

Final Verification Report

In respect of the Transaction „**VCL 28**“ (Volkswagen Leasing GmbH)



18th April 2019

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 25 February 2019, SVI has been mandated by the Originator (Volkswagen Leasing GmbH) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction "VCL 28" (the "Transaction").

As part of our verification work, we have met with representatives of Volkswagen Leasing GmbH ("VWL") and Volkswagen Financial Services AG ("VWFS") to conduct an onsite due diligence meeting ("Due Diligence") in Braunschweig on 26th February 2019. In addition, we have discussed selected aspects of the Transaction with VWL, VWFS and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of VWL and the underlying transaction documentation.

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

- Preliminary offering circular dated 13 March 2019 („Preliminary OC“) and Final offering circular dated 17 April 2019 („Final OC“)
- German Legal Opinion („LO“)
- Receivables Purchase Agreement („RPA“)
- Servicing Agreement („Servicing Agreement“)
- Swap Agreement („Swap Agreement“)
- Account Agreement („Account Agreement“)
- Due Diligence Presentation by VWL/VWFS („Due Diligence Presentation“)

- Investor Presentation by VWL/VWFS („Investor Presentation“)
- Agreed-upon Procedures („AuP“) and final report with regards to the Eligibility Criteria Verification and the Final OC Data Verification
- Latest version of the liability cash flow model (“CF-Model)
- Data Package received by VWL/VWFS (“Data Package“)
- Draft Investor Report received from VWL/VWFS (“Draft Investor Report“)
- 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 on the basis of 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 on the basis of 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: ww.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 on the basis of 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 “Master Definitions Schedule” in the Final OC.

AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
CF-Model	Cash Flow-Model
CRA3	Credit Rating Agencies Regulation
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
Final OC	Final Offering Circular dated 17th of April 2019
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issuer	VCL 28
MAR	Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation)
Originator	Volkswagen Leasing GmbH
Preliminary OC	Preliminary Offering Circular dated 13 th of March 2019
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
Seller	Volkswagen Leasing GmbH
Servicer	Volkswagen Leasing GmbH
SPV	Special Purpose Vehicle or Issuer

Transaction	The securitisation of auto lease receivables involving VCL 28 as Issuer
VCL 28	VCL Multi-Compartment S.A., acting for and behalf of its Compartment VCL 28
VCL Master C1	VCL Master S.A., Compartment 1
VWFS	Volkswagen Financial Services AG
VWL	Volkswagen Leasing GmbH

#	Verification Criterion Article 20 (1)	Verification Report
1	Assignment or transfer of ownership of the underlying exposures takes place by means of a true sale and is legally enforceable.	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence (Prospectus)</p> <p>The legal opinion confirms that there are no increased risks with regard to claw-back and re-characterisation. The legal opinion contains customary qualifications.</p> <p>The standard credit agreements and general terms and conditions used by the Seller are not covered by the Legal Opinion or any external or internal legal memo or confirmation. Instead, section 4.1 (a) of the RPA contains warranties by the Seller as to the legally valid, binding and enforceable nature of the underlying exposures, i.e. Lease Contracts (which term includes by definition the general terms and conditions of the Originator – see section “Master Definitions Schedule” in the Final OC).</p>
#	Verification Criterion Article 20 (1)	Verification Report
2	Requirements for the external legal opinion	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>The LO is provided by Hogan Lovells International LLP, a well known law firm with expertise in the area of securitisation.</p> <p>The legal opinion is made available to SVI as third-party verification agent and to competent supervisory authorities.</p>
#	Verification Criterion Article 20 (2)	Verification Report
3	Specification of increased claw-back risks : Are there any severe claw-back 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 by applicable German insolvency laws in case of fraudulent, unfair prejudicial or favourable transfers, there is no increased risk that the insolvency administrator may invalidate the sale of the underlying exposures solely because it was concluded within a given claw-back period.</p> <p>Such national insolvency laws are considered not to represent any severe claw-back risks.</p>

