

# Final Verification Report

In respect of the Transaction „Red & Black Auto Lease Germany S.A.,  
acting on behalf and for the account of its Compartment 3“

(ALD AutoLeasing D GmbH)



21 October 2020

## **Authorization of SVI as third party**

STS Verification International GmbH ("SVI") has been authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht "BaFin", as the competent authority pursuant to Art 29 of the Securitisation Regulation and § 44 German Banking Act) to act in all EU countries as third party pursuant to Art 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Art 27 (2) of the Securitisation Regulation.

## **Mandating of SVI and verification steps**

On 20 May 2020, SVI has been mandated by the Originator (ALD AutoLeasing D GmbH) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "Red & Black Auto Lease Germany S.A., acting on behalf and for the account of its Compartment 3" (the "Transaction").

As part of our verification work, we have discussed selected aspects of the Transaction with ALD AutoLeasing D GmbH and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of the Originator and the underlying transaction documentation.

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

- Final Offering Circular
- Legal Opinion
- Receivables Purchase Agreement
- Servicing Agreement
- Account Bank Agreement
- Trust Agreement

- Due Diligence Presentation by ALD
- Investor Presentation by ALD
- Agreed-upon Procedures
- Latest version of the liability cash flow model
- Data Package received by ALD
- Additional information received by e-mail, such as confirmations, comments, etc.

### Verification Methodology

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

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

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

## **Disclaimer of SVI**

SVI grants a registered verification label “verified – STS VERIFICATION INTERNATIONAL” if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 22 of the Securitisation Regulation ("STS Requirements"). The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the SVI verification does not affect the liability of an originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation. Notwithstanding confirmation by SVI which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

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

Investors should therefore not evaluate their investment in notes based on this Final Verification Report.

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 to SVI or in any of the documents are true, not misleading and complete.

## LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final Verification Report in capital spelling, please refer to the defined terms in the section “Transaction Definitions” in the Final OC.

ABA	Account Bank Agreement
ALD	ALD AutoLeasing D GmbH
AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
CF-Model	Cash Flow-Model
Data Package	Data Package received by ALD
Due Diligence Presentation	Due Diligence Presentation by ALD
EBA	European Banking Authority
EBA Guidelines	Final Report on Guidelines on the STS criteria for non-ABCP securitisation, as published by EBA on 12 December 2018
InsO	Insolvency Statute ( <i>Insolvenzordnung</i> )
Investor Presentation	Investor Presentation by ALD
Issuer	Red & Black Auto Lease Germany 3
LO	Legal Opinion
Originator / Servicer / Lender	ALD AutoLeasing D GmbH
Final OC	Final Offering Circular
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Red & Black Auto Lease Germany 3	Red & Black Auto Lease Germany S.A., acting on behalf and for the account of its Compartment 3
RPA	Receivables Purchase Agreement

SA	Servicing Agreement
Securitisation Regulation	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012
Servicer	ALD AutoLeasing D GmbH
SG Group	Société Générale S.A. and any of its Affiliates
SPV	Special Purpose Vehicle or Issuer
Transaction	The securitisation of auto lease receivables involving Red & Black Auto Lease Germany 3 as Issuer

#	Criterion Article 20 (1)	Verification Report
1	Assignment or transfer of ownership of the risk positions takes place by means of a <b>true sale</b> and is legally enforceable.	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence (Prospectus)</p> <p>The transfer of title to the underlying exposure to the SPV through a true sale is confirmed with respect to (i) the legal, valid and enforceable sale and assignment of a Purchased Receivable to the Issuer by the Originator under the RPA, (ii) the sale and assignment of Receivables under the RPA as being considered a "true sale"; and (iii) to the legal, valid, binding and enforceable security transfer of title to the Vehicles to the Issuer (subject to customary qualifications).</p> <p>The LO confirms (i) the valid, legally binding and enforceable nature of the obligations of the parties to the German Documents, (ii) that the sale and assignment of a Receivable from the Originator to the Issuer will constitute a legal, valid, binding and enforceable sale and assignment of such Purchased Receivable (iii) that in case of an insolvency of the Originator under the InsO such sale will be considered a "true sale", i.e. it will no longer be part of the Originator's insolvency estate and entitling the Issuer (or Trustee, as applicable) to a right of segregation (<i>Aussonderung</i>), a right to opposition (<i>Drittwiderspruchsklage</i>) and that no insolvency administrator or any third party will be able to successfully challenge payments made by the Servicer with respect to Collections on the Purchased Receivables; (iv) the legal, valid, binding and enforceable nature of the security assignments of the Purchased Receivables to the Trustee and the security transfer of title (<i>Sicherungsübereignung</i>) to the Vehicles by the Originator to the Issuer and by the Issuer to the Trustee (all of the above subject to customary qualifications).</p> <p>The LO do not cover the review of the Lease Agreements. The RPA contains in Section 16.2 (h) and Section 16.3 (g), respectively, representations and warranties by the Originator as of the Closing Date and each Purchase Date to the effect that each Initial Receivable and Additional Receivable complies with the Eligibility Criteria (as defined in the Definitions) which provide under (a) (ii) that the Receivable derives from a Lease Agreement which is legal, valid and binding, based on the Originator's Form of Contact and is governed by German law and under (a) (iii) that the Lease Agreement (including the general terms and conditions) has been created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection) and that the Originator is not in violation of any such laws, rule and regulations.</p>

#	Criterion Article 20 (1)	Verification Report
2	Requirements for the external <b>legal opinion</b>	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>Ashurst is an internationally operating law firm with well-known expertise in the securitisation field.</p> <p>The LO is made available to SVI and competent supervisory authorities.</p>

