



Driver One GmbH

Frankfurt am Main, Federal Republic of Germany

€400,000,000

Class A1 Floating Rate Asset Backed Notes of 2004/2010

(the "Class A1 Notes")

Issue Price: 100 per cent

€760,000,000

Class A2 Floating Rate Asset Backed Notes of 2004/2010

(the "Class A2 Notes")

Issue Price: 100 per cent

€40,000,000

Class B Floating Rate Asset Backed Notes of 2004/2010

(the "Class B Notes")

Issue Price: 100 per cent

Each Class A1 Note and each simultaneously issued Class A2 Note and each simultaneously issued subordinated Class B Note (together the "Notes") entitles the holder to demand the payment of a particular amount of interest and/or principal only, if and to the extent such amounts have been received by Driver One GmbH ("Driver One", the "Company" or the "Issuer") from the collection of loan receivables, from a Cash Collateral Account (as defined below), from the enforcement of the Collateral Rights (as defined below) and pursuant to the Class A1 Notes interest rate swap agreement (the "Class A1 Interest Rate Swap Agreement"), the Class A2 Notes interest rate swap agreement (the "Class A2 Interest Rate Swap Agreement") and the Class B Notes interest rate swap agreement (the "Class B Interest Rate Swap Agreement" and together with the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement, the "Swap Agreements"). The aggregate nominal amount of the Notes plus the overcollateralisation corresponds to the present value of the Loan Receivables (as defined below) discounted to the date of issue of the Notes using a discount rate of 3.6563%. Subject to payment in full by the respective borrowers in accordance with the underlying Loan Contracts (as defined below) and/or utilization of the Cash Collateral Account to the extent any shortfall of loan receivables is fully covered thereby and subject to receipt in full of the amounts payable under the Swap Agreements, the holder of each Note is entitled to payment of €10,000 of principal plus interest. Payments on principal and interest of each class of Notes will be made monthly in arrear on the 21st day of each month in each year, subject to adjustment for non-Business Days ("Business Day" as defined below), commencing on the Payment Date (as defined below) falling in December 2004. The Notes will bear interest at the European Interbank Offered Rate ("EURIBOR") for one month deposits plus 0.06% per annum in respect of the Class A1 Notes, plus 0.09% per annum in respect of the Class A2 Notes, and plus 0.23% per annum in respect of the Class B Notes, calculated in each case with reference to the principal amount of each Note remaining outstanding immediately prior to the time of each payment and published pursuant to Section 12 of the Terms and Conditions of the Notes (the "Terms and Conditions").

Application has been made to list the Notes on the Luxembourg Stock Exchange.

Each of the Notes in the denomination of €10,000 each will be governed by the laws of the Federal Republic of Germany and will be initially represented by a temporary global bearer note (the "Temporary Global Notes"), without interest coupons, which will be deposited on or around November 30, 2004 (the "Closing Date") with a common depository for Clearstream Banking société anonyme, Luxembourg ("Clearstream") and Euroclear Bank, S.A./N.V. ("Euroclear") as operator of the Euroclear System. The Temporary Global Notes will be exchangeable for permanent global notes (the "Permanent Global Notes"), without interest coupons, not earlier than 40 days and not later than 180 days after the Closing Date upon delivery of certifications as set forth in § 1(3) of the Terms and Conditions. The Temporary Global Notes and the Permanent Global Notes shall together be referred to as the "Global Notes". The Permanent Global Notes will not be exchangeable for definitive Notes. See "Summary of the Terms and Conditions of the Notes – Global Notes".

Lead Manager

ABN AMRO

Managers

BNP PARIBAS

HVB

The Royal Bank of Scotland

For a discussion of certain significant factors affecting investments in the Notes, see "Risk Factors".

Driver One and Volkswagen Bank GmbH (hereinafter “VW Bank”) accept responsibility for the information contained in this Offering Circular and have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion.

No person has been authorised to give any information or to make any representations, other than those contained in this Offering Circular, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by Driver One, VW Bank, the Security Trustee, the Servicer, the Data Protection Trustee (all as defined below) or by the financial institutions shown on the cover page (the “Managers”).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither the delivery of this Offering Circular nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Offering Circular is correct as of any time subsequent to the date hereof, or (ii) that there has been no adverse change in the financial situation of Driver One or with respect to VW Bank since the date of this Offering Circular or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Offering Circular by reference or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

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

This Offering Circular may only be used for the purposes for which it has been published. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of any offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Offering Circular (or of any part thereof) and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular (or any part thereof) comes are required by Driver One and the Managers to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Offering Circular (or of any part thereof) see “Subscription and Sale”.

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

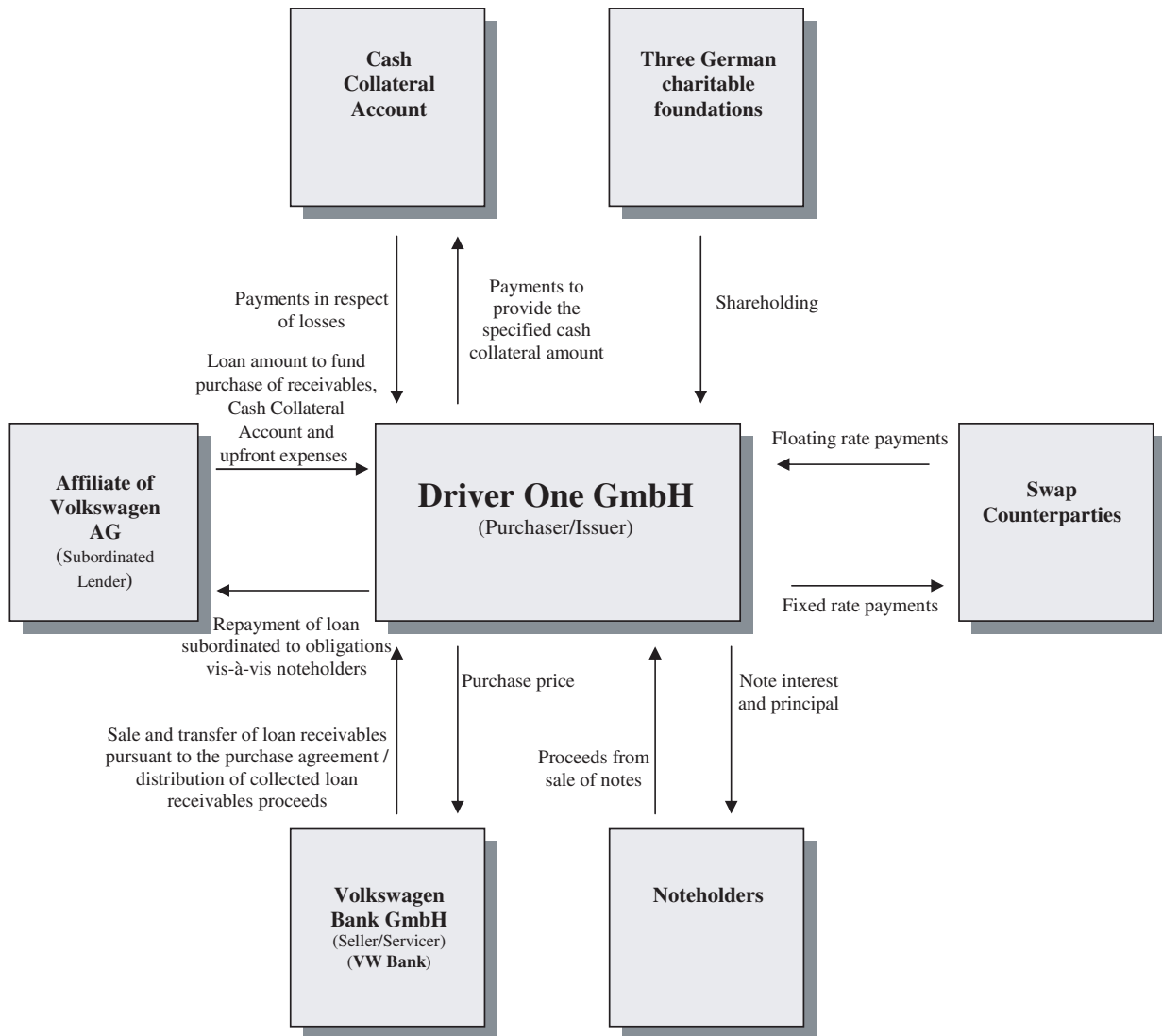
An investment in these Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

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

In connection with the issue of the Notes, ABN AMRO Bank N.V. may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

In connection with the certification by True Sale International, the Issuer has appointed two market makers which undertake to provide bids for the sale and purchase of the Notes in the secondary market up to a certain amount and under certain conditions set out in a market making agreement.