#	Verification 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 data-bbox="640 352 1093 384"><u>Verification Method:</u> Legal (Legal opinion)</p> <p data-bbox="640 408 1917 440">Applicable German insolvency laws are considered not to represent any severe claw-back risks (see above under # 3).</p>
#	Verification Criterion Article 20 (4)	Verification Report
5	If the sale and transfer is not taking place directly between the seller and the SPV but intermediate sales take place, is the true sale still fulfilled?	<p data-bbox="640 762 1451 794"><u>Verification Method:</u> Legal (Legal opinion, Receivable purchase agreement)</p> <p data-bbox="640 818 2018 906">Under the transaction structure used by VWL, VWL has originally sold and assigned the underlying exposures to VCL Master C1. With the consent of VCL Master C1 pursuant to §185 (1) of the German Civil Code, VWL will at closing sell and assign such underlying exposures to VCL 28 acting as issuer of the ABS notes to be issued.</p> <p data-bbox="640 922 2040 1066">The chosen structure ensures the transition from the warehousing phase to the term take-out and allows the Seller to provide the required warranties and guarantees in respect of the sold and assigned underlying exposures. Given that the Seller is the original lender who sells with the prior permission (Einwilligung) of VCL Master C1 the underlying exposures to VCL 28, there is no intermediate sale within the meaning of Art. 20 (4) of the Securitisation Regulation and the true sale needs to be confirmed in the legal opinion solely in respect of the transfer between VWL and VCL 28.</p>

#	Verification Criterion Article 20 (5)	Verification Report
6	If the transfer of receivables takes place at a later stage , 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 transfer of the underlying exposures will occur on the closing date of the transaction (scheduled for 25 April 2019), i.e. there will be no transfer of receivables at a later stage.</p>
#	Verification Criterion Article 20 (6)	Verification Report
7	Representations and warranties of the seller with regard to the legal condition of the underlying exposures	<p><u>Verification Method:</u> Legal (Receivable purchase agreement)</p> <p>The Seller (who is the original lender) warrants that the underlying lease contracts are legally valid and binding agreements, see Clause 4.1 (a) of the RPA and above under # 3. SVI has obtained confirmation from the Seller's inhouse legal counsel that the standard lease agreements in use by the seller do not contain any prohibition of assignment.</p>
#	Verification Criterion Article 20 (7)	Verification Report
8	Clear selection criteria (' eligibility criteria ') and no active portfolio management (I / III)	<p><u>Verification Method:</u> Legal (Receivable purchase agreement)</p> <p>The underlying exposures transferred from the seller to the SPV are selected according to predetermined, clear and documented eligibility criteria, see clause 4 of the RPA.</p> <p>The transaction is amortising and does not feature a revolving period.</p> <p>The eligibility criteria for the term take-out are the same as for the initial purchase of the underlying exposures by VCL Master C1 for the purposes of the warehousing. There are no exposures that will be transferred to the SPV after closing of the transaction.</p> <p>As a result of the above, the criterion "no active portfolio management" is fulfilled.</p>

#	Verification 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>The underlying exposures in the provisional and the final pool are selected based on a well established, random selection process.</p> <p>In case an underlying exposure should turn out to be not eligible and the interests of the Issuer or noteholders are materially and adversely affected, VWL has the obligation to either remedy the matter or repurchase the underlying exposure, see clause 4.3 of the RPA. There will, however, be no substitution of the repurchased receivable with a new receivable.</p>
#	Verification 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, 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>
#	Verification Criterion Article 20 (8)	Verification Report
11	Securitisation of a homogeneous portfolio in terms of asset classes (I / III)	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The underlying exposures fall into the asset category according to Art. 2, (e) of the EBA Final Draft RTS on the homogeneity of the underlying exposures (i.e. auto loans and leases).</p> <p>The Seller has chosen the homogeneity factor according to Art. 3 (5) (b) of the EBA Final Draft RTS 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, see section "Description of the Portfolio", subsection "Warranties and Guarantees in relation to the Sale of the Purchased Lease Receivables", item (c) of the Final OC.</p> <p>The requirement of lessees being resident in Germany is part of the eligibility criteria.</p>

#	Verification 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 Presentation and further described in # 17. No distinction is made between securitised and non-securitised receivables. The processes assure that only lessees resident 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>
#	Verification 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>Additionally, the homogeneity factor "residence in Germany" is part of the Eligibility Criteria Verification, (eligibility criteria 4.1 (k) of the RPA), whereby the lease contracts have been entered into exclusively with lessees which have their registered office (for corporate entities) or place of residency (for individuals) in Germany.</p>
#	Verification Criterion Article 20 (8)	Verification Report
14	The underlying exposures contain obligations that are contractually binding and enforceable	<p><u>Verification Method:</u> Legal (Legal opinion) / Due Diligence</p> <p>Clause 4.1 of the RPA contains warranties by the Seller as to the legally valid, binding and enforceable nature of the underlying exposures, i.e. the Lease Contracts (which term includes by definition the general terms and conditions – see section "Master Definitions Schedule" in the Final OC). Please also refer to #1.</p>

