur, assume or suffer to exist any loan, advance or guarantee to any person, unless otherwise provided in clause 38.1 above;

38.4 pay dividends or make any other distribution to its shareholders;

38.5 incur, create, assume or suffer to exists or otherwise become 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 – except as otherwise permitted by the Programme Documents – any liens, pledges or similar rights;

38.8 consolidate or merge;

38.9 materially amend its Constitution;

38.10 issue new shares and acquire shares;

38.11 open new accounts (other than contemplated in the Programme Documents);

38.12 change its country of incorporation;

38.13 effect a substitution of the Issuer pursuant to the Conditions of the Cleared Notes, the Conditions of the Uncleared Notes and the Subordinated Loan;

38.14 permit its assets to become commingled with those of any other party; or

38.15 acquire obligations or securities of its affiliates;

38.16 if the Issuer requests that the Security Trustee grants its consent as required pursuant to this clause 38, the Security Trustee may grant or withhold the requested consent at its discretion, taking into account the reasonable interests of the Programme Creditors in accordance with clause 3.1 hereof.

PART K.
MISCELLANEOUS PROVISIONS

39. AMENDMENTS

39.1 VWFS PL 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, the Subordinated Lender or any other person, **provided that** such amendment shall only become valid,

(a) if it is notified to the Security Trustee and the Issuer and VWFS PL have received a confirmation from the Security Trustee that in the opinion of the Security Trustee, such amendment will not be materially prejudicial to the interests of any Programme Creditor; and

(b) in case of amendments which materially and adversely affect the interests of the Issuer, the Security Trustee or the Subordinated Lender if such parties have consented to such amendment.

39.2 Notwithstanding clause 39.1, VWFS PL will be entitled to amend any term or provision of this Agreement (except for the ranking of the Notes, any security securing the Notes, the Legal Maturity Date, the Scheduled Repayment Date, the Series Revolving Period Expiration Date, any Payment Date, the Notes Interest Rate, or the amount of payments of any principal), with the consent of the Issuer and the Security Trustee, but without the consent of any Noteholder, the Subordinated Lender, the Arranger, the Lead Manager or any other person, if it is advised by a third party authorised under Article 28 of the Securitisation Regulation or a reputable international law firm that such amendments are required for the Programme to comply with the Securitisation Regulation including the requirements for simple, transparent and standardised securitisations set out therein and in any regulatory technical standards adopted under the Securitisation Regulation. Any amendment subject to this clause 39.2 hereof shall only become valid, by giving ten (10) Business Days prior notice to the Noteholders in writing, including by email.

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

39.4 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 unanimous consent of (a) the Issuer and (b) the Noteholders of each Series of Notes for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement which materially and adversely affect the interests of the Noteholders and/or any other Programme Creditor **provided that** (x) no such amendment shall 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 all Noteholders. The manner of obtaining such consents may be either a contractual agreement to be concluded between the Issuer and all Noteholders of the Relevant Series as provided for in Sec. 4 of the German Debenture Act (*Gesetz über Schuldverschreibungen aus Gesamtemissionen - Schuldverschreibungsgesetz SchVG*) or by a Noteholder's resolution adopted with unanimous consent of the Noteholders of such Series pursuant to Sections 5 to 22 of aforementioned act. The manner of obtaining any other consents of the Noteholders provided for in this Agreement and of evidencing the authorisation of the execution thereof by Noteholders will be subject to such reasonable requirements as the Security Trustee may prescribe, including the establishment of record dates.

IN WITNESS WHEREOF, this Agreement is duly executed and delivered on the date and the year first above written.

ANNEX C
MASTER DEFINITIONS SCHEDULE

The following is the text of the Master Definitions Schedule. The text will be attached as Annex C to the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes and constitutes an integral part of the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes, respectively. In case of any overlap or inconsistency in the definitions of a term or expression in the Master Definitions Schedule and elsewhere in the Offering Circular, the definitions of the Conditions of the Cleared Notes and the Conditions of the Uncleared Notes (as applicable) will prevail.

MASTER DEFINITIONS SCHEDULE

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 Programme Document.

"**12-Months Average Dynamic Gross Loss Ratio**" means, for any Payment Date, a fraction, expressed as a percentage rate, the numerator of which is the sum of the Dynamic Gross Loss Ratios calculated with respect the last 12 calendar months preceding such Payment Date and the denominator of which is 12. In case less than 12 preceding periods occurred since the Closing Date, then the numerator of which is the sum of the Dynamic Gross Loss Ratios calculated since closing and the denominator of which is the number of periods since closing.

"**Account Agreement**" means the account agreement between the Issuer, the Account Bank, the Cash Administrator and the Security Trustee governing the Accounts dated on or about the Signing Date.

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

(a) an unsecured, unguaranteed and unsubordinated short-term debt obligations rating of at least "P-1" (or its replacement) by Moody's; and

(b) a short-term deposit rating of at least "F1" (or its replacement) by Fitch (or, if it does not have a short-term deposit rating assigned by Fitch, an issuer default rating of at least "F1" (or its replacement) by Fitch) or a long-term deposit rating of at least "A" (or its replacement) by Fitch (or, if it does not have a long-term deposit rating assigned by Fitch, an issuer default rating at least "A" (or its replacement) by Fitch).

(c) .

"**Account Bank**" means the bank operating as Cash Collateral Account Bank, the Distribution Account Bank, the Accumulation Account Bank and the Issuer Profit Account Bank, which is U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC).

"**Accounts**" means the Cash Collateral Account, the Distribution Account, the Accumulation Account and the Issuer Profit Account, collectively.

"**Accrued Interest**" means in respect of a Note and any Payment Date the interest which has accrued on such Note up to such Payment Date.

"**Accumulation Account**" means the interest bearing account with IBAN [redacted] and Reference Field [redacted], held by the Issuer with the Accumulation Account Bank.

"**Accumulation Account Bank**" means the bank operating the Accumulation Account, which is U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC).

"**Accumulation Amount**" means, on any Payment Date during the Revolving Period, the lesser of (a) the Cash Component and (b) (i) the Available Redemption Collections minus (ii) the sum of Amortisation Amounts to be paid with respect to Notes on such Payment Date.

"**Actual Overcollateralisation Percentage**" means, with respect to any Payment Date, one minus the quotient of (a) the Nominal Amount of all outstanding Notes divided by (b) (i) the Aggregate Outstanding Principal Balance plus (ii) any amounts standing to the credit of the Accumulation Account, each as determined after the preceding Payment Date.

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

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

"**Additional Electronic File**" means an electronic data file comprising the data relevant for the identification of the Purchased Additional Lease Receivables and the related Leased Vehicles, other than the personal data of the Lessees.

"**Additional Encrypted List**" means an encrypted electronic data file comprising the data relevant for the identification of the Purchased Additional Lease Receivables and the related Leased Vehicles, including the personal data of the Lessees.

"**Additional Lease Contract**" means each lease agreement (which may include applicable standard business terms or other documents incorporated by reference) governing (immediately prior to any assignment under the Receivables Purchase Agreement) the Seller's legal relationship with the respective Lessee with regard to the Additional Lease Receivables.

"**Additional Lease Receivable**" means each Lease Receivable offered to be purchased by the Purchaser on the applicable Additional Purchase Date.

"**Additional Lease Receivables Purchase Price**" means the purchase price in respect of the Purchased Additional Lease Receivables, which shall be equal to the sum of:

(a) (A) the sum of the relevant Notes Increase Amount plus (B) any Subordinated Loan Increase Amount less (C) an amount (if any) required to be paid to the Cash Collateral Account to ensure that the General Cash Collateral Amount is not less than the Specified General Cash Collateral Account Balance, plus

(b) (x) the Replenished Additional Outstanding Principal Balance multiplied by (y) the difference between one (1) and the Replenished Lease Receivables Overcollateralisation Percentage.

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

(a) the issuance of the Further Notes on the respective Further Issue Date;

(b) the Accumulation Amount available on such Further Issue Date; plus

(d) the Subordinated Loan Increase Amount for such Further Issue Date.

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

"**Additional Leased Vehicle**" means each vehicle that is the subject of an Additional Lease Contract.

"**Additional Outstanding Principal Balance**" means, on any Additional Purchase Date, the aggregate value of the remaining Principal Portion on the relevant Cut-off Date of the Additional Lease Receivables to be purchased by the Purchaser on such Additional Purchase Date.

"**Additional Purchase Date**" means a Payment Date falling in the Revolving Period, on which the purchase of any Additional Lease Receivables is made.

"**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 alios*, the Issuer, the Principal Paying Agent, the Calculation Agent, the Interest Determination Agent, the Registrar and the Security Trustee dated on or about the Signing Date.

"**Agents**" means the Calculation Agent, the Interest Determination Agent, the Registrar and the Principal Paying Agent, and "**Agent**" means any one of them.

"**Aggregate Outstanding Principal Balance Increase Amount**" means, in respect of a Payment Date, the amount necessary to increase the Aggregate Outstanding Principal Balance as of the end of the Monthly Period to the Targeted Aggregate Outstanding Principal Balance.

"**Aggregate Outstanding Principal Balance**" means the sum of the Outstanding Principal Balances for all Purchased Lease Receivables.

"**Aggregate Redeemable Amount**" means, at any time, the difference between (i) the aggregate outstanding principal amount of Notes and (ii) the Targeted Remaining Note Balance.

"**Amortisation Amount**" means, with respect to an Amortising Series of Notes, an amount calculated as follows:

(a) if on the relevant Payment Date all outstanding Series of Notes are Non-Amortising Series, zero; or

(b) for any Series of Notes which on the relevant Payment Date qualifies as an Amortising Series (such Payment Date with respect to such Series referred to as the "**Series Amortisation Date**"), the Amortisation Amount applicable to such Series with respect to all following Payment Dates shall be determined as the lesser of (A) the principal amount outstanding of such Series and (B) the product of (1) the positive difference between the Available Redemption Collections minus the sum of the Amortisation Amounts in respect of the other Amortising Series of Notes with an earlier Series Amortisation Date multiplied by (2) the Amortisation Factor applicable to such Amortising Series; or

(c) if on the relevant Payment Date all Series of Notes are Amortising Series, the Amortisation Amount for any Series of Notes will be determined as the product of (A) the Principal Payment Amount multiplied by (B) the ratio of the principal amount outstanding of the relevant Amortising Series of Notes on such Payment Date as numerator and the sum of the principal amount outstanding of all Series of Notes on such Payment Date as denominator.

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

"**Amortising Series**" means, on any Payment Date,

(a) any Series of Notes for which on or prior to such Payment Date the Series Revolving Period Expiration Date has occurred, or

(b) following the occurrence of an Early Amortisation Event, all Series of Notes.