#	Criterion Article 20 (2)	Verification Report
3	Specification of increased <b>claw-back risks</b> : Are there any provisions in the respective national insolvency law, which could render the transfer voidable?	<p><u>Verification Method</u>: Legal (Legal opinion)</p> <p>Other than as provided under German insolvency laws in case of fraudulent, unfair prejudicial or improperly favourable transfers there are no such increased risks. Such laws are considered non-increased claw-back risks under No. 4 of the Catalogue (Art. 20 (3) of the Securitisation Regulation).</p> <p>Under German law the SPV must demonstrate in certain circumstances that it had no knowledge of the seller's insolvency in respect of a transfer within certain time periods prior to and after the filing of insolvency proceedings. However, Section 16.1(i) and (j) of the RPA provides for the representation and warranty of the Originator confirmation that it has not ceased or threatened to cease to carry on the whole or a substantial part of its business, has not generally stopped payment or threatened to generally stop payment of its debts, that it is not Insolvent and no steps have been taken or is intended to be taken by it or (to its knowledge) by any person for an insolvency , winding-up or liquidation of the Originator as of the date of the RPA and each Purchase Date, to be confirmed in each Offer (see Schedule 1 to the RPA). In addition, it is a closing condition under the Subscription Agreement (see Section 14.1 (k)) that the Originator delivers to the Issuer a solvency certificate, dated on the Closing Date. The solvency certificate and the repeated representation may be used by the SPV to demonstrate its non-knowledge of the Sellers' insolvency.</p>
#	Criterion Article 20 (3)	Verification Report
4	Specification of non-increased claw-back risks: National insolvency laws are harmless, as they provide for the possibility of reassignment in other unfair ways in the event of fraud, damage to creditors or favouring other creditors.	<p><u>Verification Method</u>: Legal (Legal opinion)</p> <p>No separate verification required, see # 3 above.</p>



#	Criterion Article 20 (4)	Verification Report
5	If the sale and transfer is not taking place directly between the seller and the SPV but <b>intermediate sales</b> take place, is the true sale still fulfilled?	<p><u>Verification Method:</u> Legal (Legal opinion, Receivable purchase agreement)</p> <p>Under the transaction structure used by Red &amp; Black Auto Lease Germany 3 the sale and transfer takes place directly between the Originator (who is the original lender) and the SPV acting as Issuer, i.e. without any intermediate sale taking place.</p>
#	Criterion Article 20 (5)	Verification Report
6	If the <b>transfer of receivables takes place at a later stage</b> , are the trigger events in relation to the seller's credit quality standing sufficiently defined?	<p><u>Verification Method:</u> Legal (Legal opinion, Receivable purchase agreement)</p> <p>The Originator and the Issuer have agreed that the Originator sells the Initial Receivables (including Related Claims and Rights) to the Issuer on the Closing Date. During the Revolving Period, on each Offer Date, the Originator may offer to sell Additional Receivables (including the Related Claims and Rights) to the Issuer. The transfer of the Initial Purchased Receivables will occur on the Closing Date of the transaction (scheduled for 21 October 2020) and during the Revolving Period (please also refer to the criteria ##8, 17, 32) the transfer of the Additional Purchased Receivables will occur on each Purchase Date in accordance with all Purchase Requirements. In summary, it can be stated that the Purchased Receivables will be transferred either on the Closing Date or on each Purchase Date and that, in contrast to this, there will be no transfer of Receivables at a later stage.</p>
#	Criterion Article 20 (6)	Verification Report
7	<b>Representations and warranties</b> of the seller regarding to the legal condition of the goods	<p><u>Verification Method:</u> Legal (Receivable purchase agreement)</p> <p>The Originator warrants that the underlying Purchased Receivables are legally valid, binding and enforceable Lease Agreements and that, to the best of its knowledge, the Purchased Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect, see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Receivables Purchase Agreement", item "Representations and Warranties of the Originator, Repurchase Obligation for Non-Eligible Receivables" as well as the definition of "Eligibility Criteria", items (a) (ii), (b) (ii) and (iv) in section "TRANSACTION DEFINITIONS" of the Final OC.</p>

#	Criterion Article 20 (7)	Verification Report
8	Clear selection criteria (' <b>eligibility criteria</b> ') and no active portfolio management (I / III)	<p><u>Verification Method:</u> Legal (Receivable purchase agreement)</p> <p>The underlying exposures transferred from the Originator to the SPV are selected according to predetermined, clear and documented eligibility criteria, see definition of "Eligibility Criteria" in section "TRANSACTION DEFINITIONS" of the Final OC.</p> <p>A Revolving Period is provided for in the transaction structure. Under the RPA (see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Receivables Purchase Agreement", item "Revolving Purchase of Receivables"), the Originator may offer to sell Additional Receivables (including the Related Claims and Rights) to the Issuer on each Offer Date during the Revolving Period provided that all Purchase Requirements are met. According to the RPA (see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Receivables Purchase Agreement", item "Representations and Warranties of the Originator, Repurchase Obligation for Non-Eligible Receivables") the Originator confirms that each of the Purchased Receivables complies with the Eligibility Criteria on the relevant Cut-Off Date. As a consequence, consistent Eligibility Criteria apply to both the Initial Receivables and the Additional Receivables.</p> <p>As a result of the above and given that the pool of underlying exposures is merely replenished during the revolving period, the criterion "no active portfolio management" is fulfilled.</p>

#	Criterion Article 20 (7)	Verification Report
9	Clear selection criteria ('eligibility criteria') and no active portfolio management (II / III)	<p><u>Verification Method:</u> Due Diligence</p> <p>As shown in the Due Diligence Presentation, the underlying exposures in the provisional and the Final pool are selected based on a well-established, random selection process.</p> <p>In case a Purchased Receivable did not fulfil the Eligibility Criteria on the Cut-Off Date, the Originator may (at its sole discretion) remedy any non-compliance with the Eligibility Criteria at no cost to the Issuer so that, following such remedy, the relevant Purchased Receivable meets the Eligibility Criteria. If such remedy is not possible or not made within ten Business Days the Originator will repurchase (in whole but not in part) each such Non-Eligible Receivable (including the Related Claims and Rights) at the Repurchase Price. Such repurchase shall be made at the latest on the Payment Date immediately following such event by entering into a Repurchase Agreement. In this respect, the relevant Repurchase Price payable by the Originator to the Issuer has to be equal to the sum of the Outstanding Principal Amount of such Purchased Receivable, see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Receivables Purchase Agreement", there the chapter about "Representations and Warranties of the Originator, Repurchase Obligation for Non-Eligible Receivables" as well as the definition of "Repurchase Price" in the Final OC. There will, however, be no substitution of the ineligible receivable with a new receivable.</p>