#	Verification Criterion Article 20 (8)	Verification Report
15	The underlying exposures have defined periodic payment streams and do not include transferable securities other than unlisted corporate bonds	<p data-bbox="640 357 1749 384"><u>Verification Method</u>: Legal (Legal opinion, Transaction documents) / Due Diligence / Data (AuP Report)</p> <p data-bbox="640 416 2029 592">The underlying exposures for the transaction represent standard auto lease agreements originated by VWL in respect of commercial and private clients. For the purposes of the transaction, two contract types form part of the securitised portfolio: (1) Closed end lease contracts and (2) Open end lease contracts. The two contract types differ mainly in relation to the treatment of residual values for the financed vehicles (guaranteed by the car dealer for the majority of the closed end leases and fixed for the open end leases, in both cases not part of the underlying exposures) but do not differ structurally in terms of payment streams, as discussed in the Due Diligence Presentation.</p> <p data-bbox="640 619 2029 699">The underlying exposures represent the finance portion (itself comprising a claim against the lessees in respect of principal and interest, see definition of Lease Receivable) paid by the lessee during the term of the lease agreement and have defined periodic payment streams during that term. The residual value portion does not form part of the underlying exposures.</p> <p data-bbox="640 726 2029 805">The eligibility criteria restrict the underlying exposures to lease receivables originated under a lease contract, thereby eliminating any transferable security from the portfolio. The compliance of the provisional pool with the edibility criteria has been verified through the Eligibility Criteria Verification (see #39).</p>
#	Verification Criterion Article 20 (9)	Verification Report
16	Are there any securitisation positions in the portfolio?	<p data-bbox="640 986 1585 1013"><u>Verification Method</u>: Legal (transaction documents) / Due Diligence / Data (AuP Report)</p> <p data-bbox="640 1034 2029 1118">The eligibility criteria restrict the underlying exposures to lease receivables originated under a lease contract, thereby assuring that no securitisation position may become part of the portfolio. The compliance of the provisional pool with the eligibility criteria has been verified through the Eligibility Criteria Verification (see # 39).</p> <p data-bbox="640 1141 1984 1193">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 Originator's underwriting policy.</p>

#	Verification Criterion Article 20 (10)	Verification Report
17	<p>Origination of underlying exposures in the ordinary course of business and in accordance with underwriting standards that are no less stringent than those applied to similar non-securitised risk positions</p>	<p><u>Verification Method:</u> Legal (Underwriting and Servicing Policy) / Due Diligence</p> <p>VWL is a market leading auto leasing company in Germany with over 500,000 newly leased vehicles per annum, active in Germany since 1966. Organisation and business processes have been developed over decades as part of the (until 2017) ECB regulated Volkswagen Financial Services AG.</p> <p>As presented and discussed in the Due Diligence Presentation, the well developed, highly professional and reasonably automated organisation of its business procedures coincides with the volume and quantity of business transactions. The car dealers do form an integral part of the origination process with sales representatives acting as agents for the Originator.</p> <p>Accordingly the business procedures assure that securitised exposures have been originated in the ordinary course of business and in accordance with uniform standards. Deviations from the underwriting policy are only permissible in well defined and documented instances. The underlying exposures are selected for securitisation using a random selection process.</p> <p>The underlying exposures are similar to the non-securitised contracts in the asset category of “auto loans and leases” due to the strictly random selection process.</p> <p>Since no exposures will be transferred to the Issuer after closing, no obligation to disclose material changes to the underwriting policy after the closing of the Transaction applies.</p>
#	Verification Criterion Article 20 (10)	Verification Report
18	<p>Underwriting standards for securitised exposures are no less stringent than those applied to similar non-securitised exposures</p>	<p><u>Verification Method:</u> Due Diligence</p> <p>As presented and discussed in the Due Diligence Presentation, 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>Employees of the Originator or at the car 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>