STRUCTURE DIAGRAM



PRINCIPAL FEATURES OF THE DRIVER ONE NOTES

	<i>Class A1 Notes</i>	<i>Class A2 Notes</i>	<i>Class B Notes</i>
Nominal Amount	€400,000,000	€760,000,000	€40,000,000
Rate of Interest	EUR- EURIBOR-rate for one month deposits + 0.06 per cent. per annum	EUR- EURIBOR-rate for one month deposits + 0.09 per cent. per annum	EUR- EURIBOR-rate for one month deposits + 0.23 per cent. per annum
Issue Price	100 per cent.	100 per cent.	100 per cent.
Final Scheduled Payment Date	Payment Date in May 2009	Payment Date in May 2009	Payment Date in May 2009
Final Maturity Date	Payment Date in May 2010	Payment Date in May 2010	Payment Date in May 2010
Expected Ratings on Issue	AAA by Fitch Aaa by Moody's	AAA by Fitch Aaa by Moody's	A+ by Fitch A1 by Moody's
Form	Global Bearer	Global Bearer	Global Bearer
Listing	Application for listing on the Luxembourg Stock Exchange	Application for listing on the Luxembourg Stock Exchange	Application for listing on the Luxembourg Stock Exchange
Certified by True Sale International	Certified by True Sale International (see page 41)		
Clearing	Clearstream Banking s.a., Luxembourg/ Euroclear Bank S.A./ N.V.	Clearstream Banking s.a., Luxembourg/ Euroclear Bank S.A./ N.V.	Clearstream Banking s.a., Luxembourg/ Euroclear Bank S.A./ N.V.
Security Code	AOC4VU	AOC4VV	AOC4VW
ISIN	XS0207067165	XS0207068486	XS0207069708
Common Code	020706716	020706848	020706970

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I. SUMMARY OF THE OFFERING CIRCULAR

This Section I is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular.

Issuer	Driver One GmbH, Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany, a company which is not related to Volkswagen AG, but is wholly owned by three charitable foundations Stiftung Kapitalmarktrecht für den Finanzstandort Deutschland, Frankfurt am Main, Stiftung Kapitalmarktforschung für den Finanzstandort Deutschland, Frankfurt am Main, and Stiftung Unternehmensfinanzierung und Kapitalmärkte für den Finanzstandort Deutschland, Frankfurt am Main, which have been established under German law and with participations of 1/3 each. Driver One will be liquidated after the final payment to the holders of Class A1, Class A2 and Class B Notes (the “Noteholders”) and to the creditor of the Subordinated Loan (as defined below).
Seller of the receivables	Volkswagen Bank GmbH, Braunschweig, a wholly-owned subsidiary of Volkswagen Financial Services AG
Lead Manager	ABN AMRO Bank N.V., London Branch
Servicer	Volkswagen Bank GmbH.
Class A1 Swap Counterparty	As of November 25, 2004, American International Group, Inc. (“AIG”), which guarantees the payment obligations of Banque AIG, London Branch, has a long term debt rating of AAA by Standard & Poor’s and a short term debt rating of A-1+ by Standard & Poor’s, a long term debt rating of Aaa by Moody’s, and a long term debt rating of AAA by Fitch and a short term debt rating of F1+ by Fitch. The debt rating of Banque AIG (“Banque AIG”), which acting through its London Branch is the interest rate swap provider, is based on the credit support provided by AIG. As of November 25, 2004, Banque AIG has a long term debt rating of AAA by Standard & Poor’s and a long term debt rating of Aaa by Moody’s. As of such date, the long term debt rating of AIG by Fitch was on “Outlook Negative” and the long term debt ratings of AIG and Banque AIG by Standard and Poor’s were on “Outlook Negative”. No assurances are given regarding the future level of the long term or short term debt ratings of AIG or Banque AIG.
Class A2 Swap Counterparty	As of November 25, 2004, American International Group, Inc. (“AIG”), which guarantees the payment obligations of Banque AIG, London Branch, has a long term debt rating of AAA by Standard & Poor’s and a short term debt rating of A-1+ by Standard & Poor’s, a long term debt rating of Aaa by Moody’s, and a long term debt rating of AAA by Fitch and a short term debt rating of F1+ by Fitch. The debt rating of Banque AIG (“Banque AIG”), which acting through its London Branch is the interest rate swap provider, is based on the credit support provided by AIG. As of November 25, 2004, Banque AIG has a long term debt rating of AAA by Standard & Poor’s and a long term debt rating of Aaa by Moody’s. As of such date, the long term debt rating of AIG by Fitch was on “Outlook Negative” and the long term debt ratings of AIG and Banque AIG by Standard and Poor’s were on “Outlook Negative”. No assurances are given regarding the future level of the long term or short term debt ratings of AIG or Banque AIG.
Class B Swap Counterparty	As of November 25, 2004, American International Group, Inc. (“AIG”), which guarantees the payment obligations of Banque AIG, London Branch, has a long term debt rating of AAA by Standard & Poor’s and a short term debt rating of A-1+ by Standard & Poor’s, a long term debt rating of Aaa by Moody’s, and a long term debt rating of AAA by Fitch and a short term debt rating of F1+ by Fitch. The

debt rating of Banque AIG (“Banque AIG”), which acting through its London Branch is the interest rate swap provider, is based on the credit support provided by AIG. As of November 25, 2004, Banque AIG has a long term debt rating of AAA by Standard & Poor’s and a long term debt rating of Aaa by Moody’s. As of such date, the long term debt rating of AIG by Fitch was on “Outlook Negative” and the long term debt ratings of AIG and Banque AIG by Standard and Poor’s were on “Outlook Negative”. No assurances are given regarding the future level of the long term or short term debt ratings of AIG or Banque AIG.

Cutoff Date	October 31, 2004.
Closing Date/Issue Date	November 30, 2004.
Class A1 Notes	Total nominal amount: €400,000,000, consisting of 40,000 Class A1 Notes each in the nominal amount of €10,000 (the “Class A1 Notes”). The Class A1 Notes rank senior to the Class B Notes (as defined below) with respect to payment of interest and principal (as hereinafter described). With respect to payment of interest, the Class A1 Notes rank <i>pari passu</i> to the Class A2 Notes. With respect to payment of principal, the Class A1 Notes will be repaid sequentially in priority to the Class A2 Notes as long as no Foreclosure Event (as defined in § 18 of the Trust Agreement) has occurred. Upon the occurrence of a Foreclosure Event, principal on the Class A1 Notes and on the Class A2 Notes will be repaid <i>pari passu</i> on a pro-rata basis.
Class A2 Notes	Total nominal amount: €760,000,000, consisting of 76,000 Class A2 Notes each in the nominal amount of €10,000 (the “Class A2 Notes”). The Class A2 Notes rank senior to the Class B Notes (as defined below) with respect to payment of interest and principal (as hereinafter described). With respect to payment of interest, the Class A1 Notes rank <i>pari passu</i> to the Class A2 Notes. With respect to payment of principal, the Class A1 Notes will be repaid sequentially in priority to the Class A2 Notes as long as no Foreclosure Event (as defined in § 18 of the Trust Agreement) has occurred. Upon the occurrence of a Foreclosure Event, principal on the Class A1 Notes and on the Class A2 Notes will be repaid <i>pari passu</i> on a pro-rata basis.
Class B Notes	Total nominal amount: €40,000,000, consisting of 4,000 Class B Notes each in the nominal amount of €10,000 (the “Class B Notes”). The Class B Notes rank junior to the Class A1 Notes and Class A2 Notes with respect to payment of interest and principal (as hereinafter described) (the Class A1 Notes, the Class A2 Notes and the Class B Notes together the “Notes”).
Subordinated Loan	Subordinated loan granted by an affiliate of Volkswagen AG (hereinafter the “Subordinated Lender”) in the total nominal amount: of €50,659,801 to Driver One on the date of the issuance of the notes (the “Subordinated Loan”). The Subordinated Loan serves as credit enhancement and ranks junior to the Notes with respect to payment of interest and principal (as described below) and will provide credit enhancement in the form of overcollateralisation for the Class A1 Notes, the Class A2 Notes and the Class B Notes.
Overcollateralisation	In addition to the Subordinated Loan there will be overcollateralisation in the amount of €15,835,226.49 in the form of additional Aggregate Discounted Principal Balance (as defined below) at the Closing Date.
Cash Collateral Account	On the date of the issue of the Notes, Driver One has deposited €18,998,000 (1.5% of the Aggregate Discounted Principal Balance) as initial cash reserve as set forth in § 24 of the Trust Agreement in a special account of the Issuer (the “Cash Collateral Account”) at ABN AMRO Bank N.V., Niederlassung Deutschland. All funds in the Cash