#	Criterion Article 20 (7)	Verification Report
10	Clear selection criteria ('eligibility criteria') and no active portfolio management (III / III)	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The asset audit, whereby the audit company performs certain Agreed-upon Procedures with respect to the compliance of the underlying exposures in a randomly selected sample, amongst others, covers the key eligibility criteria specified for the Transaction. Please also refer to #39 for a summary of the scope of the asset audit.</p>
#	Criterion Article 20 (8)	Verification Report
11	Securitisation of a <b>homogeneous</b> portfolio in terms of asset classes (I / III)	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>According to Art. 1 (a) (v) of the EBA Final RTS on Homogeneity of the underlying exposures the underlying exposures correspond to the asset type auto loans and leases.</p> <p>The Originator has chosen the homogeneity factor according to Art. 2 (4.) (b) of the Commission Delegated Regulation (EU) 2019/1851 on the homogeneity of the underlying exposures, i.e. jurisdiction, whereby the pool shall consist of underlying exposures relating to Obligors with residence in one jurisdiction (Germany) only. Accordingly, only (i) Consumers resident in Germany, (ii) merchants (Kaufmann/Unternehmer) having its registered office in Germany or (iii) Public Debtors registered in Germany are originated according to the underwriting policy, see section "TRANSACTION DEFINITIONS", definition of "Eligibility Criteria", item (c) (ii) in the Final OC.</p>
#	Criterion Article 20 (8)	Verification Report
12	Securitisation of a homogeneous portfolio in terms of asset classes (II / III)	<p><u>Verification Method:</u> Due Diligence (Underwriting and Servicing Policy)</p> <p>The underlying exposures have been originated in accordance with consistent underwriting standards, as presented in the Due Diligence and further described in #17. No distinction is made between securitised and non-securitised receivables. The underwriting process in place assures that only (i) Consumers resident in Germany, (ii) merchants (Kaufmann/Unternehmer) having its registered office in Germany or (iii) Public Debtors registered in Germany are originated according to the underwriting policy.</p> <p>The same applies to the servicing policy, with the underlying exposures being serviced using consistent standards and no distinction being made between securitised and non-securitised receivables.</p>

#	Criterion Article 20 (8)	Verification Report
13	Securitisation of a homogeneous portfolio in terms of asset classes (III / III)	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The homogeneity factor "underlying exposures secured by Lessee with residence in the same jurisdiction (Germany)" is, through the check of the key eligibility criteria "The Lessee has its registered office or is resident in the Federal Republic of Germany (to the best knowledge of the Originator)" (definition of "Eligibility Criteria", item c (ii) of the RPA), part of the Eligibility Criteria Verification as further described in #39.</p>
14	The underlying exposures contain <b>obligations that are contractually binding and enforceable</b>	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>Clauses 16.2 (b) and 16.3 (b) of the RPA in connection with the definition of "Eligibility Criteria", item (a) (ii) in section "Transaction Definitions" in the Final OC, contain warranties by the Originator as to the legally valid, binding and enforceable nature of the underlying exposures, i.e. the Purchased Receivables. Please also refer to #1.</p>
15	The underlying exposures have <b>defined periodic payment streams</b> and do not include <b>transferable securities</b> other than unlisted corporate bonds	<p><u>Verification Method:</u> Legal (Legal opinion, Transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The underlying exposures for the transaction represent standard auto lease receivables underwritten by ALD with (i) Consumers resident in Germany, (ii) merchants (<i>Kaufmann/Unternehmer</i>) having its registered office in Germany or (iii) Public Debtors registered in Germany which are secured by Vehicles that relate to Passenger Vehicles or Light Commercial Vehicles. ALD offers a comprehensive range of products related to vehicle leasing and management to its customers. In addition to the "pure" financial service product which only covers the Lease Interest Component and the Lease Principal Component a client may conclude additional Lease Services with ALD such as maintenance and tyre services, insurance and damage handling, fuel management and road assistance. For the purposes of the transaction, the following product types form part of the securitised portfolio: (1) Full Service Leasing, (2) Fleet Management and (3) Sales Co-operations with car manufacturers. For the purposes of the transaction, the product types do not differ structurally in terms of payment streams, as discussed in the Due Diligence.</p> <p>The underlying exposures represent the finance portion (itself comprising a claim against the Lessees in respect of the Lease Interest Component and the Lease Principal Component) paid by the Lessee during the term of the Lease Agreement and have defined periodic payment streams during that term. The Lease Services Component or residual values do not form part of the underlying exposures. The Eligibility Criteria restrict the underlying exposures to Receivables originated under a Lease Agreement, thereby eliminating any transferable security from the portfolio, see section "TRANSACTION DEFINITIONS" in the Final OC, "Eligibility Criteria", item (b) (ix).</p>

		The Eligibility Criteria restrict the underlying exposures to Eligible Receivables and Related Collateral which are used to finance vehicles under Lease Contracts. The compliance of the pool with the Eligibility Criteria has been verified through the Eligibility Criteria Verification (see #39).
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#	Criterion Article 20 (9)	Verification Report
16	Are there any <b>securitisation positions</b> in the portfolio?	<p><u>Verification Method</u>: Legal (transaction documents) / Due Diligence / Data (AuP Report)</p> <p>The eligibility criteria restrict the underlying exposures to Purchased Receivables which are used to finance vehicles, thereby assuring that no securitisation position may become part of the portfolio. The compliance of the pool with the eligibility criteria has been verified through the Eligibility Criteria Verification (see #39).</p> <p>As demonstrated during the Due Diligence, the origination and/or resale of securitisation positions is not part of the business model of the Originator and not permitted under the Originators' Credit and Collection Policy.</p>