#	Verification Criterion Article 20 (10)	Verification Report
19	Assessment of the borrower's creditworthiness 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>VWL is a financial services institution (Finanzdienstleistungsinstitut) according to §1 (1a) German Banking Act. As such, the Originator is supervised by BaFin as competent supervisory authority. As a precaution VW Leasing performs the „Assessment of the borrower's creditworthiness“ with respect to lease contracts with consumers in accordance with paragraphs 1 to 4, point (a) of paragraph 5 and paragraph 6 of Article 18 of Directive 2014/17/EU as reflected in § 505 a and § 505 b German Civil Code (BGB).</p>
#	Verification Criterion Article 20 (10)	Verification Report
20	Originator's experience (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 does have at least 5 years of experience in origination and underwriting of exposures similar to those securitised, see section "Business and Organisation of Volkswagen Leasing GmbH", subsection "Origination and Securitisation Expertise" of the Final OC.</p>
#	Verification Criterion Article 20 (11)	Verification Report
21	The underlying exposures are transferred without undue delay after selection	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The date of the preliminary and final pool cuts are 31 January 2019 and 31 March 2019, respectively. Transfer of the final pool will occur at closing (25 April 2019), i.e. without undue delay.</p>

#	Verification Criterion Article 20 (11)	Verification Report
22	The underlying exposures do not include any defaulted exposures or to debtors/guarantors with impaired creditworthiness	<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 Presentation and confirmed by the Originator.</p> <p>The Originator warrants that the underlying exposures will not include lease receivables relating to exposures in default (i.e. lessees who are past due more than 90 days on any material obligation to VWL or who VWL considers as unlikely to pay their obligations to VWL) (see RPA, clause 4.1 (u) (i)).</p> <p>Furthermore, the underlying exposures will <u>not</u> include lease receivables relating to credit-impaired lessees or guarantors who have (1) 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 SPV; (2) was, at the time of origination, on a public credit registry of persons with adverse credit history; 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 the Originator which are not securitised (see RPA, clause 4.1 (u) (ii)).</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 borrower or guarantor is credit-impaired, that it has obtained information (1) from the lessee on origination of the exposures, (2) in the course of VWL's servicing of the exposures, or (3) from a third party, see clause 4.1 (u) (ii) of the RPA. This is in line with the 'best knowledge' standard stipulated in the EBA Guidelines.</p> <p>Debtors and guarantors (i) declared insolvent and/or undergone a debt-restructuring process, or (ii) found on a public or other credit registry of persons with adverse credit history are generally not eligible according to the underwriting policy, as discussed in the Due Diligence Presentation.</p> <p>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.</p>

#	Verification Criterion Article 20 (11)	Verification Report
23	The risk positions do not have a credit assessment or a credit score 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 customer profile and credit bureau information (for Private Leasing), credit agencies' information and financial information (for Commercial Leasing) and past payment behaviour (for both). 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 (i) the underlying exposures do not include exposures that are classified as doubtful, impaired, non-performing or similar, and (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>
#	Verification Criterion Article 20 (12)	Verification Report
24	At the time of the transfer, the debtor has paid at least 1 instalment	<p><u>Verification Method:</u> Legal (Transaction documents) / Data (AuP Report)</p> <p>The Originator warrants that on the cut-off date at least 2 instalments have been paid in respect of each lease contract, see RPA, clause 4.1 (I).</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 (3)), covers the above mentioned eligibility criteria.</p>

#	Verification Criterion Article 20 (13)	Verification Report
25	The repayment of the securitisation position should not be predominantly dependent on the sale of assets 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.</p> <p>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 <u>not</u> form part of the underlying exposures (also see above, #15, Art. 20 (8) of the Securitisation Regulation).</p> <p>In addition, the timing of the maturities of the underlying exposures mentioned above are not subject to material concentrations and the value of the underlying exposures mentioned above per individual debtor does not exceed 0.50% of the aggregated receivables balance.</p>
#	Verification Criterion Article 21 (1)	Verification Report
26	Risk retention (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: Volkswagen Leasing GmbH as the Seller, see section "Risk Factors", subsection "Risk retention and due diligence requirements" of the Final OC.</p> <p>Type of risk retention: in accordance with Article 6(3)(c) of Securitisation Regulation, see section "Risk Factors", subsection "Risk retention and due diligence requirements" of the Final OC.</p> <p>The Seller does select the risk retention pool and does earmark the selected receivables in its IT systems in a similar way as the receivables that have actually been sold in the transaction. The procedures to select and earmark receivables both for the retention poolcut and for the actual sale are documented and well established. In addition, they are subject to regular internal and external auditing procedures. The same applies for the ongoing monthly reporting procedures, as confirmed during the Due Diligence.</p> <p>The Monthly Reports will also set out monthly confirmation regarding the continued holding the original retained exposures by the Seller, as confirmed by the Originator.</p> <p>The legal obligation of the seller to hold the risk retention during the lifetime of the transaction is entered into according to section "Risk Factors", subsection "Risk retention and due diligence requirements" of the Final OC.</p>