	Collateral Account are referred to as the “Cash Collateral Amount”. Drawing from the Cash Collateral Accounts will be made in accordance with § 24(2) of the Trust Agreement.
Cash Collateral Account Bank	ABN AMRO Bank N.V., Niederlassung Deutschland, Theodor-Heuss-Allee 80, 60486 Frankfurt am Main, Federal Republic of Germany (the “Cash Collateral Account Bank”).
Distribution Account	A Distribution Account of the Issuer will be maintained with ABN AMRO Bank N.V., Niederlassung Deutschland on which the Servicer will remit payments as described in more detail in Chapter VIII “Administration of the Loan Receivables under the Servicer Agreement”.
Distribution Account Bank	ABN AMRO Bank N.V., Niederlassung Deutschland, Theodor-Heuss-Allee 80, 60486 Frankfurt am Main, Federal Republic of Germany (the “Distribution Account Bank”).
Discount Rate	The discount rate is 3.6563%, which is used for the calculation of the present value of the Loan Receivables equals the weighted average of (i) the estimated fixed rates under the Swap Agreements and (ii) an estimate of the hypothetical swap rate (being higher than the fixed rate under the Swap Agreements) theoretically needed to swap the floating rate payments of the Subordinated Loan, plus the Servicer Fee (as defined below) at a rate of 1% per annum, plus 0.03% for any administrative cost and fees.
Discounted Principal Balance	The discounted principal balance (the “Discounted Principal Balance”) means as of the end of any Monthly Period the present value of the Loan Receivables remaining to be paid in the future calculated using a discount rate equal to the Discount Rate which would include (and which will include for the avoidance of doubt) Loan Receivables or portions of Loan Receivables which are still unpaid except the Discounted Principal Balance will be zero for Loan Receivables which have been finally written-off by the Servicer in accordance with its customary practices as applicable from time to time.
Order of Priority	For the Order of Priority (as defined in § 23(3)(i) of the Trust Agreement) of payments applicable (i) prior to the occurrence of a Foreclosure Event (as defined in § 18 of the Trust Agreement) and (ii) upon the occurrence of a Foreclosure Event see page 104 <i>et seq.</i>
Interest and Principal	Each Class A1 Note entitles the holder thereof to receive on each Payment Date (as defined below) interest at the rate equivalent to One-Month EURIBOR for euro deposits plus 0.06% per annum (the “Class A1 Note Interest Rate”) on the nominal amount of each Class A1 Note outstanding immediately prior to such Payment Date and, in addition, out of the amounts remaining from the Available Distribution Amount (as defined below) on each Payment Date after payment of interest due and payable on the Class A2 Notes and on the Class B Notes (prior to the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement), payment of principal in an amount up to the Class A1 Principal Payment Amount (as defined below). Upon the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement, the payments of principal in an amount up to the outstanding principal of the Class A1 Notes will rank <i>pari passu</i> with payments to the holders of the Class A2 Notes in an amount equal to the Class A2 Principal Payment Amount (as defined below). Each Class A2 Note entitles the holder thereof to receive on each Payment Date (as defined below) out of the amounts remaining from the Available Distribution Amount (as defined below) on each Payment Date after payment of interest due and payable on the Class A1 Notes interest at the rate equivalent to One-Month EURIBOR for euro deposits plus 0.09% per annum (the “Class A2

Note Interest Rate”) on the nominal amount of each Class A2 Notes outstanding immediately prior to such Payment Date and, in addition, out of the amounts remaining from the total amount available for payment to Noteholders on each Payment Date after payment of interest due and payable on the Class A1 Notes and on the Class B Notes, and (prior to the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement) after payment of principal in an amount up to the Class A1 Principal Payment Amount (as defined below) payment of principal in an amount equal to the Class A2 Principal Payment Amount (as defined below). Upon the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement, the payments of principal in an amount up to the outstanding principal of the Class A1 Notes will rank *pari passu* with payments to the holders of the Class A2 Notes in an amount equal to the Class A2 Principal Payment Amount (as defined below).

Each Class B Note entitles the holder thereof to receive on each Payment Date, out of the amounts remaining from the Available Distribution Amount (as defined below) on each Payment Date after payment of interest due and payable on the Class A1 Notes and Class A2 Notes, interest at the rate equivalent to One-Month EURIBOR for euro deposits plus 0.23% per annum (the “Class B Note Interest Rate”) on the nominal amount of each Class B Note outstanding immediately prior to such Payment Date and, in addition, payment of principal in an amount equal to the Class B Principal Payment Amount (as defined below), after the payment of the principal in an amount up to the Class A1 Principal Payment Amount (as defined below) and the Class A2 Principal Payment Amount (as defined below) on that Payment Date.

With respect to payments of interest and principal please see also the risk factor descriptions as set forth in Chapter II and in particular the risk factor outlined under “Liability and Limited Recourse under the Notes and the Subordinated Loan”.

Payment Dates

The 21st of each month, or, in the event such day is not a TARGET business day, then on the next following TARGET business day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day, beginning December 21, 2004 (each a “Payment Date”).

“TARGET business day” means any day on which the Trans-European Automated Real-time Gross Settlement Express System (Target) or the successor system to Target is open for business, provided that this day is also a business day in London.

Final Maturity Date

Payment Date falling in May 2010.

Monthly Payments

The “Available Distribution Amount” on each Payment Date shall equal the sum of the following Amounts:

- the Loan Receivables (as defined below) (including payments received in the event of termination of Loan Agreements (as defined below) and including the amounts payable by VW Bank in cases of a settlement pursuant to the Purchase Agreement (as defined below) received or collected by the Servicer for the calendar month immediately prior to each Payment Date (the “Monthly Period”), plus
- drawings from the Cash Collateral Account as provided for in § 24(2) of the Trust Agreement; plus
- Driver One’s portion in the proceeds from the realisation of Financed Objects pursuant to § 7 of the Purchase Agreement, plus

- the net swap receipts (the “Net Swap Receipts”) under the Class A1 Notes Interest Rate Swap Agreement, the Class A2 Notes Interest Rate Swap Agreement and the Class B Notes Interest Rate Swap Agreement and certain other amounts.

Early Settlement

Pursuant to the provisions of the agreement for the purchase of loan receivables entered into by VW Bank and Driver One (the “Purchase Agreement”), Driver One is entitled to demand from VW Bank, as a contractual remedy, the retransfer of the Loan Receivables under a contract in certain circumstances against payment of the Settlement Amount (as defined below). This includes *inter alia* the assertion of invalidity of the loan agreement or of rights to refuse to perform by the borrower. The sum to be paid by VW Bank to Driver One (the “Settlement Amount”) corresponds to the present value of the relevant Loan Receivables becoming payable during the remaining term of the contract.

Each of these cases of early settlement (“Early Settlement”) may lead to earlier payments of the Notes than would be the case in the event of collection of the Loan Receivables in accordance with the Purchase Agreement as set forth in more detail in Chapter II Risk Factors under “Risk of Early Repayment”.