"**Ancillary Rights**" means all present and future rights ancillary to or connected with a Lease Receivable and a related Lease Contract (excluding the Excluded Rights) including without limitation:

(a) any interest accrued on overdue lease instalments;

(b) any Security Interest securing the Lease Receivable and the right to enforce the same;

(c) any claims for damages arising from a breach of contract or in tort against the Lessee in connection with the related Lease Contract (including without limitation the rights under Article 709(15) of the Polish Civil Code);

(d) any Insurance Claims;

(e) any right to unilaterally determine legal relationships in connection with the Lease Receivable, including without limitation (i) the right to change the amount of lease instalments and (ii) the right to modify or terminate the relevant Lease Contract upon the Lessee's failure to pay the Lease Receivable;

(f) any rights to collect and enforce the Lease Receivable from the Lessee;

(g) any right to request from the Lessee additional security in respect of the Lease Receivable;

(h) any right to waive claims relating to the Lease Receivable; and

(i) any potential claims that VWFS PL may have if the Lease Contract were declared invalid or ineffective for any reason, including without limitation any claims for compensation or for the non-contractual use of the Leased Vehicle or capital (*pozaumowne korzystanie z rzeczy lub kapitału*), within the scope corresponding to the lease instalments and the other Ancillary Rights.

"**Applicable Insolvency Law**" means any applicable bankruptcy, insolvency or other similar law affecting creditors' rights now or hereafter in effect in any jurisdiction.

"**Applicable Law**" shall mean any law or regulation as applicable including but not limited to (a) any domestic or foreign statute or regulation; (b) any rule or practice of any Authority or self-regulatory organisation with which any party is bound or is accustomed to comply; and (c) any agreement entered into by any party and any Authority or between two or more Authorities.

"**Arranger**" means Banco Santander, S.A.

"**Authority**" shall mean any competent regulatory, prosecuting, tax or governmental authority in the EU, the UK, the United States or any other jurisdiction.

"**Available Distribution Amount**" shall, on any Payment Date be an amount equal to the sum of the following amounts:

(a) the Gross Distribution Amount; plus

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

(c) payments from the Cash Collateral Account as provided for in clause 23.3 (*Cash Collateral Account*) of the Trust Agreement; plus

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

(e) any amounts provided for or converted into another currency which are not used and reconverted (if applicable) in accordance with clause 22.5 (*Order of Priority*) of the Trust Agreement; plus

(f) any amount from the preceding Payment Date which remained as a surplus due to the rounding under the Notes in accordance with Condition 9(b) of the Conditions of the Cleared Notes and Condition 9(b) of the Conditions of the Uncleared Notes.

"**Available Redemption Collections**" shall be equal to the Available Distribution Amount less any amounts due and payable on the relevant Payment Date under items *first* through *ninth* of the Order of Priority set out in clause 22.2(a) *(Order of Priority)* of the Trust Agreement.

"**Offering Circular**" means the offering circular dated 22 February 2023 as amended on 24 May 2023 and prepared in connection with the issue by the Issuer of the Notes.

"**Benchmark Event**" means any of the following (i) a public statement by GPW Benchmark S.A. that it will cease publishing WIBOR or it 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 Polish Financial Supervision Commission that WIBOR 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 WIBOR may no longer be used as a reference rate to determine the payment obligations under the Notes or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

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

"**Business Day**" means any day on which T2 is open for business **provided that** this day is also a day on which banks are open for business in Warsaw, London and Dublin.

"**Calculation Agent**" means U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC).

"**Calculation Check Notice**" shall mean a notice to be supplied by the Calculation Agent pursuant to clause 6 (*The Calculation Agent*) of the Agency Agreement in writing.

"**Calculation Checks**" means the checks of the Relevant Calculations to be performed by the Calculation Agent pursuant to clause 6 (*The Calculation Agent*) of the Agency Agreement.

"**Cash Administration Services**" means the services set forth in clause 12.2 *(Cash Administration Services)* of the Account Agreement.

"**Cash Administrator**" means U.S. Bank Global Corporate Trust Limited or its replacement.

"**Cash Collateral Account Bank**" means the bank operating the Cash Collateral Account, which is U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC).

"**Cash Collateral Account**" means the interest bearing account with IBAN [redacted] and Reference Field [redacted], held by the Issuer with the Cash Collateral Account Bank.

"**Cash Component**" shall be equal to the Aggregate Outstanding Principal Balance Increase Amount multiplied by one minus the Replenished Lease Receivables Overcollateralisation Percentage.

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

"**CGN**" means classical global note.

"**Check Information**" has the meaning ascribed to such term in clause 6.3 *(The Calculation Agent)* of the Agency Agreement.

"**Clean-Up Call Condition**" means that, under the Receivables Purchase Agreements and after the end of the Revolving Period, VWFS PL will have the option to exercise a Clean-Up Call and to repurchase the Purchased Lease Receivables of the Issuer on any Payment Date when the Aggregate Outstanding Principal Balance is on a Payment Date less than 10 per cent. of the Maximum Outstanding Principal Balance **provided that** all payment obligations under the Notes will be fulfilled by the proceeds of such repurchase.

"**Clean-Up Call Settlement Amount**" means an amount equal to the Outstanding Principal 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. 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 VWFS PL immediately prior to the repurchase becoming effective.

"**Clean-Up Call**" means with respect to the Notes VWFS PL's right at its option to exercise a clean-up call when the Clean-Up Call Condition is satisfied.

"**Cleared Note**" shall mean each floating rate asset backed note issued by VCL Master Poland DAC which will be cleared via the ICSDs;

"**Closing Date**" means 27 February 2023.

"**Collections**" means, in respect of a Monthly Period, any sums received, collected or otherwise recovered during that Monthly Period in relation to Purchased Lease Receivables, other than (i) Excluded Collections, (ii) any sums received, collected or otherwise recovered with respect to Written Off Purchased Lease Receivables), and (iii) (if an Insurance Total Loss Event occurs and the Seller does not exercise its option to repurchase the Purchased Lease Receivable at the Insurance Call Option Price in accordance with clause 8.3 of the Receivables Purchase Agreement) a portion of Insurance Proceeds representing the Seller's Share.

"**Common Depository**" means the entity appointed by the ICSDs to provide safekeeping for the Notes.

"**Common Terms**" means the common terms set out under the heading Common Terms in the Incorporated Terms Memorandum and incorporated into the Programme Documents by reference.

"**Conditions**" means the terms and conditions of the Cleared Notes and the terms and conditions of the Uncleared Notes contained in this Offering Circular (as applicable).

"**Constitution**" means the constitution of the Issuer.

"**Confirmation Letter**" means a letter from the Issuer substantially in the Form of Schedule 5 or Schedule 7 of the Programme Agreement.

"**Corporate Services Agreement**" means the corporate services agreement entered into by the Issuer and the Corporate Services Provider on or about the Signing Date, as amended and restated from time to time, under which the Corporate Services Provider is responsible for the day to day activities of the Issuer, and shall provide secretarial, clerical, administrative and related services to the Issuer and maintain the books and records of the Issuer in accordance with Applicable Laws and regulations of Ireland.

"**Corporate Services Provider**" means Walkers Corporate Services (Ireland) Limited.

"**Credit and Collection Policy**" shall mean the VWFS PL's credit and collection policies and practices with respect to Lease Receivables as applied by VWFS PL from time to time, as such

policies and practices may be amended or modified from time to time as permitted by the Programme Documents.

"**Credit Enhancement Increase Condition**" shall be deemed to be in effect if, (a) the Dynamic Gross Loss Ratio for three consecutive Payment Dates exceeds (i) 1.0 per cent. if the Weighted Average Seasoning is less than 12 months, (ii) 1.4 per cent. if the Weighted Average Seasoning is between 12 months (inclusive) and 24 months (inclusive), (iii) 1.9 per cent. if the Weighted Average Seasoning is between 24 months (exclusive) and 36 months (inclusive), or (iv) 2.4 per cent. if the Weighted Average Seasoning is greater than 36 months; or (b) the 12-Months Average Dynamic Gross Loss Ratio exceeds 1.0 per cent.; or (c) upon the occurrence of a Servicer Replacement Event; or (d) upon the occurrence of an Insolvency Event with respect to VWFS PL; or (e) the Cash Collateral Account does not contain (A) the Specified General Cash Collateral Account Balance on three consecutive Payment Dates or (B) the Minimum Cash Collateral Account Balance at any Determination Date.

"**Credit**" shall have the meaning as set out in clause 22.1 *(Order of Priority)* of the Trust Agreement.

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

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

"**Data Protection Rules**" means:

(a) the Polish Act on protection of personal data of 10 May 2018 (unified text: Journal of Laws of 2019, item 1781, as amended); and

(b) the GDPR.

"**Data Protection Trust Agreement**" means the data protection trust agreement entered into, as amended from time to time, by the Seller, the Data Protection Trustee, the Security Trustee and the Issuer.

"**Data Protection Trustee**" means Intertrust Trustees GmbH.

"**Defaulted Purchased Lease Receivables**" means each Purchased Lease Receivable in respect of which:

(a) the relevant Lease Contract has been early terminated;

(b) the respective Lessee thereunder has either been declared bankrupt or is subject to any of the Insolvency Events; or

(c) the relevant Lease Contract and Lessee have been classified as defaulted by VWFS PL in accordance with the Credit and Collection Policy, save for the provisions of such Credit and Collection Policy as they relate to the determination of exposure default, for which the provisions applicable will be those which were in effect under the Credit and Collection Policy as of the Signing Date.

"**Delinquent Lease Contract**" means each and any Lease Contract for which (i) one or more Lease Receivable instalments are overdue, or (ii) where the Servicer has terminated such Lease Contract.

"**Delinquent Lease Receivables**" means each and any Lease Receivables for which one or more scheduled instalments are overdue.

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

"**Distribution Account Bank**" means the bank operating the Distribution Account, which is U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC).

"**Distribution Account**" means the interest bearing account with IBAN [redacted] and Reference Field [redacted], held by the Issuer with the Distribution Account Bank.

"**Dynamic Gross Loss Ratio**" means, for any Monthly Period, a fraction, expressed as a percentage rate, the numerator of which is the sum of the outstanding balance of the Principal Portion of all Purchased Lease Receivables classified as Defaulted Purchased Lease Receivables during the relevant Monthly Period and the denominator of which is the Aggregate Outstanding Principal Balance as of the beginning of the relevant Monthly Period.

"**Early Amortisation Event**" shall mean any of the following: (i) the occurrence of a Foreclosure Event, (ii) the amounts deposited in the Accumulation Account on two consecutive Payment Dates exceed 10 per cent. of the Aggregate Outstanding Principal Balance, after application of the relevant Order of Priority on such Payment Date, (iii) the Credit Enhancement Increase Condition is in effect, (iv) on any Payment Date falling after six consecutive Payment Dates following the Initial Issue Date, the Actual Overcollateralisation Percentage is determined as being lower than 20.3 per cent. or (v) VWFS PL ceases to be an Affiliate of Volkswagen Financial Services AG or any successor thereto.