#	Criterion Article 20 (10)	Verification Report
17	<b>Origination of underlying exposures in the ordinary course of business</b> and in accordance with underwriting standards that are no less stringent than those applied to non-securitised risk positions	<p><u>Verification Method</u>: Legal (Underwriting and Servicing Policy) / Due Diligence</p> <p>ALD is part of ALD Automotive, the Full Service Leasing and Fleet Management business line of SG Group. The ultimate major shareholder of ALD is Société Générale S.A. ALD Automotive manages more than 1,760,000 vehicles (as of 31 December 2019) in 43 countries with 6,500 employees. In Germany, ALD offers Full Service Leasing and via its subsidiary Car Professional Fuhrparkmanagement und Beratungsgesellschaft mbH &amp; Co. KG, Hamburg ("CPM") a comprehensive fleet management product. Overall, ALD and CPM serve a fleet of more than 185.000 vehicles (as of 31 December 2019) in Germany. Organisation and business processes have been developed over decades. Since 2008 ALD is a financial services institution (<i>Finanzdienstleistungsinstitut</i>) and subject to the supervision of the German Federal Financial Supervisory Authority (BaFin) in accordance with the German Banking Act (Kreditwesengesetz) (please also refer to the Due Diligence Presentation, the website of ALD: <a href="https://www.aldautomotive.de/impressum">https://www.aldautomotive.de/impressum</a> and to section "THE ORIGINATOR / SERVICER / LENDER" in the Final OC).</p> <p>As presented and discussed in the Due Diligence, the well-developed, highly professional and reasonably automated organisation of ALD's business procedures is in line with the volume and quantity of business transactions. ALD's sales teams serve customers and prospects all over Germany. Within the co-operations with manufacturers the sales teams and the related brand dealers mediate ALD products labelled with the manufacturer's brand.</p> <p>ALD's business procedures assure that securitised exposures have been originated in the ordinary course of business and in accordance with uniform standards, as reflected in the Credit and Collection Policy, see in this regard the definition of "Eligibility Criteria", items (a) (xii) – (xiii) in section "Transaction Definitions" of the Final OC. Deviations from the Credit and Collection Policy are only permissible in well-defined and documented instances, as described in section 4.3 of the SA. The underlying exposures are selected for securitisation using a random selection process.</p>

		The underlying exposures are similar to the non-securitised lease agreements in the asset type "auto loans and leases" (see definition of "similar exposures" in the EBA Guidelines) due to the strictly random selection process, see section 16.2 "Representations and Warranties of the Originator in relation to the Initial Receivables and the respective Related Collateral", item (i) and (k) as well as section 16.3 "Representations and Warranties of the Originator in relation to the Additional Receivables and the respective Related Collateral" item (h) and (j) of the RPA.
#	Criterion Article 20 (10)	Verification Report
18	<b>Underwriting standards</b> for securitised exposures are no less stringent than those applied to non-securitised exposures	<p><u>Verification Method</u>: Due Diligence</p> <p>As presented and discussed in the Due Diligence, no distinction is made between securitised and non-securitised exposures in any respect, be it applicable regulatory standards, competence grid and involvement of decision-makers, distribution channels, product types and product characteristics, annual agreements on (sales) objectives, sales management measures and bonus systems, lending standards, approval processes and incentive measures, credit processing, dunning procedures, debt collection, realisation of collateral, customer service, outsourcing of sales, underwriting and servicing activities or areas of risk controlling, accounting and reporting (except for the required reporting of ABS transactions).</p> <p>As presented during the Due Diligence, the employees of the Originator or the sales teams and the related brand dealers involved in the underwriting do not know whether a risk position currently being processed for application will be securitised at a later stage or not.</p>
#	Criterion Article 20 (10)	Verification Report
19	<b>Assessment of the borrower's creditworthiness</b> performed in accordance with Article 8 of Directive 2008/48/EC, or paragraphs 1 to 4, point (a) of paragraph 5 and paragraph 6 of Article 18 of Directive 2014/17/EU or, if applicable, the analogous provisions of a third country	<p><u>Verification Method</u>: regulatory / legal / due diligence / data</p> <p>ALD is a financial services institution (<i>Finanzdienstleistungsinstitut</i>) according to §1 (1a) German Banking Act. As such, the Originator is supervised by BaFin as competent national supervisory authority. The Originator's credit granting is done on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing credits. Additionally, the Originator has effective systems in place to apply such processes in accordance with Article 8 of Directive 2008/48/EC, see section 16.2 "Representations and Warranties of the Originator in relation to the Initial Receivables and the respective Related Collateral", items (j) (i) and (iii) as well as section 16.3 "Representations and Warranties of the Originator in relation to the Additional Receivables and the respective Related Collateral", items (i) (i) and (iii) of the RPA.</p>

#	Criterion Article 20 (10)	Verification Report
20	<b>Originator's experience</b> (management and senior staff) in origination of risk positions	<p><u>Verification Method</u>: Regulatory (suitable proof incl. Imprint Website) / Due Diligence</p> <p>As an institution, the Originator, or the consolidated group to which the originator belongs, does have at least 5 years of experience in origination and underwriting of exposures similar to those securitised, see section "THE ORIGINATOR / SERVICER / LENDER" of the Final OC as well as section 16.2 "Representations and Warranties of the Originator in relation to the Initial Receivables and the respective Related Collateral", item (l) of the RPA.</p>
#	Criterion Article 20 (11)	Verification Report
21	The underlying exposures are <b>transferred without undue delay</b> after selection	<p><u>Verification Method</u>: Legal (Transaction documents)</p> <p>The dates of the preliminary and Final pool cuts are 31 July 2020 and 30 September 2020, respectively. Transfer of the Final pool will occur at closing (scheduled for 21 October 2020), i.e. without undue delay.</p>
#	Criterion Article 20 (11)	Verification Report
22	The underlying exposures do not include <b>any defaulted exposures</b> or to <b>debtors/guarantors with impaired creditworthiness</b>	<p><u>Verification Method</u>: Regulatory (suitable proof incl. Imprint Website) / Legal (Transaction documents) / Due Diligence</p> <p>The Originator is not an institution subject to Regulation (EU) 575/2013. However, it does apply the requirements of Art. 178 (1) by analogy, as presented in the Due Diligence and confirmed by the Originator. The Receivable are transferred to the Issuer after selection without undue delay and do not include, at the time of selection and to the best of the Originator's knowledge, exposures in default within the meaning of Article 178 (1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor (see section "TRANSACTION DEFINITIONS", definition of "Eligibility Criteria", items (b) (viii) of the Final OC).</p> <p>Furthermore, the underlying exposures will not include Receivable relating to credit-impaired Lessees or guarantors who have (A) 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 3 years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 years prior to the transfer date of the underlying exposures to the Issuer; (B) was, at the time of origination, on a public credit registry of persons with adverse credit history; or (C) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by the Originator which are not securitised (see section "TRANSACTION DEFINITIONS", definition of "Eligibility Criteria", item (b) (viii) of the Final OC).</p> <p>The Originator represents, with regards to the question which sources of information it has used to identify defaulted exposures and to determine if a Lessee or guarantor is credit-impaired, that it has obtained information (1) from the Lessee on origination of the exposures, (2) in the course of ALD's servicing of the exposures or ALD's risk management procedures, or (3) from a third</p>