#	Verification 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 lease receivables are fixed rate and the Class A Notes and the Class B Notes are floating rate, interest rate risks arise from such mismatch. Both assets and liabilities of the Issuer are EUR denominated hence no currency risk occurs.</p> <p>Interest rate risk are hedged appropriately with fixed-floating interest rate swaps (one swap for each of the Class A Notes and the Class B Notes) where the swap notional is always equal to the outstanding notes' balance. Both the swap agreements and the Class A and Class B Notes contain a floor of zero for the 1-M-Euribor plus spread, hence the hedging is appropriate.</p> <p>No further risks in addition to interest rate risks are hedged under the interest rate hedge agreements.</p>

#	Verification Criterion Article 21 (2)	Verification Report
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 instruments used by the Issuer to hedge interest rate risks are the Class A Swap Agreement and the Class B Swap Agreement, see section "Swap Agreements and Swap Counterparty" of the Final OC.</p> <p>Both agreements do consider any potential asset liability mismatch by referencing to the outstanding notes balance, and both agreements are based on the 2002 ISDA Master Agreement as established market standard, see section "Master Definitions Schedule", definitions of "Class A Swap Agreement" and "Class B Swap Agreement" of the Final OC.</p> <p>The requirements for eligible swap counterparties are market standard in international finance, see section "Swap Agreements and Swap Counterparty" of the Final OC.</p>

#	Verification Criterion Article 21 (3)	Verification Report
29	Generally used reference rates for interest payments	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>No reference rates apply to the Purchased Lease Receivables which bear fixed interest rates.</p> <p>The Notes will bear interest at floating rates based on 1-M-Euribor, see sections "Terms and Conditions of the Class A Notes" and "Terms and Conditions of the Class B Notes" of the Final OC, constituting a market standard reference rate.</p> <p>The interest for the Cash Accounts will be based on EONIA, also constituting a market standard reference rate.</p> <p>Currency hedges are not provided for in the transaction structure.</p>
#	Verification Criterion Article 21 (4)	Verification Report
30	Requirements in the event of an enforcement or delivery of an acceleration notice	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>After the occurrence of a Foreclosure Event:</p> <ul style="list-style-type: none"> - no cash will be retained with the Issuer, see clause 22.2 (c) of the Trust Agreement (see section "Trust Agreement", subsection "Part E. Accounts; Order of Priority" of the Final OC). - the principal receipts from the underlying exposures will be used for the fully sequential amortisation of the securitisation positions, see clause 22.2 (c) of the Trust Agreement and section "Trust Agreement", subsection "Part E. Accounts; Order of Priority" of the Final OC. - all creditors of a class of notes will be served equally. - interest and principal payments are first made for the Class A Notes and then interest and principal payments are made for the Class B Notes, hence repayments are not reversed with regard to their seniority. - no automatic liquidation or sale of risk positions or assets is provided for.

#	Verification Criterion Article 21 (5)	Verification Report
31	Sequential repayment 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>As usual in VCL transactions, the amortisation structure does provide for a pro-rata amortisation subject to the performance of the underlying portfolio and after the initial credit enhancement has increased to the required levels.</p> <p>The amortisation concept is based on the Class A/B Principal Payment Amounts, the Class A/B Targeted Note Balances, the Class A/B Targeted Overcollateralization Amounts and the Class A/B Targeted Overcollateralization Percentages, see the respective definitions in section "Master Definitions Schedule" of the Final OC.</p> <p>Performance triggers specifying if and to what extent a pro-rata amortisation can occur are based on the cumulative net losses as specified in the Level 1 Credit Enhancement Increase Condition and the Level 2 Credit Enhancement Increase Condition, see the respective definitions in section "Master Definitions Schedule" of the Final OC.</p> <p>Upon occurrence of a Level 1 Credit Enhancement Increase Condition the required credit enhancement allowing for pro rata amortisation does increase, upon occurrence of a Level 2 Credit Enhancement Increase Condition the amortisation switches back to fully sequential.</p> <p>The occurrence of a Level 1 or 2 Credit Enhancement Increase Condition is not reversible, see the definition of Class A Targeted Overcollateralization Percentage in section "Master Definitions Schedule" of the Final OC.</p> <p>As a result of the above, SVI is convinced that the amortisation mechanism complies with Art. 22 (5) of the Securitisation Regulation.</p>