"**Early Settlement Amount**" means each of the following sums payable by VWFS PL to the Issuer:

(a) the Mandatory Repurchase Price payable if (i) the Purchaser demands the Seller to repurchase a Purchased Lease Receivable pursuant to clause 5.1 and 5.2 (*Warranties by the Seller with respect to the Purchased Lease Receivables*) of the Receivables Purchase Agreement, or (ii) if the Seller exercises its option to repurchase a Purchased Lease Receivable pursuant to clause 5.1 and 5.2 (*Warranties by the Seller with respect to the Purchased Lease Receivables*) of the Receivables Purchase Agreement, or (iii) if the Purchaser demands the Seller to repurchase the Purchased Lease Receivable following a Non-Permitted Amendment pursuant to clause 5.5 (*Limitation of representations and warranties and remedies for the breach of representations and warranties and Non-Permitted Amendments)*) of the Receivables Purchase Agreement;

(b) the Restructuring Call Option Price payable if the Seller exercises its option to repurchase a Purchased Lease Receivable pursuant to clause 8.2 (*Restructuring Call Option*) of the Receivables Purchase Agreement; and

(c) the Insurance Call Option Price payable if the Seller exercises its option to repurchase a Purchased Lease Receivable pursuant to clause 8.3 (*Insurance Call Option*) of the Receivables Purchase Agreement.

"**Early Settlement Event**" means an event that gives rise to the Seller's obligation to pay the Early Settlement Amount to the Issuer in connection with:

(a) clause 5.5 (*Limitation of representations and warranties and remedies for the breach of representations and warranties and Non-Permitted Amendments*) of the Receivables Purchase Agreement;

(b) clause 8.2 (*Restructuring Call Option*) of the Receivables Purchase Agreement; or

(c) clause 8.3 (*Insurance Call Option*) of the Receivables Purchase Agreement.

"**Early Termination Fees**" means any fees, costs and refundable expenses payable by a Lessee to VWFS PL as lessor in connection with the early termination of the relevant Lease Contract and repossession and remarketing of a related Transaction Leased Vehicle, including without limitation any towing fees, penalty for delayed redelivery, costs of valuation, and reminder fees.

"**EC Treaty**" means the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001) and as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007 and in force since 1 December 2009).

"**EEA**" means the European Economic Area established under the "The Agreement creating the European Economic Area" entered into force on 1 January 2004.

"**Electronic File**" means each of the Initial Electronic File and each Additional Electronic File.

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

"**Encrypted List** " means each of the Initial Encrypted List and each Additional Encrypted List.

"**Enforcement Event**" means a Foreclosure Event and the Security Trustee has served an Enforcement Notice upon the Issuer.

"**Enforcement Notice**" means a notice delivered by the Security Trustee on the Issuer upon the occurrence of a Foreclosure Event (upon request of the Noteholders holding not less than 66 $^{2}/_{3}$ per cent. of the outstanding principal amount of the Notes whereby Notes owned by VW Bank or its affiliates, if any, will not be taken into account for the determination of the required majority of 66 $^{2}/_{3}$ per cent. of the aggregate outstanding principal amount of the Notes) stating that the Security Trustee commences with the enforcement of the Security pursuant to the procedures set out in the relevant Security Documents.

"**ESMA**" means the European Securities and Markets Authority. "**EU**" means the European Union.

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

"**EU Member State**" means, as the context may require, a member state of the European Union or of the European Economic Area.

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

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

"**Event of Default**" has the meaning ascribed to such term in clause 11 *(Events of Default)* of the Subordinated Loan Agreement.

"**Excluded Collections**" means any sums received, collected or otherwise recovered in respect of a Purchased Lease Receivable but only to the extent that they relate to the Excluded Rights.

"**Excluded Rights**" means the following present and future rights in connection with a Lease Receivable and the Lease Contract relating to it:

(a) the right to receive any payment representing VAT on the lease instalments and other sums invoiced to the Lessee under a Lease Contract;

(b) the right to be reimbursed for any refundable costs and expenses covered by VWFS PL (as lessor) in connection with a Lease Contract, including without limitation any insurance premia and right to demand a refund of the tax on means of transport from the Lessee (if paid by VWFS PL);

(c) any rights in respect of any incidental (not already scheduled) fees (including but not limited to Lease Receivables Servicing Fees and Early Termination Fees) and commissions payable under a Lease Contract, including without limitation any

(d) any additional charges for excess kilometres or for an excessive use of a Leased Vehicle;

(e) the right to insure the Leased Vehicle on behalf of VWFS PL (including any extra insurance, if required pursuant to a Lease Contract);

(f) the right to grant consent to the Lessee to have the Transaction Leased Vehicle insured by the Lessee; and

(g) any rights of VWFS (as lessor) arising under any optional or additional agreements entered in connection with the Lease Contract (including but not limited to payment protection insurance policies).

"**Expenses**" shall have the meaning as set out in clause 13.1 (*Indemnity and Liability*) of the Account Agreement or in clause 9.1 *(Indemnity and Liability)* of the Agency Agreement, respectively.

"**Extension Letter**" means an extension letter by the Issuer to the respective Noteholder in a form as attached as Schedule 1 to the Conditions of the Cleared Notes and Schedule 1 to the Conditions of the Uncleared Notes.

"**Facility Office** " means the office or offices through which a Noteholder will perform its obligations under the Offering Circular and the Programme Agreement.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Programme Document required by FATCA;

"**FATCA**" means:

(a) sections 1471 to 1474 of the US Internal Revenue Code and the Treasury regulations and official guidance issued thereunder, as amended from time to time ("**US FATCA**");

(b) any inter-governmental agreement between the United States and any other jurisdiction entered into in connection with US FATCA (an "**IGA**");

(c) any treaty, law, regulation or official guidance enacted, issued or amended in any jurisdiction which facilitates the implementation of US FATCA or an IGA ("**Implementing Law**"); and

(d) any agreement entered into with the US Internal Revenue Service, the US government or any governmental or Tax authority in any other jurisdiction in connection with US FATCA, an IGA or any Implementing Law;

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

"**Final Terms**" means the relevant final terms to the Offering Circular which will be prepared for each issue of Notes.

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

"**Foreclosure Event**" means any of the following events:

(a) with respect to VCL Master Poland DAC, an Insolvency Event occurs; or

(b) the Issuer does not pay interest on the Notes then outstanding on any relevant Payment Date and such failure to pay 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 the interest and principal on the Notes other than interest on the 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.

"**FSMA**" means the United Kingdom Financial Services and Markets Act 2000.

"**Funding**" means the Notes and the Subordinated Loan.

"**Further Issue Date**" means each day which shall be a Payment Date on which Further Notes are issued, **provided that** with respect to each Series of Notes such date shall in no event be later than

the Payment Date immediately preceding the Series Revolving Period Expiration Date applicable to such Series.

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

"**Further Lease Receivables Overcollaterisation Percentage**" means 4.0 per cent.

"**Further Notes**" means any Cleared Notes and Uncleared Notes of each series of the floating rate asset backed notes issued by VCL Master Poland DAC on any Further Issue Date with a maximum total nominal amount of PLN 3,300,000,000, consisting of up to 3,000 individual Notes, each in the Nominal Amount of PLN 1,000,000.

"**Further Outstanding Principal Balance**" means on any Additional Purchase Date, the Additional Outstanding Principal Balance of the Purchased Additional Lease Receivables sold under the Receivables Purchase Agreement less the Replenished Additional Outstanding Principal Balance.

"**Future Lease Instalments**" means any instalments under a Lease Contract that are not yet due and payable at the time (i) the Lease Contract is terminated by the Seller as a result of the Lessee's default, or (ii) an Insurance Total Loss Event occurs in relation to the Transaction Leased Vehicle being the subject of the Lease Contract.

"**GDPR**" or "**General Data Protection Regulation** " means the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) as amended from time to time.

"**General Cash Collateral Amount**" means all funds in the Cash Collateral Account.

"**Generally Accepted Market Practice**" means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the WIBOR 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 WIBOR in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the WIBOR as reference rate for the determination of payment obligations.

"**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.

"**Germany**" means the Federal Republic of Germany.

"**Global Note**" means in respect of the Notes the global registered note without coupons attached representing such Notes as more specifically described in Condition 1(a) of the Conditions of the Cleared Notes and Condition 1(a) of the Conditions of the Uncleared Notes.

"**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.

"**Gross Distribution Amount**" means, in respect of a Monthly Period:

(a) any Collections realised during that Monthly Period; plus

(b) any Settlement Amounts payable during that Monthly Period by VWFS PL to the Issuer; plus

(c) any Recoveries realised during that Monthly Period.

"**Incorporated Terms Memorandum**" means the memorandum signed by the Programme Parties for the purposes of identification, as amended and restated from time to time.

"**Industry Solution**" means any statement by the National Bank of Poland (Pol. *Narodowy Bank Polski*), the Polish Financial Supervision Authority (Pol. *Komisja Nadzoru Finansowego*) or any working group or committee sponsored by, convened by, initiated by, chaired or co-chaired by or constituted at the request of the National Bank of Poland (Pol. *Narodowy Bank Polski*) or the Polish Financial Supervision Authority (Pol. *Komisja Nadzoru Finansowego*) to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the WIBOR 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 WIBOR.

"**Initial Cut-Off Date**" means 31 January 2023.

"**Initial Electronic File**" means an electronic data file comprising the data relevant for the identification of the Lease Receivables purchased on the Closing Date and the related Leased Vehicles, other than the personal data of the Lessees.

"**Initial Encrypted List**" means an encrypted electronic data file comprising the data relevant for the identification of the Lease Receivables purchased on the Closing Date and the related Leased Vehicles, including the personal data of the Lessees.

"**Initial Issue Date**" means, in respect of a Series of Notes, the day on which the Initial Notes of such Series are issued as set out in the respective Final Terms.

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

"**Initial Lease Contract**" means each lease agreement (which may include applicable standard business terms or other documents incorporated by reference) governing (immediately prior to any assignment under the Receivables Purchase Agreement) the Seller's legal relationship with the respective Lessee with regard to the Purchased Initial Lease Receivables.

"**Initial Lease Receivable**" means each Lease Receivable offered to be purchased by the Purchaser on the Closing Date.

"**Initial Lease Receivables Purchase Price**" means the purchase price in respect of Purchased Initial Lease Receivables being:

(a) their aggregate Outstanding Principal Balance as of the Initial Cut-Off Date; ***less***

(b) an amount of PLN 76,000,000 for overcollateralisation purposes; ***less***

(c) an amount of PLN 39,000,000 to fund the Cash Collateral Account (to ensure that its balance is not less than the Specified General Cash Collateral Account Balance).