		party, see section "TRANSACTION DEFINITIONS", definition of "Eligibility Criteria", item (b) (viii) of the Final OC as well as section "CREDIT AND COLLECTION POLICY" of the Final OC. This is in line with the 'best knowledge' standard stipulated in the EBA Guidelines.
		The Originator has IT systems in place to ensure that defaulted exposures or exposures to debtors/guarantors with impaired creditworthiness are excluded from the provisional or Final pool cut.

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

#	Criterion Article 20 (12)	Verification Report
24	At the time of the transfer, the <b>debtor has paid at least 1 instalment</b>	<p><u>Verification Method:</u> Legal (Transaction documents) / Data (AuP Report)</p> <p>The Originator warrants that on the relevant Cut-Off Date at least one instalment in full has been paid in respect of each relevant Receivable, see section "TRANSACTION DEFINITIONS", definition of "Eligibility Criteria", item (a) (iv) of the Final OC.</p> <p>The asset audit, whereby the audit company performs certain Agreed-upon Procedures with respect to the compliance of the underlying exposures in a randomly selected sample (please also refer to #39, Article 22 (2)), covers the above-mentioned eligibility criteria.</p>



#	Criterion Article 20 (13)	Verification Report
25	The repayment of the securitisation position should <b>not be predominantly dependent on the sale of assets</b> collateralising the underlying exposures	<p><u>Verification Method</u>: Legal (Transaction document) / Due Diligence / Data</p> <p>The Transaction does not, for the repayment of the securitisation positions, rely in any way on the sale of assets. This is achieved mainly by the fact that the residual value (RV) portion of the lease contracts, which bears the potential risk that the value of the underlying vehicle fluctuates, does not form part of the underlying exposures (also see above, #15).</p>
#	Criterion Article 21 (1)	Verification Report
26	<b>Risk retention</b> (Art. 6.1 of the Securitisation Regulation), usually by the Originator	<p><u>Verification Method</u>: Legal (Transaction documents) / Due Diligence</p> <p>Holder of risk retention: ALD as the Originator, see section "RISK RETENTION AND TRANSPARENCY REQUIREMENTS", subsection "EU Risk Retention Requirements" of the Final OC.</p> <p>Type of risk retention: in accordance with Article 6 (3) (d) of Securitisation Regulation, see section "RISK RETENTION AND TRANSPARENCY REQUIREMENTS", subsection "EU Risk Retention Requirements" of the Final OC. The Originator will, on an ongoing basis whilst any of the Class A Notes and the Class B Notes remain outstanding, retain for the life of the Transaction a material net economic interest of not less than 5 per cent. For the purposes of compliance with the requirements of article 6(3)(d) of the Securitisation Regulation, ALD will do each of the following: First, will retain on an on-going basis until the earlier of (i) the redemption of the Class A Notes and the Class B Notes in full or (ii) the Legal Maturity Date, a first loss tranche constituted by the claim for repayment of the outstanding Subordinated Loan to be made Finally and fully available by ALD in its capacity as Lender to the Issuer under the Subordinated Loan Agreement on the Closing Date. Second, ALD will retain, on an on-going basis until the earlier of (i) the redemption of the Class A Notes and the Class B Notes in full or (ii) the Legal Maturity Date, the Class C Notes in an aggregate principal amount equal to at least 5 per cent. of the securitised exposures. Pursuant to the Subscription Agreement, ALD undertakes to purchase and retain the Class C Notes and not to sell, transfer, hedge, enter into short positions or otherwise mitigate its credit risk under or associated with the Retained Risk until the earlier of (i) the redemption of the Class A Notes and the Class B Notes in full or (ii) the Legal Maturity Date, save as in accordance with article 6(3)(d) of the Securitisation Regulation.</p> <p>The monthly Servicer Report will also set out monthly confirmation regarding the continued holding of the risk retention by the Originator, as confirmed by the Originator (see section "RISK RETENTION AND TRANSPARENCY REQUIREMENTS", subsection "EU Risk Retention Requirements" of the Final OC).</p> <p>The legal obligation of the Originator to hold the risk retention during the lifetime of the transaction is entered into according to section "RISK RETENTION AND TRANSPARENCY REQUIREMENTS", subsection "EU Risk Retention Requirements" of the Final OC.</p>

#	Criterion Article 21 (2)	Verification Report
27	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (I / II)	<p><u>Verification Method:</u> Due Diligence</p> <p>Since the Purchased Receivables are fixed rate and the Class A Notes are floating rate, interest rate risks arise from such mismatch. In contrast, the Class B to Class C notes are also fixed rated and therefore not exposed to interest rate risks. Both assets and liabilities of the Issuer are EUR denominated hence no currency risk occurs.</p> <p>The Purchased Receivables bear interest at fixed rates while the Class A Notes will bear interest at floating rates based on 1-M-EURIBOR. Interest rate risks for the Class A Notes are hedged appropriately with a fixed-floating interest rate swap. The Swap Agreement considers any potential asset liability mismatch by referencing to the outstanding notes balance, and the agreement is based on the 2002 ISDA Master Agreement as established market standard. Under the Swap Agreement and 2002 ISDA Master Agreement, the Issuer undertakes to pay to the Swap Counterparty on each Payment Date a fixed rate equal to the product of the relevant Swap Notional Amount, the relevant Swap Fix Rate and the Day Count Fraction. In return, the Swap Counterparty undertakes to pay to the Issuer on each Payment Date a floating rate equal to the product of the relevant Swap Notional Amount, EURIBOR plus margin and the Day Count Fraction, provided that if, in respect of a particular Payment Date under the Swap Agreement, the relevant floating amount payable by the Swap Counterparty is a negative number, then the floating amount will be deemed to be zero.</p> <p>No further risks in addition to interest rate risks are hedged under the interest rate hedge agreement.</p>
28	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (II / II)	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The legal instrument used by the Issuer to hedge interest rate risks is the Swap Agreement for the Class A Notes, see in this regard section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Swap Agreement" of the Final OC.</p> <p>The agreement considers any potential asset liability mismatch by referencing to the outstanding notes balance, and the agreement is based on the 2002 ISDA Master Agreement as established market standard, see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Swap Agreement" of the Final OC.</p> <p>The requirements for eligible swap counterparties are market standard in international finance, see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Swap Agreement" of the Final OC.</p>