#	Verification 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>n.a. (no revolving period)</p>
	a. deterioration in the credit quality of the underlying exposures below a predefined threshold	<p>n.a. (no revolving period)</p>

	b. insolvency-related events in relation to the Originator or the Servicer	n.a. (no revolving period)
	c. decline in value of the underlying exposures below a predefined threshold	n.a. (no revolving period)
	d. failure to generate sufficient new underlying exposures for replenishments under revolving Transactions	n.a. (no revolving period)

#	Verification Criterion Article 21 (7)	Verification Report
33	<p>Clear rules 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 Servicing Agreement provides for a clear specification of the contractual obligations, duties and responsibilities of the servicer, especially with regard to the servicing, monitoring, reporting and monthly advances to mitigate for commingling risk, as well as the provisions for a potential replacement in case of a Servicer Replacement Event, see summary of the Servicing Agreement in section "Administration of the Purchased Lease Receivables under the Servicing Agreement" of the Final OC.</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"> • Issuer (see section "The Issuer" of the Final OC.) • Security Trustee (see section "Trust Agreement", subsection "Duties of the Security Trustee prior to the occurrence of the Foreclosure Event" of the Final OC) • Account Bank, Cash Administrator, Calculation Agent, Paying Agent, Interest Determination Agent and Registrar (see section "Account Bank, Cash Administrator, Calculation Agent, Paying Agent, Interest Determination Agent and Registrar" of the Final OC) <p>Also, detailed provisions exist for the obligations, duties and responsibilities of the Swap counterparty (see sections "Swap Agreements and Swap Counterparty" and the definition of "Eligible Swap Counterparty" in section "Master Definitions Schedule" of the Final OC)</p>

#	Verification Criterion Article 21 (8)	Verification Report
34	Experience of the Servicer (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
		Volkswagen Leasing GmbH is a regulated financial institution according to § 1 Abs. 1a KWG with BaFin as regulatory authority.
		The Final OC contains information on the experience of Volkswagen Leasing GmbH (VWL) as a seller and servicer. VWL has been successfully doing securitisations of lease receivables since 1996 and the management has sufficient experience.
		The experience of the Managements Board and Senior Staff is published in the Final OC under "Origination and Securitisation Expertise" (see section "Business and Organisation of Volkswagen Leasing GmbH", subsection "Origination and Securitisation Expertise" of the Final OC).
		As a result, VWL as servicer is deemed to have the relevant expertise as an entity being active as servicer of lease receivables for over 50 years and as servicer of lease receivables securitisations for over 20 years, and no contrary findings were observed in the due diligence.
#	Verification Criterion Article 21 (8)	Verification Report
35	Appropriate and well documented risk management and service policies, procedures and controls	<u>Verification Method:</u> Regulatory (suitable proof) / Due Diligence
		As a result of the regulatory status (see # 34 above), VWL 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.