"**Initial Leased Vehicle**" means each vehicle that is the subject of an Initial Lease Contract.

"**Initial Notes**" means the floating rate asset backed Cleared Notes and Uncleared Notes of each Series issued by the Issuer on each Initial Issue Date.

"**Insolvency Event**" means, with respect to VCL Master Poland DAC, Seller, Servicer or Security Trustee, as the case may be, the occurrence of the following events:

(a) 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;

(b) the application for, seeking of, consent to, or acquiescence in, the appointment of a receiver, examiner, custodian, trustee, liquidator, process advisor, restructuring advisor or similar official for it or a substantial portion of its property;

(c) the initiation of any case, action or proceedings out-of-court or before any court or Governmental Authority against it under any applicable liquidation, insolvency, composition, bankruptcy, receivership, examinership, dissolution, reorganisation, rescue process, winding-up, relief of debtors, stabilisation, restructuring or other similar laws and such proceedings not being disputed in good faith with a reasonable prospect of discontinuing or discharging the same;

(d) the levy or enforcement of a distress or execution or other process upon or sued out against the whole or any substantial portion of its undertaking or assets and such possession or process (as the case may be) not being discharged or otherwise ceasing to apply within sixty (60) days;

(e) initiation or consent to any case, action or proceedings in any court or Governmental Authority relating to it under any applicable liquidation, insolvency, composition, bankruptcy, receivership, examinership, rescue process, dissolution, reorganisation, winding- up, relief of debtors or other similar laws;

(f) an order being made against it or an effective resolution being passed for its winding-up; or

(g) it is deemed generally unable to pay its debts or meets any other applicable insolvency test within the meaning of any liquidation, insolvency, examinership, rescue process, 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 Security Documents shall not constitute an Insolvency Event in respect of the Issuer).

"**Institution**" means a credit institution or financial services institution (including a branch of a credit institution or financial services institution).

"**Insurance Call Option Price**" means a repurchase price payable pursuant to clause 8.3 (*Insurance Call Option*) of the Receivables Purchase Agreement equal to (i) the aggregate balance of the Principal Portion of any lease instalments outstanding as at the repurchase date and (ii) the applicable Interest Portion accrued until the Determination Date (and including that date) immediately preceding the repurchase date.

"**Insurance Claims**" means any present and future claims of the Seller against any car insurer under any present and future insurance policies relating to any Transaction Leased Vehicle on which the Seller is or will be named as beneficiary.

"**Insurance Proceeds**" means any sums received, collected or otherwise recovered in respect of any Insurance Claims.

"**Insurance Total Loss Event**" means an event comprising a total loss of a Leased Vehicle where the relevant insurer is obliged to pay Insurance Proceeds covering its full insured value, including in particular a situation where the Leased Vehicle has been lost, stolen or damaged so that the lost value or repair cost exceeds its insured value (as determined by the Servicer at its reasonable discretion).

"**Interest Accrual Period**" shall mean, unless otherwise mutually agreed by the parties, the period from (and including) a Payment Date to (but excluding) the next succeeding Payment Date; **provided that** any initial Interest Accrual Period shall be the period from (and including) the relevant Issue Date to (but excluding) the first Payment Date.

"**Interest Determination Agent**" means U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC).

"**Interest Determination Date**" has the meaning ascribed to such term in clause 7.7 *(Duties of Principal Paying Agent, the Calculation Agent and Interest Determination Agent)* of the Agency Agreement.

"**Interest Equivalent**" means

(a) interest;

(b) amounts economically equivalent to interest including:

(i) a discount, where securities are issued at a discount,

(ii) the finance element of finance lease payments,

(iii) the finance income element and finance cost element of non-finance lease payments of a company that carries on a trade of leasing that is treated for the purposes of the TCA as a separate trade distinct from all other activities carried on by such company under Section 403(2) of the TCA,

(iv) amounts under derivative instruments or hedging arrangements directly connected with the raising of finance, and

(v) such portion of the profit or loss on:

(I) a financial asset (within the meaning of Section 76B of the TCA), or

(II) a financial liability (within the meaning of Section 76B of the TCA), the coupon or return on which principally comprises interest or one or more of the amounts referred to in this paragraph, to the extent that it would be reasonable to consider that such amount is economically equivalent to interest,

(c) any amounts referred to in paragraph (a) or (b) claimed by a claimant company under section 420(6) TCA,

(d) amounts arising directly in connection with raising finance, including—

(i) guarantee fees,

(ii) arrangement fees, and

(iii) commitment fees,

(e) foreign exchange gains and losses on interest or amounts economically equivalent to interest, and

(f) any amount arising from an arrangement, or part of an arrangement, which could reasonably be considered, when the arrangement is considered in the whole, to be economically equivalent to interest.

"**Interest Portion**" means in respect of any Lease Receivable the entire interest portion of each lease instalment representing the VWFS PL's (as lessor) remuneration 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 or changes to the applicable base rate.

"**Interest Shortfall**" means the Accrued Interest which is not paid on a Note on the Payment Date related to the Interest Accrual Period in which it accrued, including but not limited to any Accrued Interest resulted from correction of any miscalculation of interest payable on a Note related to the last Interest Accrual Period immediately prior to the Payment Date.

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

"**Irish Security Deed**" means the account charge deed dated on or about the Signing Date entered into by the Security Trustee as security trustee and the Issuer as charger pursuant to which the Issuer has charged and assigned (as applicable) to the Security Trustee all its rights, title, benefit and interest in the Accounts and amounts standing to the credit thereof.

"**Irish Securitisation Regulation**" means the European Union (General Framework for Securitisatoin and Sepcific Framework for Simple, Transparent and Standardised Securitsation) Regulations 2018 (S.I. No. 656 of 2018).

"**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 Notes by the Issuer.

"**Issue Date**" means each of the Initial Issue Date and each Further Issue Date.

"**Issuer**" means VCL Master Poland DAC, having its registered office at 5th Floor, The Exchange, George's Dock, IFSC, Dublin, D01 W3P9, Ireland, registered with the Companies Registration Office in Ireland under registration number 698760.

"**Issuer Accounts**" means the Cash Collateral Account, the Distribution Account and the Accumulation Account, collectively.

"**Issuer Profit Account**" means the interest bearing account with IBAN [redacted] and Reference Field [redacted], held by the Issuer with the Distribution Account Bank.

"**Issuer Profit Account Bank**" means the bank operating the Issuer Profit Account, which is U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC).

"**Issuer Profit Amount**" an annual reserve profit amount of up to EUR 1,200 per annum to the Issuer Profit Account according to the Order of Priority.

"**Issuer Registered Pledge Event Account**" means the account of the Issuer to be held with the Issuer Profit Account Bank into which the Registered Pledge Reserve Amount is to be paid.

"**Issuer's Secured Claims**" means any claims of the Issuer (assigned to the Security Trustee pursuant to the Security Assignment Agreement) it may have under the Servicing Agreement and the Receivables Purchase Agreement, including but not limited to claims in respect of: (1) any Collections payable by the Servicer to the Issuer, (2) any Recoveries or other cash received by the Servicer and payable to the Issuer, (3) any cash sweep payments, and (4) any Settlement Amount payable by the Seller to the Issuer.

"**Issuer's Share**" means, in relation to a Transaction Leased Vehicle that has been repossessed by the Seller following termination of the relevant Lease Contract as a result of the Lessee's default, the ratio expressed as a percentage rate, (i) the numerator of which is the sum of the Future Lease Instalments and (ii) the denominator of which is the sum of the Residual Value and the Future Lease Instalments.

"**Lead Manager**" means Banco Santander, S.A.

"**Lease Contracts**" means the Initial Lease Contracts and/or the Additional Lease Contracts.

"**Lease Receivable**" means each present and future pecuniary receivable (*wierzytelność pieniężna*) representing lease instalments (including the Principal Portion and the Interest Portion) due from a Lessee under a Lease Contract at any time after the applicable Purchase Date, together with any Ancillary Rights but excluding any Excluded Rights relating to it, offered to be purchased by the Purchaser on the applicable Purchase Date.

"**Lease Receivables Servicing Fees**" means any fees representing remuneration payable to VWFS PL under the Lease Contracts in connection with service components, such as maintenance fees.

"**Lease Receivables Subordinated Loan Amount**" has the meaning given to such term in the Subordinated Loan Agreement.

"**Leased Vehicles**" means the Initial Leased Vehicles and/or the Additional Leased Vehicles.

"**Legal Maturity Date**" means the Payment Date falling in February 2034.

"**Lessee**" means, in respect of a Lease Receivable, a Retail Client to whom the Seller has leased one or more vehicles pursuant to a Lease Contract.

"**Losses**" shall have the meaning as set out in clause 13.1 *(Indemnity and Liability)* of the Account Agreement or in clause 9.1 *(Indemnity and Liability)* of the Agency Agreement, respectively.

"**Mandatory Repurchase Price**" means, in respect of a Purchased Lease Receivable to which clause 5.1 and 5.2 (*Warranties by the Seller with respect to the Purchased Lease Receivables*) of the Receivables Purchase Agreement or clause 5.5 (*Limitation of representations and warranties and remedies for the breach of representations and warranties and Non-Permitted Amendments*) of the Receivables Purchase Agreement applies, an amount equal to (i) the aggregate balance of the Principal Portion of any lease instalments outstanding as at the repurchase date and (ii) the applicable Interest Portion accrued until the Determination Date (and including that date) immediately preceding the repurchase date.

"**Margin**" means the margin specified under item 7 in the Final Terms of the relevant Series of Notes.

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

"**Maximum Outstanding Principal Balance**" means the highest historic Aggregate Outstanding Principal Balance at any time since the inception of the Programme.

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

"**Minimum Cash Collateral Account Balance**" means an amount equal to 2.6 per cent. of the aggregate outstanding principal amount of the Notes.

"**Monthly Investor Report**" shall have the meaning ascribed to such term in clause 13.1(a)(ii) (*Reporting Duties of the Servicer and Reporting Duties under the Securitisation Regulation*) of the Servicing Agreement.

"**Monthly Period**" means the calendar month immediately prior to each Payment Date.

"**Monthly Servicer Report**" shall have the meaning ascribed to such term in clause 13.1(a)(i) (*Reporting Duties of the Servicer and Reporting Duties under the Securitisation Regulation*) of the Servicing Agreement.

"**Moody's**" means MOODY'S Investors Service España S.A. or any successor thereof.

"**New Issuer**" means any person which substitutes the Issuer pursuant to Condition 11 of the Conditions of the Cleared Notes and Condition 11 of the Conditions of the Uncleared Notes.