Clean-up Call

VW Bank will have the right at its option to exercise a clean-up call (the “Clean-up Call”) and to repurchase the Loan Receivables from Driver One at any time when the sum of the Discounted Principal Balances for all loan contracts (the “Aggregate Discounted Principal Balance”) is less than 9% of the sum of the Discounted Principal Balances for all loan contracts as of the Cutoff Date (the “Aggregate Cutoff Date Discounted Principal Balance”) provided that all payment obligations under the Notes will be thereby fulfilled.

Assets and Collateral

The assets and collateral underlying the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Subordinated Loan (together the “Funding”) consists of the following:

A. Loan Receivables:

Under the Purchase Agreement Driver One has purchased from VW Bank the Loan Receivables (which include payments of principal, (including prepayments) and interest (including late payment penalties) and proceeds from the realisation of the Financed Objects (as defined below)) to the extent that the monthly payments reflect payments for the financing of the purchase of the vehicles and vehicle financing contracts primarily originated by Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge dealers as agents as well as by third parties (the “Loan Contracts”) and under which the borrowers amortise in monthly instalments over the life of the contract the loan amount. A portion of the Loan Contracts may also provide that the Loan Contracts amortise over the life of the Loan Contracts in substantially equal monthly instalments and a final larger instalment (the “Balloon Rate”). If the Loan Receivables should partially or totally fail to conform at the Cutoff Date to the warranties given by VW Bank in the Purchase Agreement (for a detailed description of the warranties (eligibility criteria) which apply to the Loan Receivables see page 42 *et seq.* below) and such failure materially and adversely affects the interests of Driver One or the Noteholders, VW Bank shall have until the end of the Monthly Period which includes the 60th day (or, if VW Bank elects, an earlier date) after the date that VW Bank became aware or was notified of such failure to cure or correct such failure. Any such breach or failure will not be deemed to have a material and adverse effect if such failure does not affect the ability of Driver One to receive and retain timely payment in full on such Loan Receivable. If VW

Bank does not cure or correct such failure prior to such time, then VW Bank is required to repurchase any Loan Receivable affected by such failure on the Payment Date following the expiration of such period. Any such purchase by VW Bank shall be at a price equal to the present value of the Loan Receivables as of the Cutoff Date remaining due under such Loan Contract, using a discount rate of 3.6563%.

B. Additional Rights:

Under the Purchase Agreement Driver One has, furthermore, purchased certain rights associated with the premature termination of a Loan Contract or with the transfer of Loan Receivables as well as security title to the seizable portion of the respective Borrower's wage and salary receivables, if any, which VW Bank had acquired as collateral under the relevant Loan Contract (the "Additional Rights").

C. Cash Collateral Account:

On the date of the issue of the Notes, Driver One has deposited the initial Cash Collateral Amount of €18,998,000 (1.5% of the Aggregate Discounted Principal Balance) as cash reserve in the Cash Collateral Account at ABN AMRO Bank N.V., Niederlassung Deutschland.

D. Ownership of the financed assets as security:

In order to secure the existence and fulfilment of the Loan Receivables outstanding at any one time, VW Bank has transferred the ownership of the Financed Objects (as defined below) to Driver One for security purposes (*Sicherungseigentum*), which has assigned this ownership for security purposes (*Sicherungseigentum*) to the Security Trustee. As a substitute for the delivery of the Financed Objects, VW Bank has assigned the claims for delivery in respect of the Financed Objects to Driver One, which has reassigned these claims for delivery to the Security Trustee.

Servicer

Under the Servicing and Management Agreement between Driver One, the Security Trustee and VW Bank (the "Servicing Agreement"), VW Bank has agreed to

- administer the Loan Contracts and in particular to collect the Loan Receivables according to its usual business practices as they exist from time to time;
- repossess the respective vehicle on behalf of Driver One upon termination of a Loan Contract and consistent with its customary practices as they exist from time to time;
- administer the Cash Collateral Account;
- transfer to Driver One the amounts to be paid each month to the Noteholders, to the Swap Counterparties and the Subordinated Lender;
- perform other tasks incidental to the above.

Security Trustee

Beiten Burkhardt Rechtsanwaltsgesellschaft mbH, Bockenheimer Anlage 15, 60322 Frankfurt am Main (the "Security Trustee").

Trust Agreement

Driver One has entered into a Trust Agreement with the Security Trustee and VW Bank (the "Trust Agreement"), under which Driver One has authorised the Security Trustee to act as fiduciary agent for the Transaction Creditors (as defined in the recitals of the Trust Agreement) and has undertaken to the Security Trustee (the "Trustee Claim") to duly make all payments owed to Transaction Creditors directly or, in case of non-performance, to the Security Trustee for purposes of transfer of such amounts to the respective Transaction Creditors.

As collateral for the Trustee Claim, Driver One has assigned and/or pledged, as applicable, the Loan Receivables, the claims to the Cash Collateral Account, the claims to the distribution account (the “Distribution Account”), the claims from obligations of VW Bank in case of breach of warranties, the claims arising from the comprehensive insurance policies concluded for the financed objects (the “Financed Objects”), the unilateral rights to alter the Loan Contracts (*Gestaltungsrechte*), the rights under the Swap Agreements, and the other surrender claims to which Driver One is entitled under the Purchase Agreement as well as Driver One’s ownership interest in the Financed Objects. VW Bank has transferred the ownership of the Financed Objects to Driver One for security purposes (*Sicherungseigentum*) and Driver One has transferred the ownership for security purposes (*Sicherungseigentum*) of the Financed Objects to the Security Trustee. The Security Trustee has agreed to realise the ownership for security purposes (*Sicherungseigentum*) of the Financed Objects or have the ownership for security purposes (*Sicherungseigentum*) realised in accordance with the terms of the underlying security agreements relating to the Financed Objects. Driver One has also assigned to the Security Trustee its claims to disbursement of the portion of the realisation proceeds due to Driver One.

Data Protection Trustee

VW Bank has appointed Beiten Burkhardt Rechtsanwaltsgesellschaft mbH, Bockenheimer Anlage 15, 60322 Frankfurt am Main as data protection trustee (the “Data Protection Trustee”) under the provisions of a data protection trust agreement and entered into by VW Bank, the Data Protection Trustee, the Security Trustee and Driver One (the “Data Protection Trust Agreement”) and delivered to it in a sealed containment an electronically readable data media with the decryption key for the identification of the names and addresses of the borrowers. The Data Protection Trust Agreement will comply with the requirements of the German regulator *Bundesanstalt für Finanzdienstleistungsaufsicht* for the protection of the banking secrecy in asset-backed securitisation transactions of German credit institutions as outlined in the German regulator’s circular 4/97. The Data Protection Trustee will keep the decryption key in careful safe custody and protect it against unauthorised access by any third parties. Should VW Bank not comply with its obligation to notify the borrower on the assignment of the Loan Receivables to Driver One in case of the occurrence on a notification event as provided for in the Servicing Agreement (see Chapter VIII “Administration of the Loan Receivables under the Servicing Agreement”, Dismissal and Replacement of the Servicer) the Data Protection Trustee will cause a substitute servicer being appointed by Driver One under the Servicing Agreement (see Chapter VIII “Administration of the Loan Receivables under the Servicing Agreement”, Collection Right of the Servicer) to notify the respective borrowers of the assignment and to instruct them to pay the Loan Receivables into the Distribution Account of Driver One.

Swap Agreements

Driver One will enter into a Class A1 Note interest rate swap agreement with Banque AIG, London Branch (the “Class A1 Swap Counterparty”), a Class A2 Notes interest rate swap agreement with Banque AIG, London Branch (the “Class A2 Swap Counterparty”) and a Class B Notes interest rate swap agreement with Banque AIG, London Branch (the “Class B Swap Counterparty”). Each swap agreement consists of an ISDA Master Agreement, the associated schedule and a confirm dated as of the date of such ISDA Master Agreement. Each swap agreement will hedge the floating interest rate risk on the applicable class of Notes.