#	Verification Criterion Article 21 (9)	Verification Report
36	Clear and coherent definitions, regulations and possible measures with regard to the servicing of non-performing exposures	<p><u>Verification Method:</u> Legal (Transaction documents) / Due Diligence</p> <p>The description of the business procedures of VWL (see section "Business Procedures of Volkswagen Leasing GmbH" of the Final OC) and the Servicing Agreement (as summarised in the section "Administration of the Purchased Lease Receivables under the Servicing Agreement of the Final OC) contain a description of procedures related to:</p> <ul style="list-style-type: none"> • Negotiation of the Lease Contract and Appraisal of the Creditworthiness of the lessee • Debts Management • Termination of Lease Contracts • Enforcement • Write-Off • Internal Audit <p>The loss definition used in the transaction is based on the Write-off ("Written Off Purchased Lease Receivables") and this definition is consistently used in the Final OC, especially with respect to the Cumulative Net Loss Ratio, which in turn is used in the Level 1 and 2 Credit Enhancement Increase Condition determining the amortisation mechanism in the order of priority of payments.</p> <p>The draft investor report provides inter alia for the monthly reporting of the status of the Level 1 and 2 Credit Enhancement Increase Conditions.</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>
#	Verification Criterion Article 21 (10)	Verification Report
37	Clear rules in the event of conflicts between the different classes of noteholders	<p><u>Verification Method:</u> Regulatory / Legal (Transaction documents)</p> <p>The notes will be issued on the basis of the German Debenture Act (Schuldverschreibungsgesetz - SchVG), see section "Trust Agreement", subsection "Part K. Miscellaneous Provisions" of the Final OC. The law lays down clear rules in the event of conflicts between the different classes of noteholders.</p>

#	Verification Criterion Article 22 (1)	Verification Report
38	Provision of historical performance data before pricing	<p><u>Verification Method:</u> Legal (Transaction document) / Due Diligence</p> <p>The historical performance data provided by the Originator include the following areas:</p> <p>a) Losses (i.e. net losses after recoveries) <u>in static format</u> (covering the period from January 2007 until December 2018)</p> <p>It should be noted that these net losses, referred to and defined as "Write-Offs" in the Red OC as loss definition in the transaction, have been provided by the Originator in a detailed and consistent manner for the overall portfolio of substantially similar leased receivables covering a meaningful period of the credit cycle. The approach using write-off data is consistent with the business procedures of the Originator and the well documented processes for servicing of non-performing lease receivables until the point of write-off.</p> <p>Additionally, the Originator does disclose very detailed information on a single lease contract basis as part of the monthly investor reports for all outstanding VCL securitisations, see the link to the website of the Originator as shown below. These data allow to derive and analyse in detail the information on the recovery proceeds from the vehicle disposal, other recoveries, breakdown by region, brand, customer type (corporate/retail), vehicle type (new, used, demonstration vehicle) as well as date of origination and date of default. As a result, information about static or dynamic defaults (i.e. gross losses before recoveries) is disclosed. (www.vwfsag.de/de/home/investor_relations/Volkswagen_Leasing_GmbH/refinanzierung/asset_backed_securities.html).</p> <p>b) Losses (i.e. net losses after recoveries) in <u>dynamic</u> format (covering the period from March 2011 until December 2018)</p> <p>c) Delinquencies (covering the period from January 2010 until December 2018)</p> <p>In addition, data on historic prepayments in relation to the predecessor transactions VCL 13 to VCL 27 is provided.</p> <p>The data history, which is provided prior to pricing, covers a substantially longer period than the minimum of at least 5 years required under Article 22 (1) of the Securitisation Regulation, see section "Description of the Portfolio", subsection "Historical Performance Data" of the Final OC.</p> <p>Given that the most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio, namely the factors described in #23, are the same to the overall portfolio for which the above mentioned historical performance data have been procured, comparability between the securitised portfolio and the Originator's overall portfolio ("substantially similar exposures") is ensured.</p>

#	Verification Criterion Article 22 (2)	Verification Report
39	Performance of an asset audit on the basis of a sample and defined audit steps (Agreed upon Procedures, AuP) by an external independent party	<p><u>Verification Method:</u> Legal (AuP Report)</p> <p>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"> a) a verification of the compliance of the underlying exposures in the portfolio with the key eligibility criteria (the "<u>Eligibility Criteria Verification</u>"); and b) verification that the data disclosed to investors in the Final OC in respect of the underlying exposures is accurate (the "<u>Final OC Data Verification</u>"). <p>The sample drawn for the Eligibility Criteria Verification is representative of the securitised portfolio, based on the provisional pool cut dated 31 January 2019. This is ensured by a sufficiently large sample and random selection, applying a 95% confidence level. The final report prepared by the audit firm with regards to the Eligibility Criteria Verification has been made available to SVI on the 14th of March 2019. The final report confirms that the Eligibility Criteria Verification has occurred and that no significant adverse findings have been found.</p> <p>Although substantially upsized from EUR 750 million to EUR 1.0 billion, the final pool as of 31 March 2019 is highly comparable with the preliminary pool as of 31 January 2019 in terms of granularity and composition of the pool in terms of all applicable characteristics as described in the section "Description of the Lease Contracts, Lease Receivables, Leased Vehicles and Lessees" in the Final OC.</p> <p>The Final OC Data Verification has been performed by the audit firm based on the final pool cut as of 31 March 2019. This verification has been based on all underlying exposures (loan level data) and the scope has comprised (i) verification that the eligibility criteria that are included in the transaction documentation (see warranties and guarantees, p. 81 of the Final OC) are fulfilled in the technical selection process for the final pool cut, (ii) information in the stratification tables (see p. 85f of the Final OC) correspond to the final pool cut and (iii) the calculation on weighted average lives of the notes (see p. 113 of the Final OC) is correct. The final report prepared by the audit firm with regards to the Final OC Data Verification has been made available to SVI on 17 April 2019. The final report confirms that the Final OC Data Verification has occurred and that no adverse findings have been found.</p>