#	Criterion Article 21 (3)	Verification Report
29	Generally used <b>reference rates</b> for interest payments	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>No reference rates apply to the Purchased Receivables which bear fixed interest rates.</p> <p>The Class A Notes will bear interest at floating rates based on 1-M-EURIBOR, see section "TERMS AND CONDITIONS OF THE NOTES", subsection 4.2 "Interest Rates" in the Final OC as well as section "TRANSACTION DEFINITIONS", definition of "EURIBOR" in the Final OC, constituting a market standard reference rate.</p> <p>No reference rate applies to the cash accounts of the SPV which bear fixed interest rates.</p> <p>Currency hedges are not provided for in the transaction structure.</p>
#	Criterion Article 21 (4)	Verification Report
30	<b>Requirements in the event of an enforcement</b> or delivery of an acceleration notice	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>After the Enforcement Conditions have been fulfilled:</p> <ul style="list-style-type: none"> <li>• no cash will be retained with the Issuer, see section "TERMS AND CONDITIONS OF THE NOTES", clause 9.2 "Post-Enforcement Priority of Payments" of the Final OC.</li> <li>• the principal receipts from the underlying exposures will be used for the fully sequential amortisation of the securitisation positions as determined by the seniority of the securitisation position, see section "TERMS AND CONDITIONS OF THE NOTES", clause 9.2 "Post-Enforcement Priority of Payments" of the Final OC.</li> <li>• all creditors of a class of notes will be served equally.</li> <li>• interest and principal payments are first made for the Class A Notes and then interest and principal payments are made for the subsequent Notes, hence repayments are not reversed with regard to their seniority.</li> <li>• no automatic liquidation or sale of risk positions or assets is provided for.</li> </ul>

#	Criterion Article 21 (5)	Verification Report
31	<b>Sequential repayment</b> as fall-back in the event of a deterioration in portfolio quality for Transactions that feature a non-sequential priority of payments	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The Transaction has a strictly sequential priority of payment.</p>

#	Criterion Article 21 (6)	Verification Report
32	Early amortisation provisions or triggers for termination of the revolving phase to include at least the following:	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>General: The Issuer will only be allowed to purchase Additional Receivables (including the Related Claims and Rights) until an Early Amortisation Event (see respective definition in the Final OC) has occurred. Thus, the Revolving Period will end upon the earlier of (i) the Payment Date falling in November 2021 and (ii) the date on which an Early Amortisation Event occurs. The following events trigger an Early Amortisation Event:</p>
	a) deterioration in the credit quality of the underlying exposures below a predefined threshold	A deterioration in the credit quality of the purchased Lease Receivables to or below a predetermined threshold, measured by the Cumulative Default Ratio (see item (b)) and the Delinquency Ratio (see item (c)) of the definition of the Early Amortisation Event in the Final OC.
	b) insolvency-related events in relation to the Originator or the Servicer	The occurrence of an insolvency-related event with regard to the Servicer or the Seller (as set out in item (e) and (f) of the definition of the Early Amortisation Event in the Final OC)
	c) decline in value of the underlying exposures below a predefined threshold	The value of the Purchased Receivables held by the Issuer falls below a predetermined threshold (as set out in item (d) of the definition of the Early Amortisation Event in the Final OC).
	d) failure to generate sufficient new underlying exposures for replenishments under revolving Transactions	A failure to generate sufficient new Purchased Receivables that meet the predetermined credit quality (as set out in item (a) of the definition of the Early Amortisation Event in the Final OC).

#	Criterion Article 21 (7)	Verification Report
33	<p><b>Clear rules</b> in the Transaction documentation regarding obligations, tasks and responsibilities of the Servicer, trustees and other ancillary service providers</p>	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The SA provides for a clear specification of the contractual obligations, duties and responsibilities of the servicer, especially with regard to the servicing, monitoring and reporting , as well as the provisions for a potential replacement in case of a Downgrade Event with respect to the Servicer, see section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Servicing Agreement" of the Final OC or the SA.</p> <p>Similar provisions for the obligations, duties and responsibilities are provided for the following parties, see the respective descriptions in the Final OC:</p> <ul style="list-style-type: none"> <li>• Trustee (see section "THE TRUSTEE" as well as section "MATERIAL PROVISIONS OF THE TRUST AGREEMENT" of the Final OC)</li> <li>• Cash Administrator / Interest Determination Agent (see section "THE CASH ADMINISTRATOR AND INTEREST DETERMINATION AGENT" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Cash Administration Agreement" of the Final OC)</li> <li>• Paying Agent / Account Bank (see section "THE PAYING AGENT / ACCOUNT BANK" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsections "The Account Bank Agreement" and "The Agency Agreement" of the Final OC)</li> <li>• Data Trustee (see section "THE DATA TRUSTEE / BACK-UP SERVICER FACILITATOR / BACK-UP MAINTENANCE COORDINATOR FACILITATOR" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Data Trust Agreement" of the Final OC)</li> <li>• Funding Entity (see section "THE FUNDING ENTITY" of the Final OC)</li> <li>• Corporate Administrator (see section "THE CORPORATE ADMINISTRATOR" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Corporate Administration Agreement" of the Final OC)</li> </ul> <p>The transaction documentation specifies clearly provisions that ensure the replacement of derivative counterparties, liquidity providers and the Account Bank in the case of their default, insolvency, and other specified events, where applicable. In respect of the Account Bank provisions exist for its replacement if the Account Bank does not meet the requirements for the "Required Rating" as set out in in section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Account Bank Agreement" as well as the definition of "Required Rating" in the Final OC.</p> <p>Also, detailed provisions exist for the obligations, duties and responsibilities of the Swap counterparty (see sections "THE SWAP COUNTERPARTY" as well as section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Swap Agreement" in the Final OC).</p>