Paying Agent

	BNP Paribas Securities Services, Luxembourg Branch (the “Paying Agent”).
Administrator	TMF Deutschland AG, Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany (the “Administrator”).
Administration Agreement	Driver One will enter into an administration agreement (the “Administration Agreement”) with TMF Deutschland AG, Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany, as Administrator pursuant to which the Administrator shall perform certain services for Driver One, particularly taking over the accounting for Driver One and supporting the managing directors of Driver One in any company law matters and providing the registered domicile of Driver One.
Applicable Law	The Notes are governed by the laws of the Federal Republic of Germany.
Tax Status of the Notes	See page 39 <i>et seq.</i>
Selling Restrictions	See Chapter XVI (Subscription and Sale) under Selling Restrictions
Clearing System	Clearstream Banking société anonyme, Luxembourg and Euroclear Bank S.A./N.V. (see Chapter XVII (General Information) under Payment Information)
Ratings	The Class A1 Notes are expected to be rated AAA by Fitch Ratings Limited (“Fitch”) and Aaa by Moody’s Investors Service Limited (“Moody’s”; Fitch and Moody’s together the “Rating Agencies”). The Class A2 Notes are expected to be rated AAA by Fitch and Aaa by Moody’s. The Class B Notes are expected to be rated A+ by Fitch and A1 by Moody’s. The ratings address the ultimate payment of principal and the timely payment of interest. The rating should not be regarded as a recommendation by Driver One or by the Managers or by the Rating Agencies to buy, sell or hold the Notes; such a rating is subject to revision or withdrawal at any time.
Market Maker	ABN AMRO Bank N.V., BNP PARIBAS, Bayerische Hypo-und Vereinsbank AG, DZ Bank AG and The Royal Bank of Scotland have been appointed market maker (the “Market Maker”) which have undertaken to provide bids for the sale and purchase of the Notes in the secondary market as provided for in detail in Chapter IV Summary of the Terms and Conditions of the Notes Certification by True Sale International GmbH (TSI).
Clearing Codes	<p>Class A1 Notes Security Code: A0C4VU ISIN: XS0207067165 Common Code: 020706716</p> <p>Class A2 Notes Security Code: A0C4VV ISIN: XS0207068486 Common Code: 020706848</p> <p>Class B Notes Security Code: A0C4VW ISIN: XS0207069708 Common Code: 020706970</p>

II. RISK FACTORS

The following is a summary of certain aspects of the Notes about which prospective Noteholders should be aware. This summary is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this document and reach their own views prior to making any investment decision.

Historical and Other Information

The historical information set out in particular in Chapter V (Description of the Loan Receivables under the Receivables Purchase Agreement and of the Rights associated with the Premature Termination of Loan Contract or with the Transfer of Loan Receivables (the “Additional Rights”)), is based on the historical experience and present procedures of the Seller. None of the Issuer, the Swap Counterparties, the Managers, the Security Trustee, the Paying Agent, nor the Administrator has undertaken or will undertake any investigation or review of, or search to verify the historical information. There can be no assurances as to the future performance of the Loan Receivables.

Market and Liquidity Risk for the Notes

Presently, there is no secondary market for the Notes and there is no guarantee that a liquid secondary market will be established in the near future. Although the Managers or the market makers could establish a secondary market for the Notes, this does not necessarily mean that they are obliged to do so and any market activity which has been there in the past can be easily terminated without prior notice. If there are no market activities (i.e. bids and offers) by the Managers or the market makers, it is unlikely that a liquid secondary market will be established. The certification by TSI is conditional upon the appointment of two market makers which provide bids for the sale and purchase of the Class A1 Notes and the Class A2 Notes in compliance with the procedures of TSI. However, the obligation of the market makers to provide such bids is restricted in several ways and is not a guarantee that a secondary market will be established or functioning at all times. It is therefore not guaranteed that a secondary market will be established and even if such market is established that it provides sufficient liquidity to absorb any bids. Accordingly investors should be prepared to be invested in the Notes until final maturity of the relevant Note.

Violation of the Articles of Association (Satzung) of the Issuer or the Trust Agreement by the Issuer may adversely affect the Performance of the Notes

The articles of association of the Issuer and the Trust Agreement puts in place certain restrictions with respect to the business and corporate governance of the Issuer. In a nutshell, the Issuer may only undertake such business which is related to the transaction and agreements described in this offering circular. However, any action which provokes a breach of the articles of association or the Trust Agreement, respectively and/or the commitment of further indebtedness, would generally constitute legal, valid and binding obligations of the Issuer and may adversely affect the payment or principal of the Notes.

Responsibility of Prospective Investors

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

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

Amendments to the Conditions of the Notes

The rights and claims of each investor in the Notes may be subject to any binding resolution of the noteholders' assembly (*Gläubigerversammlung*). The noteholders' assembly may under certain conditions vote to restrict or waive the rights of all Noteholders, (e.g. agree to a decrease of interest

or the conclusion of standstill agreements), irrespective of the concerned Noteholder being present at the assembly meeting and irrespective of granting its consent to such measures.

Termination for Good Cause (Kündigung aus wichtigem Grund)

As a general principle of German law a contract must provide termination for good cause (*aus wichtigem Grund*) and such right may not be totally excluded nor may it be unreasonably exacerbated or linked to a consent from a third party. This may also have an impact on limitations of the right of the parties to the Transaction Agreements to terminate for good cause.

Risk of Late Payment of Monthly Instalments

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

Risk of Early Repayment

In the event that those Loan Contracts underlying Loan Receivables are prematurely terminated or otherwise settled early, the Noteholders will (barring the loss of some or all of the Loan Receivables, which is covered below) be repaid the principal which they invested, but will receive interest for a shorter period than that provided in the respective Loan Contract.

Risk of Losses on the Loan Receivables

The risk to the Class A1 Noteholders and the Class A2 Noteholders that they will not receive the amount due to them under the Class A1 Notes and Class A2 Notes as stated on the cover page of this Offering Circular is covered up to the amount of funds in the Cash Collateral Amount, by the investment of principal of the holders of Class B Notes and the Subordinated Lender due to the subordination of the Class B Notes and the Subordinated Loan to the Class A1 Notes and Class A2 Notes and by the excess of the Aggregate Discounted Principal Balance over the sum of the total nominal amounts of the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Subordinated Loan.

The risk to the Class B Noteholders that they will not receive the amount due to them under the Class B Notes as stated on the cover page of this Offering Circular is covered up to the amount of funds in the Cash Collateral Amount to the extent the Class A1 Noteholders and the Class A2 Noteholders are not entitled to such amounts, by the investment of the Subordinated Lender due to the subordination of the Subordinated Loan to the Class A1 Notes, the Class A2 Notes and the Class B Notes and by the excess of the Aggregate Discounted Principal Balance over the sum of the total nominal amounts of the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Subordinated Loan.

There is no assurance that the Class A1 Noteholders will receive for each Class A1 Note the total nominal amount of €10,000 plus interest at the Class A1 Note Interest Rate nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts.

There is no assurance that the Class A2 Noteholders will receive for each Class A2 Note the total nominal amount of €10,000 plus interest at the Class A2 Note Interest Rate nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts.

There is no assurance that the Class B Noteholders will receive for each Class B Note the total nominal amount of €10,000 plus interest at the Class B Note Interest Rate nor that the distributions which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts.

Market Value of Loan Receivables

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

Interest Rate Risk / Risk of Swap Counterparty Insolvency

Driver One will enter into three interest rate Swap Agreements because the Loan Receivables bear interest at fixed rates while the Notes will bear interest at floating rates based on EURIBOR. The

volume of the cash flows of the Loan Receivables required to make interest payments under each Class of the Notes will not be adjusted in accordance with the development of the floating interest rates. Driver One will use payments made by the Swap Counterparties to make payments on the Notes on each Payment Date.

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

During those periods in which the floating rates payable by a Swap Counterparty under a Swap Agreement are less than the fixed rates payable by Driver One under such Swap Agreements, Driver One will be obligated under such Swap Agreement to make a payment to such Swap Counterparty. The Swap Counterparties' claims for payment (including certain termination payments required to be made by Driver One upon a termination of a Swap Agreement) under the Swap Agreements will be higher in priority than all payments on the Notes. If a payment under a Swap Agreement is due to a Swap Counterparty on a Payment Date, the Loan Receivables and the Cash Collateral Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

A Swap Counterparty may terminate a Swap Agreement if Driver One becomes insolvent, if Driver One fails to make a payment under the Swap Agreement when due and such failure is not remedied within three business days of notice of such failure being given, if performance of the Swap Agreement becomes illegal, if a Foreclosure Event occurs under the Trust Agreement or if payments to the Swap Counterparty are reduced or payments from the Swap Counterparty are increased for a set period of time due to tax reasons. Driver One may terminate a Swap Agreement if, among other things, the Swap Counterparty becomes insolvent, the Swap Counterparty fails to make a payment under the Swap Agreement when due and such failure is not remedied within three business days of notice of such failure being given, performance of the Swap Agreement becomes illegal or payments to Driver One are reduced or payments from Driver One are increased due to tax for a period of time.