#	Verification Criterion Article 22 (3)	Verification Report
40	<p>Provision of a precise liability cash flow model 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>	<p><u>Verification Method</u>: Legal (Transaction documents) / Due Diligence (Cash flow model)</p> <p>The CF-Model has been prepared by Moody's Analytics on behalf of the Originator, and it is provided as web-based tool and can be accessed via www.sfportal.com. SVI has been granted access to the website and the cash flow model for the VCL 28 transaction prior to announcement 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 cash flow 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>The CF-Model accurately reflects the contractual relationships and cash flows from and to the securitised portfolio, cash accounts, swap counterparties, Class A and Class B Noteholders, the Subordinated Lender, the Originator, a potential back-up servicer as well as other parties involved (summarised as senior expenses).</p> <p>A wide range of different scenarios can be modelled, including but not limited to prepayments, delinquencies, defaults (gross losses), recoveries, swap payments, coupon on the notes and senior expenses. Both size as well as timing of payments or defaults can be varied. Also digital scenarios such as default of swap counterparties (yes/no) or exercise of call options (yes/no) can be considered. As a result, both base case scenarios for pricing as well as stress scenarios for credit analysis purposes can be modelled.</p> <p>The CF-Model is available since 13th of March 2019 and hence has been provided before pricing. It has been updated before closing to incorporate the final pool cut and will, during the life of the Transaction, be updated on a monthly basis.</p> <p>The Originator undertakes to provide potential investors with the CF-Model.</p>
#	Verification Criterion Article 22 (4)	Verification Report
41	<p>For residential mortgage loan, auto loan or leasing portfolios: publication of information on the environmental performance of the assets financed by such underlying exposures (energy performance certificates)</p>	<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 not captured in its internal database or IT systems and hence not available for reporting in this Transaction.</p>

#	Verification Criterion Article 22 (5)	Verification Report
42	<p>Compliance with the provisions of Art. 7 of the Securitisation Regulation (regarding Transparency) is the responsibility of the Originator or Sponsor</p>	<p><u>Verification Method</u>: Legal (Transaction documents) / Due Diligence</p> <p>The Originator confirms that it will fulfil the provisions of Art. 7 of the Securitisation Regulation as follows:</p> <ul style="list-style-type: none"> - Art. 7(1)(a): Loan level data will be made available for the first time on the payment date one month after closing (27 May 2019) and then on a monthly basis. - Art. 7(1)(b): The Red Prospectus will be made available prior to pricing. - Art. 7(1)(c): Not applicable. - Art. 7(1)(d): In accordance with the RTS for notification, the notification will be provided to investors in draft form prior to pricing and in final form prior to closing. - Art. 7(1)(e): The Investor Report will be made available for the first time on the payment date one month after closing (27 May 2019) and then on a monthly basis. - Art. 7(1)(f): Ad hoc announcements will be published as soon as they need to be published under the MAR. - Art. (1)(g): If a "Significant Event" occurs, investors will be informed immediately. <p>Until the RTS on Art. 7 has entered into force, the information according to Art. 7(1)(a) and Art. 7(1)(e) according to Art. 43(7) will be provided on the basis of the CRA3 templates.</p>

As a result of the verifications documented above, we confirm to Volkswagen Leasing GmbH that the STS criteria pursuant to Articles 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 “**VCL 28**” have been fulfilled.

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