"**New Security Trustee**" shall have the meaning as set out in clause 8.4(a) *(Authority to collect; assumption of obligations; further assignment)* of the Trust Agreement.

"**Nominal Amount**" means for each Note the nominal amount as defined in Condition 1(a) of the Conditions of the Cleared Notes and Condition 1(a) of the Conditions of the Uncleared Notes.

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

"**Noteholders**" means the holders of the Notes.

"**Non-Permitted Amendments**" means:

(a) the shortening of a lease period to less than 12 months,

(b) retrospective partial repayment (balloon instalment),

(c) takeover of the Lease Contract (including the assignment of rights and transfer of obligations of the Lessee thereunder to a third party).

(d) change of a user of a Leased Vehicle,

(e) change of a user of a Leased Vehicle – leaseback,

(f) any change following the Lessee's death (including the takeover of a Lease Contract by an inheritor),

(g) amendments due to technical or legal defects of a Leased Vehicle,

(h) extension of a lease period by spreading the Residual Value into lease instalments,

(i) repayment of a Purchased Lease Receivable by a Lessee with a discount rate higher than the WIBOR rate for 1 one-month term deposits,

(j) return of a Leased Vehicle,

(k) extension of a lease period beyond 60 months,

(l) periodic decrease of lease instalments,

(m) seasonal lease instalments (if introduced after disbursement),

(n) resumption of an uninvoiced Lease Contract resulting in a change to the repayment schedule, or

(o) concluding a restructuring agreement.

"**Note Purchaser Accession Letter**" means a letter from a prospective purchaser of Notes substantially in the Form of Schedule 4 or Schedule 6 of the Programme Agreement.

"**Note Purchaser**" means each party defined as such in the Programme Agreement and together the "**Note Purchasers**".

"**Notes**" means the Initial Notes and the Further Notes in relation to each of the Cleared Notes and the Uncleared Notes.

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

"**Notes Increase Amount**" means, with respect to any Further Issue Date, an amount equal to the product of (i) 79.5 per cent. and (ii) the Further Outstanding Principal Balance and as rounded down to the nearest PLN 1,000,000.

"**Notes Interest Rate**" shall have the meaning ascribed to such Term in Condition 8(c) of the Conditions of the Cleared Notes and Condition 8(c) of the Conditions of the Uncleared Notes.

"**Notes Targeted Overcollateralisation Percentage**" means:

(a) 20.5 per cent. until the expiration of the Revolving Period and until a Credit Enhancement Increase Condition shall be in effect;

(b) 33.0 per cent. after expiration of the Revolving Period until a Credit Enhancement Increase Condition is in effect; and

(c) 100 per cent. until the Legal Maturity Date if a Credit Enhancement Increase Condition has occurred.

"**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.

"**Official Substitution Concept**" means any binding or non-binding statement by the National Bank of Poland (Pol. *Narodowy Bank Polski*), the Polish Financial Authority (Pol. *Komisja Nadzoru Finansowego*) or Polish Minister of Finance (*Pol. Minister Finansów*) pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the WIBOR 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 WIBOR.

"**Offer**" means an offer made or to be made by the Seller to the Purchaser pursuant to the Receivables Purchase Agreement, substantially in the form compliant with Schedule 1 (*Offer*) of the Receivables Purchase Agreement.

"**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.

"**Outstanding Principal Balance**" means as of the end of any Monthly Period the aggregate value of the remaining Principal Portion of the Purchased Lease Receivable then outstanding (excluding any Written Off Purchased Lease Receivables), each as reduced by payments representing the Principal Portion in relation to the respective Lease Contract and by Repossession Benefits (if any) attributed to the Issuer once received.

"**Past Due Lease Instalments**" means any instalments under a Lease Contract that are past due at the time the Lease Contract is terminated by the Seller as a result of the Lessee's default.

"**Payment Date**" means the 25th day of each month or, in the event such day is not a Business Day, then the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

"**Payment Redirection Event**" means the earlier of (i) the Servicer Replacement Event and/or (ii) non-compliance of VWFS PL with its statutory obligation to transfer any VAT on the Lease Receivables to the tax office when such VAT becomes due.

"**Pillar Two**" means Pillar Two as fully described in the report entitled "Tax Challenges Arising from the Digitalisation of the Economy Global Anti-Base Erosion Model Rules (Pillar Two)" published by the OECD in December 2021.

"**Pillar Two Rules**" means any legislation introduced in any jurisdictions giving effect to Pillar Two (including any "Qualified Domestic Minimum Top-Up Tax" as defined in that report) or similar measures, including any guidance relating thereto (including, in particular, paragraph 85 of the Agreed Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two) published on 1 February 2023).

"**PLN**" or "**Polish zloty**" means the lawful currency of Poland.

"**Polish Bankruptcy Law**" means the Polish Bankruptcy Law (*Prawo upadłościowe*) of 28 February 2003 (as amended).

"**Polish Civil Code**" means the Polish Civil Code (*Kodeks Cywilny*) of 23 April 1964, as amended.

"**Polish Civil Procedure Code**" means the Polish Civil Procedure Code (*Kodeks Postępowania Cywilnego*) of 17 November 1964, as amended.

"**Polish Registered Pledge Act**" (*Ustawa o Zastawie Rejestrowym i Rejestrze Zastawów*) means the act of 6 December 1996 on the registered pledge and pledge register, as amended.

"**Polish Restructuring Law**" means Polish Restructuring Law (*Prawo restrukturyzacyjne*) of 15 May 2015 (as amended).

"**Portfolio**" means the aggregate of all Purchased Lease Receivables that the Issuer has not sold or transferred to any other person other than the Security Trustee, as applicable, under or in connection with the Trust Agreement.

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

"**Principal Paying Agent**" means U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC).

"**Principal Payment Amount**" means after the end of the Revolving Period, an aggregate amount for any Payment Date which is equal to the amount necessary to reduce the outstanding principal amount of the Notes to the Targeted Note Balance.

"**Principal Portion**" means with respect to a Lease Receivable the portion of each lease instalment representing the repayment of the value of a Leased Vehicle 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.

"**Process Agent**" means Intertrust (Deutschland) GmbH.

"**Programme Agreement**" means the programme agreement entered into between the Issuer and the purchasers of the Notes, as amended and restated from time to time.

"**Programme Creditors**" means for all Series of Notes the Noteholders, the Security Trustee, the Seller, the Servicer (if different to the Seller), the Lead Manager, the Subordinated Lender, the Principal Paying Agent, the Interest Determination Agent, the Calculation Agent, the Account Bank, the Registrar, the Data Protection Trustee, the Cash Administrator and the Corporate Services Provider.

"**Programme Documents**" means, the Conditions of the Cleared Notes, the Conditions of the Uncleared Notes, the Trust Agreement, the Security Assignment Agreement, the Programme Agreement, the Agency Agreement, the Account Agreement, the Subordinated Loan Agreement, the Receivables Purchase Agreement, the Servicing Agreement, the Registered Pledge Agreement, the Irish Security Deed, the Data Protection Trust Agreement, the ICSDs Agreement, the Corporate Services Agreement and the Incorporated Terms Memorandum.

"**Programme Maturity Date**" means the Payment Date falling in February 2034.

"**Programme Parties**" means any and all parties to the Programme Documents.

"**Programme**" means the Programme Documents, together with all agreements and documents executed in connection with the issuance of the Notes, the performance thereof and all other acts, undertakings and activities connected therewith.

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 as amended 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 Closing Date and each Additional Purchase Date.

"**Purchased Additional Lease Receivables**" means the Additional Lease Receivables purchased by the Purchaser from the Seller on the applicable Additional Purchase Date in accordance with any Additional Receivables Purchase Agreement.

"**Purchased Initial Lease Receivables**" means the Initial Lease Receivables to be purchased by the Purchaser from the Seller on the Closing Date in accordance with the Receivables Purchase Agreement.

"**Purchased Lease Receivables**" means the Purchased Initial Lease Receivables and/or the Purchased Additional Lease Receivables.

"**Purchaser**" means the Issuer in its capacity as purchaser of the Lease Receivables.

"**Qualified Replacement Data Protection Trustee**" has the meaning given to such term in the Data Protection Trust Agreement.

"**Qualifying Noteholder**" means a Noteholder which is beneficially entitled to interest payable to the Noteholder in respect of a Note and is:

(a) a bank for the purposes of section 246 of the TCA which is lawfully carrying on a bona fide banking business in Ireland for the purposes of section 246(3)(a) of the TCA and whose Facility Office is located in Ireland; or

(b) a person, who under the law of a Relevant Territory is resident for tax purposed in that Relevant Territory except in the case where such person is a body corporate, where such interest is paid to the body corporate in connection with a trade or business carried on in Ireland through a branch or agency; or

(c) a U.S. company provided the U.S. company is incorporated in the U.S. and is taxed in the U.S. on its worldwide income provided that such U.S. company does not receive interest under their Notes in connection with a trade or business which it carries on in Ireland through a branch or agency; or

(d) a U.S. limited liability company ("**LLC**"), where the ultimate recipients of the interest payable to it are Qualifying Noteholders within paragraph (b) or (c) of this definition and the business conducted through the LLC is so structured for non-tax commercial reasons and not for tax avoidance purposes, provided that the LLC and the ultimate recipients of the interest do not receive interest under their Notes in connection with a trade or business carried on in Ireland through a branch or agency; or

(e) a qualifying company within the meaning of section 110 of the TCA; or

(f) an investment undertaking within the meaning of section 739B of the TCA; or

(g) a body corporate:

(i) which advances money in the ordinary course of a trade which includes the lending of money and whose Facility Office is located in Ireland; and

(ii) where interest payable on their Notes is taken into account in computing the trading income of such body corporate; and

(iii) which has made the appropriate notifications under section 246(5)(a) of the TCA to the Revenue Commissioners and the Issuer,

provided that, in the case of paragraph (b), (c) or (d) (as applicable), such person is not carrying on a trade or business in Ireland through an agency or branch with which the interest payment is connected.

"**Receivables Purchase Agreement**" means the receivables purchase agreement originally entered into between the Issuer, the Seller, and the Security Trustee on or about the Signing Date, as amended from time to time.

"**Recoveries**" means:

(a) any amount received in relation to Defaulted Purchased Lease Receivables (excluding, for the avoidance of doubt, any Repossession Benefits) net of any costs related to the collection of such Defaulted Purchased Lease Receivables; and

(b) a portion of any Repossession Benefits representing the Issuer's Share to which the Issuer is entitled pursuant to clause 6 of the Receivables Purchase Agreement.