#	Criterion Article 21 (8)	Verification Report
34	<b>Experience of the Servicer</b> (management and senior staff) in the servicing of exposures of a similar nature to those securitised	<u>Verification Method:</u> Regulatory (suitable proof) / Legal (Transaction documents) / Due Diligence
		ALD is a financial services institution ( <i>Finanzdienstleistungsinstitut</i> ) according to § 1 (1a) German Banking Act. As such, the Originator is supervised by BaFin as competent national supervisory authority.
		The Final OC contains information on the experience of ALD as a servicer, see section "THE ORIGINATOR / SERVICER / LENDER" of the Final OC.
		The experience and expertise of the management and the senior staff has been confirmed during the Due Diligence.
		As a result, ALD as servicer is deemed to have the relevant expertise as an entity being active as servicer of auto lease receivable and as servicer of auto lease receivable securitisations for more than five years, and no contrary findings were observed in the due diligence.
#	Criterion Article 21 (8)	Verification Report
35	Appropriate and well documen- ted <b>risk management and            service policies</b> , procedures and controls	<u>Verification Method:</u> Regulatory (suitable proof) / Due Diligence
		As a result of the regulatory status (see #34 above), ALD has well established procedures with regard to risk management, servicing and internal control systems in place, and no contrary findings were observed in the Due Diligence.

#	Criterion Article 21 (9)	Verification Report
36	Clear and coherent definitions, regulations and possible measures with regard to the <b>servicing of non-performing exposures</b> , specification of the <b>priorities of payment</b>	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>The Credit and Collection Policy of ALD (see section "CREDIT AND COLLECTION POLICY" of the Final OC) which must be complied in respect of the servicing of the auto lease receivables and the Related Claims and Rights by the Servicer in accordance with the SA (as summarised in section "OVERVIEW OF TRANSACTION DOCUMENTS", subsection "The Servicing Agreement" of the Final OC) contains a description of procedures related to:</p> <ul style="list-style-type: none"> <li>• Origination and Underwriting</li> <li>• Residual Value Setting</li> <li>• Collections</li> <li>• Recalculation</li> <li>• Extension of Lease Agreements</li> <li>• Remarketing</li> <li>• Final Settlement</li> </ul> <p>The loss definition used in the transaction refers to the terms „Defaulted Receivable“ and “Defaulted Lease Agreements” which means a Lease Agreement in respect of which an Insolvency Event with respect to the Lessee occurred or the Lessee is in arrears with respect to its Receivables by more than 90 days and a judgement by the Servicer has been made that there is no reasonable chance that the Lessee is able to pay and that the outstanding amounts will be collected. This definition is consistently used in the Final OC.</p> <p>The procedures presented and discussed in the Due Diligence correspond to the description in the Final OC and no contrary findings could be observed.</p>
#	Criterion Article 21 (10)	Verification Report
37	<b>Clear rules in the event of conflicts</b> between the different classes of noteholders	<p><u>Verification Method:</u> Regulatory / Legal (Transaction documents)</p> <p>The notes are issued on the basis of the German Bonds Act (Schuldverschreibungsgesetz), see section "TRANSACTION OVERVIEW", description "Resolutions of Noteholders" as well as section "TERMS AND CONDITIONS OF THE NOTES" of the Final OC, enabling noteholders to take resolutions within one class of notes. In addition, the Trust Agreement provides for clear instructions for the trustee as regards the treatment of the interests of different classes of notes and their ranking in line with the applicable Priority of Payments (see section "4. Conflict of Interest" of the Trust Agreement).</p>

#	Criterion Article 22 (1)	Verification Report
38	Provision of <b>historical performance data</b> before pricing	<p data-bbox="645 363 1361 387"><u>Verification Method:</u> Legal (Transaction document) / Due Diligence</p> <p data-bbox="645 411 1576 435">The historical performance data provided by the Originator include the following areas:</p> <ul style="list-style-type: none"> <li data-bbox="645 451 1989 563">a) Gross defaults in static format defined as cumulative principal outstanding (exposure at default) for leases which were originated in one quarter and which met the default definition for the first time expressed as a percentage of the total originated amount for all leases which were originated in such quarter (covering the period from February 2008 until June 2020).</li> <li data-bbox="645 579 2033 691">b) Recoveries are displayed in static format and show the cumulative recoveries (including net sales proceeds from the vehicle) after the specified number of quarters since default, for each portfolio of leases defaulted in a particular quarter, expressed as a percentage of the net book value at default (including any delinquencies) of these leases (covering the period from February 2008 until June 2020).</li> <li data-bbox="645 707 2024 882">c) Delinquency Analysis: The arrears data shows for a specific month the net book value of leases in arrears in the respective delinquency bucket as a percentage of the total net book value of the performing portfolio in that month. The arrears data does not include Defaulted Lease Agreements. The leases in the "Arrears 91-120 Days" and "Arrears &gt;120 Days" buckets are not in default. In general, these are arrears due to commercial disputes between the lessee and the lessor and where the lessor sees a reasonable chance that the lessee is able to pay and that the outstanding amounts will be collected. (covering the period from January 2006 to June 2020 on a monthly basis).</li> <li data-bbox="645 898 1980 978">d) Termination Analysis: The annualised early termination rate shows for a specific month the ratio of the number of leases terminated prior to its contractual maturity date over the total number of outstanding leases in that month (covering the period from January 2006 to June 2020).</li> </ul> <p data-bbox="645 1010 2011 1058">The data history, provided prior to pricing, covers a period of at least 5 years required under Article 22 (1) of the Securitisation Regulation, see section "HISTORICAL PERFORMANCE DATA" in the Final OC.</p>