Driver One is exposed to the risk that a Swap Counterparty may become insolvent. In the event that a Swap Counterparty suffers a ratings downgrade, Driver One may terminate the related Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions could include the Swap Counterparty collateralising its obligations as a referenced amount, transferring its obligations to a replacement Swap Counterparty or procuring a guaranty. However in the event a Swap Counterparty is downgraded there can be no assurance that a guarantor or replacement Swap Counterparty will be found or that the amount of collateral will be sufficient to meet the Swap Counterparty's obligations.

In the event that a Swap Agreement is terminated by either party, then depending on the reason for the termination a termination payment may be due to Driver One or to the Swap Counterparty. Any such termination payment could, if market interest rates and other conditions have changed materially, be substantial. Under certain circumstances, termination payments required to be made by Driver One to a Swap Counterparty will rank higher in priority than all payments on the Notes. In such event, the Loan Receivables and the Cash Collateral Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

In the event that a Swap Agreement is terminated by either party or a Swap Counterparty becomes insolvent, Driver One may not be able to enter into a replacement Swap Agreement immediately or at all. To the extent a replacement Swap Agreement is not in place, the amount available to pay principal of and interest on the Notes will be reduced if the interest rates on Notes exceeds the fixed rate Driver One would have been required to pay the Swap Counterparty under the terminated Swap Agreement. Under these circumstances the Loan Receivables and the Cash Collateral Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

A Swap Counterparty may transfer its obligations under the Swap Agreement to a third party with the required rating, which is a long term rating from Moody's of at least A1 and short term ratings

of F1 by Fitch and P-1 by Moody's, if it meets certain limited conditions. There can be no assurance that the credit quality of the replacement Swap Counterparty will ultimately prove as strong as that of the original Swap Counterparty.

Credit Risk of the Parties

The ability of Driver One to make any principal and interest payments in respect of the Notes depends to a large extent upon the ability of the parties to the Transaction Agreements (as defined in the Trust Agreement) to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Servicer to service the Loan Receivables and on the maintenance of the level of interest rate protection offered by the Swap Agreements.

Risks Resulting from German Insolvency Law

The following risk factors are particular to transactions in which loan receivables are securitised:

Risks Relating to the Insolvency of the Seller of the Loan Receivables

In case insolvency proceedings are commenced in relation to VW Bank as seller of the Loan Receivables, the expected cash flows of the Loan Receivables required to make payments of the Notes could be adversely affected as laid out below.

Pursuant to Section 103 of the German Insolvency Code (*Insolvenzordnung*) if a mutual contract was not or was not completely fulfilled by the debtor and the other party at the time of the institution of insolvency, the insolvency administrator has an election right regarding the termination or fulfilment of such a mutual contract. There is some legal uncertainty due to legal discussion whether this provision also applies to loan contracts after full disbursement of loan. If this were to be the case, the insolvency administrator has an election right regarding the termination or fulfilment of the Loan Contracts and, hence, that payments of claims under the Loan Contracts which arise for time periods after the beginning of the insolvency proceedings can be demanded only by the insolvency administrator (and not by Driver One).

If VW Bank's insolvency administrator chooses not to confirm Loan Contracts with the Borrowers, then the Loan Receivables arising from such Loan Contracts will be extinguished. Further, if the insolvency administrator chooses to continue a Loan Contract, the payment obligation of the Borrower will be novated, such obligation would not be subject to any assignment under the Purchase Agreement and the debtor will be obliged to pay the amount of such Loan Receivables to the insolvency administrator (and not to Driver One). However, the shortfall would be covered by Driver One's security title (*Sicherungseigentum*) in the Financed Object which would entitle Driver One to seek relief from the realisation of the Financed Object. In the latter case, VW Bank's insolvency administrator may, however, deduct his fees from such proceeds; such fees may amount up to 9% (or such fees may not unusually even exceed 9% in certain circumstances) of the enforcement proceeds plus applicable VAT (Section 166 (2) of the German Insolvency Code (*Insolvenzordnung*)).

It has to be noted that the majority of legal authors are of the view that an insolvency receiver has no election right pursuant to Section 103 of the German Insolvency Code (*Insolvenzordnung*) regarding the termination or fulfilment of the Loan Contracts for loan contracts if the lender has granted the contractually agreed loan in full before the lender became insolvent. According to this view, the commencement of insolvency proceedings would have no adverse legal effect on the expected cash flows of the Loan Receivables which are required to make payments of the Notes.

Risk of "Re-qualification" of the Transaction as Loan Secured by Loan Receivables

The transaction is structured to qualify under German law as an effective (true) sale of the Loan Receivables under the Purchase Agreement from VW Bank to Driver One. In particular, the discount for a default risk or similar techniques like a cash collateral account with regard to the collection of Loan Receivables will be not higher than 9% of the purchase price paid by Driver One for the Loan Receivables. However, there are no statutory or case law based tests with respect to when a securitisation transaction qualifies as an effective sale or as a secured loan. Therefore there is a risk if a court would "re-qualify" the sale of Loan Receivables under the Purchase Agreement to a secured loan. In such case Sections 166 and 51 No. 1 of the German Insolvency Code (*Insolvenzordnung*) would apply with the following consequences:

In case of “re-qualification” and if the insolvency administrator is regarded as owner of Loan Receivables or if the insolvency receiver has possession of other movable objects assigned as security, Driver One is barred from enforcing the security. Further, an insolvency administrator of VW Bank as transferor of the Loan Receivables which have been assigned for security purposes is authorised by German law to enforce the assigned Loan Receivables (on behalf of the assignee) and Driver One is barred from enforcing the Loan Receivables assigned to it itself or through an agent. The insolvency administrator is obligated to transfer the proceeds from such realisation of the financed object to Driver One. He may, however, deduct his fees from such proceeds; such fees may amount up to 9% (or such fees may not unusually even exceed 9% in certain circumstances) of the enforcement proceeds plus applicable VAT (Section 166 (2) Insolvency Code (*Insolvenzordnung*)).

Risk of Defences and Set-Off Rights of Debtors against Assignment

With respect to a Loan Receivable assigned by VW Bank to Driver One in fulfilment of the Purchase Agreement, Driver One’s claim to payment may be subject to defences and set-off rights of the Borrowers of such Loan Receivable; provided such rights were in existence and due at the time of the assignment of such Loan Receivable. Such set-off rights could in particular result from Borrower deposits in accounts maintained with VW Bank. In order to minimize the set-off risk resulting from Borrower deposits, the eligibility criteria applicable to the Loan Receivables will exclude such Borrowers from the pool of Loan Receivables who maintain as of the Cutoff Date deposits with VW Bank. In addition, as long as the debtor of the Loan Receivable has no knowledge of the assignment, e.g. because it is not notified by VW Bank, it may discharge its debt by paying to VW Bank or may set-off with counterclaims against VW Bank (e.g. with claims from Borrower deposits on bank accounts maintained with VW Bank) which have become due prior to obtaining knowledge from the assignment of the Loan Receivables to Driver One. In such case, Driver One would have a claim for compensation against VW Bank and would therefore be subject to VW Bank insolvency risk.