"**Redeemable Amount**" means, with respect to each outstanding Note and the Payment Date on which Lease Receivables are sold pursuant to clause 8 *(Early Settlement and Clean-Up Call Option)* of the Receivables Purchase Agreement, an amount determined as the quotient of (A) the Aggregate Redeemable Amount, divided by (B) the number of Notes then outstanding.

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

"**Registered Holder**" means in the case of the Cleared Notes the nominee of the Common Depository and in case of the Uncleared Notes the relevant Noteholder in whose name the relevant Global Note has been registered.

"**Registered Pledge**" means the registered pledge established pursuant to the Registered Pledge Agreement.

"**Registered Pledge Agreement**" means the registered pledge agreement entered into by the Security Trustee as pledgee and VWFS PL as pledgor with respect to the Transaction Leased Vehicles securing the Issuer's Secured Claims.

"**Registered Pledge Event**" means the failure to register the Registered Pledge in the register of pledges within one hundred and eighty-three (183) days starting from the Closing Date (in which case, the Registered Pledge Event shall be deemed to have occurred on the Business Day immediately following the lapse of that period).

"**Registered Pledge Reserve**" means the higher of the following amounts:

(a) 1.75 times the aggregate scheduled lease instalments (including the Principal Portion and the Interest Portion) payable in respect of the outstanding Purchased Lease Receivables during the calendar month immediately following the day on which the Registered Pledge Event is deemed to have occurred; and

(b) 5% of the outstanding aggregate Principal Portion of the Purchased Lease Receivables as at the day on which the Registered Pledge Event is deemed to have occurred.

"**Registrar**" means U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC), a designated activity company limited by shares, incorporated under the laws of Ireland, having its registered office at Block F1, Cherrywood Business Park, Cherrywood, Dublin 18, D18 W2X7, Ireland, and registered in Ireland under registration number 418442.

"**Relevant Clearing System**" means, in respect of any Cleared Notes, any of the following: Euroclear Bank SA/NV and/or Clearstream Banking *société anonyme*, Luxembourg and any additional or alternative clearing system (including Clearstream AG) approved by the Issuer and the Principal Paying Agent.

"**Relevant Currency Value**" means with respect to an amount on any day, in case of an amount denominated in Euro, such amount and, in case of an amount denominated in a currency other than Euro (the "**Other Currency**"), the amount of Euro that could be purchased with such amount of the Other Currency at the spot exchange rate on such day.

"**Relevant Final Terms**" has the meaning ascribed to such term in the Programme Agreement.

"**Relevant Period**" means the number of weeks until an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practice has been implemented.

"**Relevant Territory** " means:

(a) a member state of the European Union other than Ireland;

(b) a territory with which Ireland has entered into a double taxation agreement in force by virtue of the provisions of section 826(1) of the TCA; or

(c) a territory with which Ireland has signed a double taxation agreement which will on the completion of the procedures set out in section 826(1) of the TCA have the force of law.

"**Replenished Additional Outstanding Principal Balance**" means on any Additional Purchase Date, the lesser of (i) the Accumulation Amount divided by one (1) minus the Replenished Lease Receivables Overcollateralisation Percentage, all as determined with respect to such Additional Purchase Date or (ii), only on each Additional Purchase Date on which no Further Notes will be issued, an amount equal to the sum of the Additional Lease Receivables that are available to be purchased on such Additional Purchase Date.

"**Replenished Lease Receivables Overcollateralisation Percentage**" means 0.04 (which, for the avoidance of doubt, equals 4 per cent.).

"**Repossession Benefits**" means any benefits obtained by the Seller as a result of prepayment and early termination of a Lease Contract, which reduce the amount payable by the Lessee to the Seller (as lessor) under Article 709.15 of the Polish Civil Code and corresponding provisions of the Lease Contract, including but not limited to:

(a) proceeds from the sale of the Leased Vehicle to a third party (if it is sold within six (6) months following its repossession by the Seller), or

(b) the initial value attributed to the Leased Vehicle in a new lease contract entered into by the Seller (as lessor) with a third party (as lessee) (if the Leased Vehicle is made subject to a further lease within six (6) months following its repossession by the Seller), or

(c) the actual market value of the Leased Vehicle determined by the Seller acting in good faith, taking into account the actual condition of the Leased Vehicle and current market prices of similar vehicles (if the Leased Vehicle is neither sold nor made subject to a further lease within six (6) months following its repossession by the Seller).

"**Residual Value**" means the sum specified in the Lease Contract representing the price payable for the acquisition of the Leased Vehicle by the Lessee upon the end of the lease period in accordance with the Lease Contract.

"**Restructuring Call Option**" means an option that the Seller may exercise pursuant to clause 8.2 (*Restructuring Call Option*) of the Receivables Purchase Agreement.

"**Restructuring Call Option Price**" means an amount equal to (i) the aggregate balance of the Principal Portion of any lease instalments outstanding as at the repurchase date and (ii) the applicable Interest Portion accrued until the Determination Date (and including that date) immediately preceding the repurchase date.

"**Retail Client**" means a natural person, a legal person or an organizational unit which is not a legal person and which is granted legal capacity by the law, whose total liability (existing or contingent) towards VWFS PL and the following subsidiaries of VWFS PL:

(a) MAN Financial Services Poland sp. z o.o. (KRS: 0000285100); and

(b) Euro Leasing sp. z o.o. (KRS: 0000128301)

on the relevant Cut-Off Date does not exceed a threshold determined by VWFS PL at its own discretion (acting reasonably) in accordance with the Credit and Collection Policy (which, on the date hereof, equals PLN 5,000,000).

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

"**Revolving Series of Notes**" means a Series of Notes whose Revolving Period has not elapsed.

"**Scheduled Repayment Date**" means the date set out as such in the relevant Final Terms.

"**Secured Obligations**" means all duties and liabilities of the Issuer *vis-à-vis* the other Programme Parties under the Programme Documents.

"**Securitisation Arrangement**" means an arrangement that:

(a) is implemented for the purpose of pooling and repackaging a portfolio of assets, or exposures to assets, for investors that are not "constituent entities" of the "MNE group" (each term as defined in Section 111A of the TCA) which is undertaking the arrangement, in a manner that legally segregates one or more than one identified pool of assets, and

(b) seeks through contractual agreements to limit the exposure of the investors referred to in paragraph (a) to the risk of insolvency of an entity holding the legally segregated assets by controlling the ability of identified creditors of that entity, or of another entity in the arrangement, to make claims against it through legally binding documentation entered into by those creditors.

"**Securitisation Entity**" means:

(a) an entity which is a participant in a Securitisation Arrangement, that:

(i) solely carries out activities that facilitate one or more than one Securitisation Arrangement,

(ii) grants security over its assets in favour of its creditors, or the creditors of another Securitisation Entity, and

(iii) pays out all cash received from its assets to its creditors, or the creditors of another Securitisation Entity, on an annual or more frequent basis, other than:

(A) cash retained to meet an amount of profit required by the documentation of the Securitisation Arrangement for eventual distribution to equity holders or their equivalent, where the entity is not a company, or

(B) cash reasonably required under the terms of the Securitisation Arrangement to:

(1) make provision for future payments which are required, or will likely be required, to be made by the entity under the terms of the Securitisation Arrangement, or

(2) maintain or enhance the creditworthiness of the entity; and

(b) an entity shall not be a Securitisation Entity unless any profit referred to in clause (A) of paragraph (a)(iii) for a given fiscal year is negligible relative to the revenues of that entity.

"**Securitisation Regulation**" means the Regulation (EU) 2017/2402 of the European Parliament and of the Council laying down common rules on securitisation and creating a European framework

for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/38EC, 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended 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 and Polish competent authorities, and any implementing laws or regulations in force in Germany and Poland.

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

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

"**Security**" means all the Adverse Claims from time to time created by the Issuer or VWFS PL in favour of the Security Trustee (and also for the benefit of the Programme Creditors) pursuant to the provisions of the Security Documents.

"**Security Assignment Agreement**" means the Polish law agreement of assignment governing the granting of security and declaration of trust entered into between, *inter alios*, the Issuer and the Security Trustee dated on or about the Signing Date.

"**Security Documents**" means the Trust Agreement, the Irish Security Deed, the Security Assignment Agreement and the Registered Pledge Agreement collectively.

"**Security Trustee**" means Intertrust Trustees Limited.

"**Seller**" means VWFS PL.

"**Seller's Share**" means, in relation to Insurance Proceeds payable upon the occurrence of an Insurance Total Loss Event, the ratio expressed as a percentage rate, (i) the numerator of which is the Residual Value of the relevant Transaction Leased Vehicle and (ii) the denominator of which is the sum of the Residual Value and the Future Lease Instalments under the relevant Lease Contract.

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

"**Series Amortisation Date**" means with respect to any Series of Notes, the Payment Date on which such Series qualifies as an Amortising Series.

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

"**Servicer**" means Volkswagen Financial Services Polska Sp. z o.o. unless the engagement of Volkswagen Financial Services Polska Sp. z o.o. as servicer of the Issuer is terminated in which case Servicer shall mean the replacement servicer (if any).

"**Servicer Fee**" means, on any Payment Date, one-twelfth of the Servicer Fee Rate multiplied by the sum of the Aggregate Outstanding Principal Balance for the related Monthly Period, charged to the Issuer.

"**Servicer Fee Rate**" means 1 per cent. *per annum*.

"**Servicer Insolvency Event**" means that the Servicer becomes insolvent (*niewypłacalny*) in the meaning given to this term in the Polish Bankruptcy Law or bankruptcy proceedings under the Polish Bankruptcy Law or restructuring proceedings under the Polish Restructuring Law are instituted by the 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 or any Noteholder of such failure to pay or (ii) the Servicer becoming aware of such failure to pay;

(b) the Servicer fails to perform or observe in any material respect any material term, covenant or agreement hereunder applicable to it (other than as referred to in paragraphs (a) above) and such failure shall remain unremedied for sixty (60) days (or if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Noteholder requiring the failure to be remedied, (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period);

(c) any material written representation or warranty made by the Servicer in its capacity as such in the Servicing Agreement or any of the Programme Documents proves to have been incorrect, in any material respect, when made or deemed to be made by reference to the facts and circumstances then subsisting (**provided, that** repurchase or exchange of a Receivable by VWFS PL in accordance with the Receivables Purchase Agreement shall be deemed to remedy such circumstances with respect to such Receivable), and such incorrect representation or warranty shall remain unremedied for sixty (60) days (or, if such failure is not capable of remedy, in the Servicer's sole discretion, five Business Days) after receipt by the Servicer of written notice from the Issuer or any Noteholder requiring the circumstances causing or responsible for such misrepresentation to be remedied (which Servicer Replacement Event shall be deemed to occur only upon the last day of the relevant period); or

(d) the Servicer becomes subject to 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 5th Business Day prior to each Payment Date.