#	Criterion Article 22 (2)	Verification Report
39	Performance of an <b>asset audit</b> based on a sample and defined audit steps (Agreed upon Procedures, AuP) by an external independent party	<p data-bbox="645 363 1070 387"><u>Verification Method:</u> Legal (AuP Report)</p> <p data-bbox="645 411 1995 467">The Originator has mandated a qualified and experienced audit firm to perform the asset audit followed by the audit firm. The asset audit and the AuP include both of the following:</p> <ul style="list-style-type: none"> <li data-bbox="645 483 1995 539">a) a verification of the compliance of the underlying exposures in the Portfolio with the key Eligibility Criteria (the "<b>Eligibility Criteria Verification</b>"); and</li> <li data-bbox="645 555 1995 611">b) verification that the data disclosed to investors in the Preliminary OC in respect of the underlying exposures is accurate (the "<b>Preliminary OC Data Verification</b>").</li> </ul> <p data-bbox="645 635 2029 778">The sample drawn for the Eligibility Criteria Verification is representative of the securitised portfolio, based on a provisional pool cut dated 30 April 2020. This is ensured by a sufficiently large sample and random selection, applying a 99% confidence level. The final report prepared by the audit firm with regards to the Eligibility Criteria Verification has been made available to SVI on 2 September 2020. The final report confirms that the Eligibility Criteria Verification has occurred and that no significant adverse findings have been found.</p> <p data-bbox="645 802 2029 976">The Preliminary OC Data Verification was performed by the audit firm based on the provisional pool cut dated 31 July 2020. This verification is based on all underlying exposures (loan level data) and the scope comprises information in the stratification tables (see section "DESCRIPTION OF THE PORTFOLIO", sub-section "Information Tables Regarding the Portfolio" of the Preliminary OC) correspond to the provisional pool cut. The final report was prepared by the audit firm with regards to the Preliminary OC Data Verification and was made available to SVI on 2 September 2020. As at the time of preparation of this Preliminary Verification Report the criterion if the required accurateness of the data disclosed to investors in the Preliminary OC is fully met.</p>

#	Criterion Article 22 (3)	Verification Report
40	Provision of a precise <b>liability cash flow model</b> to the investors prior to pricing by the Originator; "precise" refers to the possibility for the investor to calculate the amortisation rate and, based on this, the pricing of the securitisation position	<p><u>Verification Method</u>: Legal (Transaction documents) / Due Diligence (Cash flow model)</p> <p>A CF-Model has been prepared by Intex on behalf of the Originator. It is provided as web-based tool and can be accessed via <a href="http://www.intex.com">http://www.intex.com</a> (subscription model). SVI has been granted access to the website and the CF-Model for the Red &amp; Black Auto Lease Germany 3 transaction in order to perform the steps necessary to verify the compliance under Article 22 (3) of the Securitisation Regulation. It should be noted that the statements below do reflect the result of SVI's review of the functionality of the CF-Model and can be considered as a check of plausibility, however no assurance can be given that the CF-Model does calculate correctly in each and every scenario.</p> <p>SVI performed a plausibility check of the CF-Model provided by Intex, which reflects the contractual relationships and cash flows from and to the securitised portfolio, Classes A, B and C Notes, the Originator and the Servicer as well as other parties involved (summarised as senior expenses). A range of different scenarios can be modelled, including but not limited to prepayments, delinquencies, defaults (gross losses), recoveries and senior expenses.</p> <p>The CF-Model has been made available prior to the pricing. The Originator undertakes to provide potential investors with the CF-Model upon request.</p>

#	Criterion Article 22 (4)	Verification Report
41	For residential mortgage loan, auto loan or leasing portfolios: publication of information on the <b>environmental performance of the assets</b> financed by such underlying exposures (energy performance certificates)	<p><u>Verification Method</u>: Legal (Transaction documents, Due Diligence)</p> <p>The Originator has confirmed that information on the environmental performance of the assets financed by such underlying exposures (in this case: auto leases) is intended to be provided once available. The information is intended to be made available as part of the information on the underlying exposures as per Article 7 (1) (a) of the Securitisation Regulation and as applicable.</p>

#	Criterion Article 22 (5)	Verification Report
42	Compliance with the provisions of Art. 7 of the Securitisation Regulation (regarding <b>Transparency</b> ) is the responsibility of the Originator or Sponsor	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>For the purposes of Article 7 (2) of the Securitisation Regulation, ALD as Originator and the Issuer have agreed that the Issuer is designated as the entity responsible for compliance with the requirements of Article 7, see section "RISK FACTORS", subsection "EU transparency requirements" of the Final OC.</p> <p>The Issuer as Reporting Entity confirms in the Final OC (see section "RISK RETENTION AND TRANSPARENCY REQUIREMENTS", subsection "EU Transparency Requirements") that it will fulfil the provisions of Art. 7 of the Securitisation Regulation as follows:</p> <ul style="list-style-type: none"> <li>- Art. 7 (1) (a): Loan level data have been made available for the first time on or after the announcement date but prior to pricing of the Transaction and thereafter loan level data will be made available at the latest one month after the due date for the payment of interest and then on a quarterly basis.</li> <li>- Art. 7 (1) (b): The relevant transaction documentation in draft form have been made available prior to pricing on the website of the European DataWarehouse at <a href="https://eurode.eu">https://eurode.eu</a>. Such Transaction Documents in final form will be made available not later than 15 days after the Closing Date on the website of the European DataWarehouse.</li> <li>- Art. 7 (1) (c): Not applicable.</li> <li>- Art. 7 (1) (d): In accordance with the RTS for notification, the notification has been provided to investors in draft form prior to pricing and will be provided in final form not later than 15 days after closing.</li> <li>- Art. 7 (1) (e): The investor report will be made available for the first time at the latest one month after the due date for the payment of interest and then on a quarterly basis.</li> <li>- Art. 7 (1) (f): Ad hoc announcements will be published as soon as they need to be published under the MAR.</li> <li>- Art. 7 (1) (g): If a "Significant Event" occurs, investors will be informed immediately.</li> </ul> <p>Prior to the RTS on Art. 7 having been in force, the information according to Art. 7 (1) (a) and Art. 7 (1) (e) according to Art. 43 (7) was provided on the basis of the CRA3 templates.</p>

As a result of the verifications documented above, we confirm to ALD that the STS criteria pursuant to Article 19 to 22 of the European Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 for the transaction “**Red & Black Auto Lease Germany 3**” have been fulfilled.

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