Restriction on Assignment

VW Bank’s standard loan application forms for the financing of vehicles do not prohibit VW Bank from assigning claims arising from such vehicle loan contracts. In case VW Bank should have agreed or will agree with any debtor that it is restricted from assigning the Loan Receivables arising from the respective Loan Contract, such Loan Receivable could generally not be validly assigned to Driver One under the Purchase Agreement. Any assignment of a Loan Receivable which contravenes such assignment restriction will be invalid. However, under an exception contained in Section 354a of the German Commercial Code, the assignment of monetary claims (i.e. claims for the payment of money) governed by German law cannot effectively be contractually excluded if the underlying agreement between the contracting parties constitutes a commercial transaction (*Handelsgeschäft*) provided that such restriction on assignment was agreed on or after the coming into force of Section 354a of the Commercial Code on 30 July 1994. In such circumstances, monetary claims to which such restriction applies can be validly assigned notwithstanding a contractual restriction on assignment in the underlying contract provided that the debtor under such claim is a merchant (*Kaufmann*). Notwithstanding that German courts would not enforce restrictions on the assignment of monetary claims to the extent to which Section 354a of the Commercial Code provides that they are not enforceable, that same Section allows the debtor of an assigned claim to pay and discharge its obligations to the original creditor (i.e. VW Bank) even if it is notified of the assignment of its debt obligation. In the event that some of the debtors would not be merchants but instead sole traders or professionals, contractually stipulated restrictions on assignment would render any assignment in violation of such restrictions to be invalid.

Restriction on Assignment resulting from Banking Secrecy

Restrictions on assignment could also result from VW Bank’s obligation to comply with banking secrecy obligations and to keep Borrower loan information confidential. The Frankfurt Court of Appeal ruled in a judgement of May 25, 2004 that the assignment of consumer loan receivables implies violation of the banking secrecy and is void as it consequently contravenes a contractual prohibition of assignment implied in banking secrecy. In order to mitigate the implications from this court decision the transaction documents will provide that Loan Receivables data will only be disclosed to Driver One in compliance with the guidelines of the German regulator BAFin as laid down for asset-backed transactions in BAFin Circular 4/97 (i.e. Driver One will receive borrower data only in encrypted form, VW Bank will act as Servicer, the decryption key is handed over to the Data

Protection Trustee and the Data Protection Trustee must deliver the decryption key only to a Substitute Servicer).

Risks Resulting from Consumer Credit Legislation

In case a Loan Contract with a consumer is not executed in written form such Loan Contract would be ineffective with the consequence that the consumer could refuse to perform the Loan Contract or, if the vehicle is already delivered, return such vehicle and discontinue loan payments. For a two week period commencing with a notice informing the consumer of such possibility, the consumer would have the right to cancel the Loan Contract. With respect to certain types of defences and objections, the consumer could raise such objections and defences against payment obligations under the Loan Contract even if explicitly excluded in the Loan Contract. In case a consumer defaults with respect to its payment obligations under a Loan Contract, there are special conditions for the acceleration the Loan Receivable of such Loan Contract. Any objections or defences arising from a default with respect to the financed vehicle (*Mängel*) entitle the consumer to also raise such objections or defences with respect to its payment obligations under the Loan Contract.

According to Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*) if a consumer has validly revoked his declaration of intention to conclude a contract for the delivery of goods or for other performance, the consumer also ceases to be bound by his declaration of intention to conclude a consumer loan contract linked with that contract. In the event of a Loan Contract where a consumer is a party, the related car purchase agreement could be considered as a linked contract in the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*) and, hence, the revocation of the Loan Contract or the vehicle purchase agreement results, generally, in the revocation of the other contract. The foregoing also applies if a credit life insurance contract is linked with a Loan Contract.

In addition hereto, in case of linked contracts, the consumer may be entitled to refuse payments under the Loan Contract if he is entitled to any claim or defence under the car purchase agreement or the credit life insurance contract. Moreover, the consumer might also has the right to set-off claims which he has against the seller of the car or against the insurance company against its payment obligations under the Loan Contract.

Further German Civil Law Aspects

The assignment of the Loan Receivables may only be disclosed to the relevant debtors at any time by the Servicer or by any substituted entity to the Servicer in accordance with the Servicing Agreement. Until the relevant debtors have been notified of the assignment of the relevant Loan Receivables, they may undertake payment with discharging effect to the Seller. Each debtor may further raise defenses against Driver One arising from its relationship with the Seller which are existing at the time of the assignment of the Loan Receivables. Moreover, each debtor is entitled to set-off against Driver One its claims against the Seller or such claims against the Seller which become due only after the debtor acquires such knowledge and after the relevant Loan Receivables themselves become due. In relation to any loan claims arising from contracts with consumers within the meaning of Section 13 of the German Civil Code (*Buergerliches Gesetzbuch*), the consumer may terminate the loan agreement if six months have expired since the disbursement of the full loan amount and the consumer has complied with a three month termination period.

If the purpose of a Loan Contract with a debtor is connected with the financing of a credit life insurance (*Restschuldversicherung*), such Loan Contract and the credit life insurance constitute linked contracts within the meaning of Section 359 of the German Civil Code (*Buergerliches Gesetzbuch*). As a result, the debtor may deny the repayment of such part of the installment under the relevant Loan Contract which relates to the financing of the insurance premium if he would have defenses against the insurance company under the credit life insurance. In case of insolvency of the insurance company, the credit life insurance contract will be terminated pursuant to Section 77 (b) of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*). According to this provision the debtor will have a claim against the insolvency estate to obtain the amount which corresponds to his share of the minimum amount of the security fund (*Sicherungsvermögen*) pursuant to Section 66 (1a) of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*). It cannot be excluded that a German court would consider such claim of the debtor as a defense which the debtor could raise against his payment obligations relating to the financing of the insurance premium under the relevant Loan Contract.

Risks Resulting from Data Protection Rules

German Data Protection Rules allow the transfer and processing of data only if the relevant customer has consented to such transfer or such transfer or processing is admissible under the applicable laws. The provisions of the German Data Protection Act (*Bundesdatenschutzgesetz*) allow, among others, the transfer and processing provided such transfer (i) is required to execute a contract with the customer or (ii) the interest of the data storer prevails over the customer's interest to prevent the processing and use of data. Such interest weighting is substantially influenced by banking secrecy if the data is to be transferred by a bank. In particular, if the data are transferred to an entity which is not subject to banking secrecy rules the interest of the customer to prevent his data from being transferred prevails over the interest of the bank. In order to take these principles into account the Seller has appointed the Data Protection Trustee as suggested in a circular of the German Banking Supervisory Authority (formerly *Bundesaufsichtsamt für das Kreditwesen*, now *Bundesanstalt für Finanzdienstleistungsaufsicht*). However, a violation of German Data Protection Rules may lead to an invalidity of the assignment.

Risk of Non-Existence of Purchased Receivables

In the event that any of the purchased Loan Receivables has not come into existence at the time of its assignment to Driver One under the Purchase Agreement, such assignment would not result in Driver One acquiring ownership title in such Loan Receivable. Driver One would not receive adequate value in return for its purchase price payment. This result is independent of whether Driver One, at the time of assignment, is aware of the non-existence and therefore acts in good faith (*gutgläubig*) with respect to the existence of such Loan Receivable or not. This risk, however, will be mitigated by contractual representations and warranties and the contractual obligation that VW Bank shall purchase from Driver One any Loan Receivables affected by such breach at a price equal to the present value as of the Cutoff Date of the Loan Receivables remaining due under such a Loan Contract, using a discount rate of 3.6563%.

Liability and Limited Recourse under the Notes and the Subordinated Loan

The Notes and the Subordinated Loan represent obligations of Driver One only, and do not represent obligations of the Managers, the Security Trustee, VW Bank or Volkswagen AG or any of its affiliates (together the "Volkswagen Group") or any affiliate of Driver One or any other third person or entity. Neither the Managers, nor the Security Trustee, nor VW Bank, nor the Volkswagen Group, nor any affiliate of Driver One, nor any other third person or entity, assumes any liability to the Noteholders if Driver One fails to make a payment due under the Notes or the Subordinated Loan.