"**Servicing Agreement**" means the servicing agreement between the Servicer, the Issuer and the Security Trustee originally dated on or about the Signing Date, as amended from time to time.

"**Settlement Amount**" means any Clean-Up Call Settlement Amount and any Early Settlement Amount.

"**Shortfall**" has the meaning ascribed to such term in clause 7.3 (*Duties of the Principal Paying Agent, the Calculation Agent and the Interest Determination Agent*) of the Agency Agreement.

"**Signing Date**" means 22 February 2023.

"**Specified General Cash Collateral Account Balance**" means, on each Payment Date

(a) during the Revolving Period an amount being equal to 2.6 per cent. of the aggregate outstanding principal amount of all Notes after application of the applicable Order of Priority on the preceding Payment Date; and

(b) after the Revolving Period, the lesser of:

(i) the Specified General Cash Collateral Account Balance as of the last Payment Date of the Revolving Period and

(ii) the aggregate outstanding principal amount of the Notes after application of the applicable Order of Priority on the preceding Payment Date.

"**Subordinated Lender**" means the subordinated lender under the Subordinated Loan Agreement, being an Affiliate of Volkswagen AG.

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

"**Subordinated Loan Advance**" means an advance made in accordance with clause 2.3 (*The Subordinated Loan*) of the Subordinated Loan Agreement.

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

"**Subordinated Loan Agreement**" means the subordinated loan agreement dated on or about the Signing Date, as amended and restated from time to time, and entered into by, *inter alios*, the Issuer, the Subordinated Lender and the Security Trustee, under which the Subordinated Lender will advance (or has advanced) the Subordinated Loan to the Issuer.

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

"**Subscription Agreement**" means an agreement between the Issuer, the Lead Manager, the Seller, the Security Trustee and the Note Purchasers substantially in the form of Schedule 8 of the Programme Agreement.

"**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.

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"**Targeted Aggregate Outstanding Principal Balance**" means on a given Payment Date a fraction the numerator of which is the aggregate principal amount of the Notes after application of any Amortisation Amount on such Payment Date and the denominator of which is the difference of 100 per cent. minus the Notes Targeted Overcollateralisation Percentage.

"**Targeted Delinquent Lease Note Balance**" means the Outstanding Principal Balance of Delinquent Lease Receivables not sold pursuant to clause 8 *(Early Settlement and Clean-Up Call Option)* of the Receivables Purchase Agreement on the respective Payment Date multiplied by 50 per cent.

"**Targeted Non-Delinquent Lease Note Balance**" means the product of (i) the sum of (A) the Outstanding Principal Balance of Lease Receivables that are not Delinquent Lease Receivables and that are not sold pursuant to clause 8 *(Early Settlement and Clean-Up Call Option)* of the Receivables Purchase Agreement on the respective Payment Date and (B) the Replenished Additional Outstanding Principal Balance on the respective Payment Date, and (ii) 50 per cent.

"**Targeted Note Balance**" means for each series of Notes,

(a) if the Aggregate Outstanding Principal Balance as of the end of the Monthly Period is less than 10 per cent. of the Maximum Outstanding Principal Balance, zero; otherwise

(b) the excess of the sum of:

(i) Aggregate Outstanding Principal Balance as of the end of the Monthly Period; plus

(ii) after expiration of the Revolving Period, the amounts standing to the credit of the Accumulation Account at the end of the respective Monthly Period,

over the Targeted Overcollateralisation Amount

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

(a) Aggregate Outstanding Principal Balance; and

(b) the amounts standing to the credit of the Accumulation Account, in each case as of the end of the Monthly Period.

"**Targeted Remaining Note Balance**" means the sum of (i) the Targeted Non-Delinquent Lease Note Balance and (ii) the Targeted Delinquent Lease Note Balance.

"**Tax Information Agreement**" 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.

"**TCA** " means the Taxes Consolidation Act, 1997 of Ireland (as amended).

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

"**Term Takeout Receivables**" means any or all Purchased Lease Receivables offered to be sold and assigned to a securitisation vehicle nominated by the Seller within a Term Takeout.

"**Transaction Initial Leased Vehicle**" means each Initial Leased Vehicle being the subject of an Initial Lease Contract which gives rise to the Lease Receivables that have been purchased by the Purchaser from the Seller on the Closing Date in accordance with the Receivables Purchase Agreement.

"**Transaction Additional Leased Vehicle**" means each Additional Leased Vehicle being the subject of an Additional Lease Contract which gives rise to the Lease Receivables that have been purchased by the Purchaser from the Seller on the applicable Additional Purchase Date in accordance with the Receivables Purchase Agreement.

"**Transaction Leased Vehicles**" means the Transaction Initial Leased Vehicles and/or the Transaction Additional Leased Vehicles.

"**Trust Agreement**" means the trust agreement dated on or about the Signing Date and entered into between, *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.

"**Uncleared Notes**" means each floating rate asset backed notes issued by VCL Master Poland DAC which will not be cleared by the ICSDs or any other central security depository;

"**United States**" means, for the purpose of issue of the Notes and the Programme Documents, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, America Samoa, Wake Island and the Northern Mariana Islands).

"**VAT**" means value added tax.

"**Volkswagen Group**" means Volkswagen AG and any of its Affiliates.

"**VWFS PL**" means Volkswagen Financial Services Polska Sp. z o.o.

"**Waterfall Table**" has the meaning ascribed to such term in clause 6.1 (*The Calculation Agent*) of the Agency Agreement.

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

"**WIBOR**" (Warsaw Interbank Offered Rate) means for each Interest Accrual Period, except as provided below, the offered quotation (expressed as a percentage rate *per annum*) for deposits in PLN for that Interest Accrual Period which appears on the appropriate page of the Reuters page (the "**Screen Page**") as of 11:00 a.m. (Warsaw time) on the second Business Day prior to the commencement of the relevant Interest Accrual Period.

(a) If the Screen Page is not available or if no such quotation appears thereon, in each case as at such time, the Interest Determination Agent shall determine WIBOR on the basis of such other screen rate the Interest Determination Agent shall determine in good faith. If the Interest Determination Agent cannot determine WIBOR on the basis of such other screen rate in good faith, the Interest Determination Agent shall request each of the Reference Banks to provide the Interest Determination Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in PLN for the relevant Interest Accrual Period at approximately 11.00 a.m. (Warsaw time) on the second Business Day prior to the commencement of the relevant Interest Accrual Period. If two or more of the Reference Banks provide the Interest Determination Agent with such offered quotations, WIBOR for such Interest Accrual 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.

As used herein, "**Reference Banks**" means the principal office of the bank or banks specified as such in the Final Terms or such other prime bank or banks as may be appointed as such by the Interest Determination Agent after consultation with the Issuer.

If on any second Business Day prior to the commencement of the relevant Interest Accrual Period only one or none of the Reference Banks provides the Interest Determination Agent with such offered quotations as provided in the preceding paragraph, WIBOR for the relevant Interest Accrual 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. (Warsaw time) on the second Business Day prior to the commencement of the relevant Interest Accrual Period, deposits in PLN for the relevant Interest Accrual Period by leading banks in the interbank market of Poland or, if fewer than two of the Reference Banks provide the Interest Determination Agent with such offered rates, the offered rate for deposits in PLN for the relevant Interest Accrual Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in PLN for the relevant Interest Accrual Period, at which, on the second Business Day prior to the commencement of the relevant Interest Accrual Period, any one or more banks (which bank or banks is or are in the opinion of 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 Poland (or, as the case may be, the quotations of such bank or banks to the Interest Determination Agent). If WIBOR cannot be determined in accordance with the foregoing provisions of this paragraph, WIBOR 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 Accrual Period on which such quotations were offered.

(b) Following a Benchmark Event, the Servicer, on behalf of the Issuer, shall be entitled, in coordination with the Security Trustee, to determine a Substitute Reference Rate in its due discretion which shall replace the WIBOR affected by such Benchmark Event. Any Substitute Reference Rate shall apply from (and including) the interest determination date determined by the Issuer in its due discretion, which shall be no earlier than on the second Business Day, prior to the commencement of the relevant Interest Accrual Period, falling on or immediately following the date of the Benchmark Event, with first effect for the Interest Accrual Period for which the Notes Interest Rate is determined. If the Servicer, on behalf of the Issuer, decides to determine a Substitute Reference Rate, the Servicer, on behalf of the Issuer, in coordination with the Security Trustee, shall weigh up the interests of the Noteholders, and the 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:

(i) *firstly*, implement an Official Substitution Concept;

(ii) *secondly*, if paragraph (i) above is not available, implement an Industry Solution; or

(iii) *thirdly*, if paragraphs (i) and (ii) above are not available, implement a Generally Accepted Market Practice; or

(iv) *fourthly*, if paragraphs (i) to (iii) above are not available, determine reference rate of the National Bank of Poland (Pol. *Narodowy Bank Polski*) for the Relevant Period to be the Substitute Reference Rate.

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 WIBOR by the Substitute Reference Rate operative. To the extent that the Servicer applies a Substitute Reference Rate, the Servicer, on behalf of the Issuer, shall be entitled to determine an Adjustment Spread, if applicable.

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 and to the Noteholders in accordance with Condition 12 of the Conditions of the Cleared Notes and Condition 12 of the

Conditions of the Uncleared Notes 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 Accrual Period to which the Substitute Reference Rate applies for the first time. For the avoidance of doubt, if the Servicer, on behalf of the Issuer, should not determine a Substitute Reference Rate, the fallback provisions pursuant to paragraph (a) above shall apply.

"**Write-Off**" means in respect of any Purchased Lease Receivable the action taken by VWFS PL in its capacity as Servicer to finally write-off such Purchased Lease Receivables 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.

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 Programme 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 Programme Document would otherwise fall on a day that is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;

(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 Programme 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 Programme Document and shall not affect its construction or interpretation. Unless otherwise indicated, all references in any Programme Document to clauses, schedules, sections, articles and exhibits refer to the corresponding clauses, schedules, sections, articles or exhibits of that Programme Document;

(i) unless specified otherwise, "promptly" or "immediately" shall mean without undue delay (*ohne schuldhaftes Zögern*);

(j) "novation" shall, for the purposes of documents governed by German law, be construed as Vertragsübernahme. "To novate" shall be interpreted accordingly; and

(k) where a German term has been used, it alone, and not the English term to which it relates, shall be authoritative for the interpretation of the relevant Programme Document. Where English terms are accompanied by German definitions, such definitions shall define how such terms are to be interpreted under the laws of Germany.

SUBSCRIPTION AND SALE

Subscription and Sale

Each Note Purchaser of the Cleared Notes has agreed to subscribe the Cleared Notes and to comply with the selling restrictions set out below.

The issuance of the Cleared 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 Cleared Notes at all times may not, without the prior consent of the Seller, be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S.

Each purchaser of Cleared Notes, including beneficial interests therein, will be deemed, and in certain circumstances will be required, to represent and agree that: (1) it is not a Risk Retention U.S. Person (2) it is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note to a U.S. person; and (3) it is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules.

The Cleared 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 Cleared Notes may be offered, sold or delivered, to the best of the knowledge and belief of the Note Purchaser of the Cleared Notes (subject that each Note Purchaser of the Cleared Notes shall have no liability to the Issuer or the Seller in respect of any non-observance of the U.S. Risk Retention Rules by the Issuer or the Seller or any other person). Each Note Purchaser of the Cleared Notes (with respect to the Series of Cleared Notes acquired by such Note Purchaser of the Cleared Notes) has agreed that it will not, directly or indirectly, offer, sell or deliver any of the Cleared Notes or distribute the Offering Circular or any other offering material relating to the Cleared Notes, in or from any jurisdiction except under circumstances that will result in compliance with the Applicable Laws and regulations of such jurisdiction, to the best of the knowledge and belief of the Note Purchaser of the Cleared Notes, and that it will not impose any obligations on the Issuer except as set out in the Programme Agreement.

Notwithstanding the foregoing, the Note Purchasers of the Cleared Notes will not have any liability to the Issuer or the Seller for compliance with the U.S. Risk Retention Rules by the Issuer or the Seller or any other person except to the extent as set out in the Note Purchase Agreement.

Germany

Each Note Purchaser of the Cleared Notes has represented and agreed that the Cleared 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.

Ireland

Each of the Lead Manager the Note Purchaser of the Cleared Notes has represented, warranted and agreed that:

(a) it will not underwrite the issue of, or place, the Cleared Notes otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2017 (S.I. No.375 of 2017) (as amended), including, without limitation, parts 3,4 and 7 thereof and any

codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998 (as amended) and the Investment Intermediaries Act 1995 (as amended), and that it will conduct itself in accordance with any codes and rules of conduct, conditions, requirements and any other enactment imposed or approved by the Central Bank with respect to anything done by it in relation to the Cleared Notes;

(b) it will not underwrite the issue of, or place, the Cleared Notes otherwise than in conformity with the provisions of the Central Bank Acts 1942-2018 (as amended), any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended), the Central Bank (Investment Market Conduct) Rules 2019 (S.I. No. 366 of 2019) and any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);

(c) it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the issue of any Cleared Notes with a maturity date of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank

(d) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Cleared Notes otherwise than in conformity with the provisions of the European Union (Prospectus) Regulations 2019 (S.I. No. 380 of 2019), the Prospectus Regulation and any rules issued under Section 1363 of the Irish Companies Act 2014 (as amended) by the Central Bank;

(e) it will not underwrite the issue of, place, or do anything in Ireland in respect of the Cleared Notes otherwise than in compliance with the provisions of (i) the Market Abuse Regulation (Regulation EU 596/2014); (ii) the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU); (iii) the European Union (Market Abuse) Regulations 2016 (S.I. No. 349 of 2016) (as amended); and (iv) any rules issued by the Central Bank pursuant thereto or under Section 1370 of the Irish Companies Act 2014, (as amended);

(f) to the extent applicable it has complied with and will comply with all applicable provisions of the Irish Companies Act 2014 (as amended); and

(g) it will not underwrite the issue of, place, or do anything in Ireland in respect of the Cleared Notes otherwise than in compliance with the provisions of the PRIIPs Regulation and the Cleared Notes will not be offered, sold or otherwise made available to: (A) any retail investor (as defined in the PRIIPS Regulation) in the European Economic Area; or (B) any investor that is not a qualified investor as defined in the Prospectus Regulation and accordingly no key information document will be required,

as each of the foregoing may be amended, varied, supplemented and/or replaced from time to time.

Japan

Each of the Note Purchasers of the Cleared Notes has acknowledged, and each further Note Purchaser of the Cleared Notes appointed under the Programme will be required to acknowledge, that the Cleared 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, the Note Purchaser of the Cleared Notes has undertaken that it will not offer or sell any Cleared 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

The Cleared Notes have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws and under circumstances designed to preclude the issuer from having to register under the Investment Company Act.

Each of the Note Purchasers of the Cleared Notes has represented and agreed under the Programme Agreement that it has not offered, sold or delivered the Cleared Notes, and will not offer or sell the Cleared 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 Cleared Notes are first offered to persons other than distributors in reliance on Regulation S and the Closing Date or the Initial Issue Date, as applicable, except, in either case, only in accordance with Rule 903 or Rule 904 (as applicable) of Regulation S under the Securities Act. No Note Purchaser of the Cleared Notes nor their respective affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) nor any persons acting on its behalf have engaged or will engage in any "directed selling efforts" with respect to the Cleared 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 Cleared Notes, each Note Purchaser of the Cleared Notes will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Cleared 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 Cleared Notes are first offered to persons other than distributors in reliance on Regulation S and the Closing Date or the Initial Issue Date, as applicable, 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 save that as used in this paragraph "U.S. Person" means a U.S. person within the meaning of Regulation S.

The Cleared Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of, the Securities Act.

United Kingdom

Each Note Purchaser of the Cleared Notes has represented and agreed, and each further Note Purchaser of the Cleared Notes appointed under the Programme will be required to represent and agree, that,

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Cleared Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Cleared Notes in, from or otherwise involving the United Kingdom.

Republic of France

Each Note Purchaser of the Cleared Notes has represented and agreed, and each further Note Purchaser of the Cleared Notes appointed under the Programme will be required to represent and agree, that,

(a) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly or indirectly, any Cleared 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*);

(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 Offering Circular, the relevant Final Terms or any other offering material relating to the Cleared Notes; and

(c) the offer or sale of the Cleared Notes or the distribution of any offering material relating to the Cleared Notes (if any) has not and will not require the prior approval of the French Financial Markets Authority (*Autorité des marchés financiers*).

Prohibition of Sales to EEA Retail Investors

Each Note Purchaser of the Cleared Notes has represented and agreed, and each further Note Purchaser of the Cleared Notes appointed under the Programme will be required to represent and agree, that it will not offer, sell or otherwise make available any Cleared Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Cleared Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Cleared Notes.

Prohibition of Sales to UK Retail Investors

Each Note Purchaser of the Cleared Notes has represented and agreed, and each further Note Purchaser of the Cleared Notes appointed under the Programme will be required to represent and agree, that it will not offer, sell or otherwise make available any Cleared Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(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 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; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Cleared Notes to be offered so as to enable an investor to decide to purchase or subscribe the Cleared Notes.

GENERAL INFORMATION

Authorisation of Note Issuance

The issuance of the Notes were authorised by the board of directors of the Issuer on or about 22 February 2023.

Governmental, Legal and Arbitration Proceedings

During the period covering the 12 months prior to the date of this Offering Circular, the Issuer has not been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had in the recent past significant effects on the Issuer's financial position or profitability.

Material Adverse Change

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 24 June 2021.

Payment Information and Post-Issuance Transaction Information

The Issuer intends to provide post-issuance transaction information regarding the Notes and the performance of the underlying assets. The Servicer will provide the investors with monthly investor reports regarding the Notes and the performance of the underlying assets. Such investor reports will be provided on a monthly basis and sent directly to the relevant investors.

All information to be given to the Noteholders pursuant to Condition 7 of the Cleared Notes and Condition 7 of the Uncleared Notes will be available and may be obtained (free of charge) at the specified office of the Issuer.

The Cleared Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear as operator of the Euroclear system.

All notices to the Noteholders regarding the Cleared Notes shall be delivered to the applicable clearing systems for communication by them to the Noteholders. Any notice shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was delivered to the respective clearing system.

All notices to the Noteholders regarding the Uncleared Notes shall be delivered to the Principal Paying Agent for communication by it to the Noteholders of the Uncleared Notes. Any notice referred to above shall be deemed to have been given to all Noteholders of the Uncleared Notes on the seventh day after the day on which the said notice was delivered to the respective Noteholder of Uncleared Notes.

ICSDs for the Cleared Notes

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

Clearstream Banking, société anonyme,
42 Avenue JF Kennedy
L-1885 Luxembourg

Clearing Codes of Cleared Notes

As set out in the Final Terms prepared for the relevant Series of Cleared Notes.

Inspection of Documents

Copies of the following documents may be inspected during customary business hours on any working day from the date hereof (or the date of publication of such document, as relevant) as long as the Notes remain outstanding at the registered office of the Issuer and the Principal Paying Agent or made available upon

request by means of electronic distribution, (i) this Offering Circular and the Final Terms, (ii) the Trust Agreement, (iii) the Security Assignment Agreement, (iv) the Agency Agreement, and (v) the Constitution of the Issuer and all historical and future financial statements of the Issuer. A copy of this Offering Circular will be published on the website of EDW (https://eurodw.eu/). The Constitution of VCL Master Poland DAC will be published on the website of Volkswagen Financial Services (https://www.vwfs.com/en/investor-relations/volkswagen-financial-services-ag/refinancing.html).

The Servicer shall publish Monthly Investor Reports regarding the Notes and the performance of the underlying assets. Monthly Investor Reports shall be published by the Servicer five days prior to the Payment Date of a calendar month on the via the Securitisation Repository. Furthermore, the Monthly Investor Report will be published by the Servicer five days prior to the Payment Date of a calendar month available on www.vwfsag.de/investorrelations. Subject to any amendments in accordance with the Securitisation Regulation, such Monthly Investor Reports will provide, *inter alia*, the following information:

(a) pool balance;

(b) Collections for the Monthly Period;

(c) overcollateralisation;

(d) credit enhancement;

(e) Available Distribution Amount;

(f) outstanding principal balance;

(g) outstanding contracts;

(h) contract status;

(i) early settlements;

(j) contracts in arrears;

(k) change delinquencies;

(l) write-offs on the Lease Contracts;

(m) Revolving Period;

(n) Dynamic Gross Loss Ratio;

(o) 12-Months Average Dynamic Gross Loss Ratio;

(p) information on fulfilment of the Credit Enhancement Increase Condition;

(q) amounts of interest paid or unpaid on the Notes and the Subordinated Loan;

(r) development of the Notes;

(s) General Cash Collateral Amount;

(t) Order of Priority; and

(u) Risk Retention.

INDEX OF DEFINED TERMS

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IFSC, Dublin 1,
D01 W3P9, Ireland

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00-124 Warszawa, Poland

THE SECURITY TRUSTEE

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EC2N 2AX, London, United Kingdom

ACCOUNT BANK AND PRINCIPAL PAYING AGENT

U.S. Bank Europe DAC (formerly known as Elavon Financial Services DAC)
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Cherrywood,
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REGISTRAR

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Polska

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as to Irish law

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to the Issuer

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