All payment obligations of Driver One under the Notes and the Subordinated Loan constitute limited recourse obligations to pay only the Available Distribution Amount (as defined in § 23(4) of the Trust Agreement) which includes *inter alia* amounts received by Driver One under the Loan Receivables and under the other Transaction Agreements (as defined in the Recitals of the Trust Agreement). The Available Distribution Amount may not be sufficient to pay amounts accrued under the Notes, which may result in an Interest Shortfall as defined in § 7(5) of the Terms and Conditions, however, an Interest Shortfall other than non-payment of interest on the Class A1 Notes and the Class A2 Notes will not constitute a Foreclosure Event as defined in § 18(1) of the Trust Agreement. The Notes shall not give rise to any payment obligation in addition to the foregoing. The enforcement of the payment obligations under the Notes and the Subordinated Loan shall only be effected by the Security Trustee in accordance with the Trust Agreement. If the Security Trustee enforces the claims under the Notes and/or the Subordinated Loan, such enforcement will be limited to those assets which were transferred to the Security Trustee and to any other assets of Driver One. To the extent that such assets, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of all Noteholders or the Subordinated Lender in full, then any shortfall arising shall be extinguished and neither any Noteholder, nor the Security Trustee shall have any further claims against Driver One. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will be so available thereafter.

If any of the events which require the Security Trustee to take action should occur, the Security Trustee will have legal access to the Collateral Rights (see page 104 *et seq.* below) only. The Security Trustee itself is not a guarantor, nor have any guarantees been given by other parties, with respect to

which the Security Trustee could assert claims on behalf of the Noteholders and/or the Subordinated Lender.

Collateral

The payment obligations of Driver One under the Notes and the Subordinated Loan are secured by the collateral as described herein (see page 11 et seq.).

Reliance on Warranties

If the Loan Receivables should partially or totally fail to conform at the Cutoff Date to the warranties given by VW Bank in the Purchase Agreement and such failure materially and adversely affects the interests of Driver One or the Noteholders, VW Bank shall have until the end of the Monthly Period which includes the 60th day (or, if VW Bank elects, an earlier date) after the date that VW Bank became aware or was notified of such failure to cure or correct such failure. Any such breach or failure will not be deemed to have a material and adverse effect if such failure does not affect the ability of Driver One to receive and retain timely payment in full on such Receivable. If VW Bank does not cure or correct such failure prior to such time, then VW Bank is required to purchase any Loan Receivable affected by such failure on the Payment Date following the expiration of such period. Driver One's rights under these provisions are, however, not secured, and the Noteholders bear the risk deriving from this fact.

Illiquidity

There is currently no liquid market for the Notes. Each of the Managers expects but is not obligated to make a market for the Notes. There can be no assurance that a secondary market for the Notes will develop or, if it develops, that it will provide liquidity over the whole life of the Notes.

To facilitate the continuous valuation and the trading of the Notes, Driver One will, pursuant to the Terms and Conditions, publish or procure the publication of a figure each month (a "Note Factor") for each Class of Notes, which is the ratio of the aggregate nominal amount of each Class of Notes then outstanding and the original principal amount of such Class of Notes. The calculation of the Notes Factor is described in § 6 (iii) of the Terms and Conditions (see pages 80, 87 and 94 below).

Reliance on Administration and Collection Procedures

VW Bank, in its capacity as Servicer, will carry out the administration, collection and enforcement of the Loan Receivables, including foreclosure on the Loan Receivables, in accordance with the Servicing Agreement (see "Section VIII").

Accordingly, the Noteholders are relying on the business judgement and practices of VW Bank as they exist from time to time, in its capacity as Servicer, enforcing claims against borrowers, including making appropriate decisions with respect to foreclosure in respect of the Collateral.

Risk of Change of Servicer

In the event the VW Bank is replaced as Servicer, there may be losses or delays in processing payments or losses on the Loan Receivables due to a disruption in servicing during a transfer to a successor Servicer, or because the successor Servicer is not as experienced as VW Bank. This may cause delays in payments or losses on the Notes. There is no guarantee that a replacement servicer provides the servicing at the same level as VW Bank. A replacement servicer is under no obligation to effect advances on expected collections as outlined below under "Commingling Risk".

Commingling Risk

VW Bank, as the Servicer, is entitled to commingle funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period in accordance with the following procedure:

If the Monthly Remittance Condition (as defined in § 5(3) of the Servicing Agreement) is met (i.e. the Monthly Remittance Condition will be deemed to be satisfied if (i) VW Bank is the Servicer, (ii) VW Bank has a short-term rating for unsecured debt of at least "F1" from Fitch and "P-1" from Moody's and (iii) VW Bank remains a direct or indirect wholly-owned subsidiary of Volkswagen Financial Services AG), VW Bank as the Servicer, is entitled to commingle funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Object with own funds

during each Monthly Period and will be required to make a single deposit to the Distribution Account on each Payment Date.

If VW Bank's rating from Moody's for long term unsecured debt is lower than "Baa3", VW Bank is bound to pay collections from the Loan Receivables at the subsequent business day to the Distribution Account. If the Monthly Remittance Condition is not met and provided that VW Bank's rating from Moody's for long term unsecured debt is at least "Baa3", VW Bank, as the Servicer, is entitled to commingle to a minor extent funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period in accordance with the following procedure:

VW Bank as the Servicer, will determine the exact collections: (i) for the first fifteen calendar days of a Monthly Period on the first business day following the fifteenth calendar day of a Monthly Period (the "Monthly Collections Part 1") and (ii) for the period from (and including) the sixteenth calendar day of a Monthly Period until (and including) the last day of such Monthly Period (the "Monthly Collections Part 2") on the second business day of the subsequent Monthly Period. Furthermore, VW Bank as the Servicer will arrange for the following:

- (a) VW Bank as the Servicer will determine (A) if the fifteenth calendar day of a Monthly Period is a business day the expected collections for the period from the first through the fourteenth calendar day of each Monthly Period, or, alternatively, (B) if the fifteenth calendar day of a Monthly Period is not a business day, the expected collections for the period from the first through the day which is second business day before the fifteenth calendar day of each Monthly Period (the amounts according to (A) or (B), the "Monthly Collateral Part 1"). VW Bank as the Servicer shall transfer on the second business day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Monthly Collateral Part 1 for securing Driver One's claim with respect to the Monthly Collections Part 1 and will maintain the Monthly Collateral Part 1 as collateral on this account until the Monthly Collections Part 1 have been paid.
- (b) VW Bank as the Servicer will further determine the expected collections for the period from (and including) the sixteenth calendar day of a Monthly Period through (and including) the second last business day of such Monthly Period (the "Monthly Collateral Part 2"). VW Bank as the Servicer shall transfer on the second business day following the fifteenth calendar day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Monthly Collateral Part 2 for securing Driver One's claim with respect to the Monthly Collections Part 2 and will maintain the Monthly Collateral Part 2 as collateral on this account until the Monthly Collections Part 2 have been paid.
- (c) If VW Bank receives the notification by Fitch that Fitch has determined that VW Bank's capacity for timely payment of financial commitments would no longer equal a rating of at least F2 (the "Monthly Collateral Increase Event"), then VW Bank as the Servicer, is only entitled to commingle funds as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period by arranging the following mechanism within 30 days after the Monthly Collateral Increase Event (instead of maintaining the Monthly Collateral Part 1 and the Monthly Collateral Part 2 upon the implementation of such mechanism):
 - (i) VW Bank as the Servicer will determine the expected collections for the period from the first through the fifteenth calendar day of each Monthly Period (the amounts referred to as the "Increased Monthly Collateral Part 1"). VW Bank as the Servicer shall transfer on the second business day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Increased Monthly Collateral Part 1 for securing Driver One's claim with respect to the Monthly Collections Part 1 and will maintain the Increased Monthly Collateral Part 1 as collateral on this account until the Monthly Collections Part 1 have been paid.
 - (ii) VW Bank as the Servicer will further determine the expected collections for the period from (and including) the sixteenth calendar day of a Monthly Period through (and including) the last business day of such Monthly Period (the "Increased Monthly Collateral Part 2"). VW Bank as the Servicer shall transfer on the second business day following the fifteenth calendar day of each Monthly Period to an account of VW Bank which is

maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Increased Monthly Collateral Part 2 for securing Driver One's claim with respect to the Monthly Collections Part 2 and will maintain the Increased Monthly Collateral Part 2 as collateral on this account until the Monthly Collections Part 2 have been paid.

VW Bank, as the Servicer, will remit the following payments (each as a single deposit) to the Distribution Account:

- (i) on the second business day of each Monthly Period the Monthly Collections Part 2 for the previous Monthly Period; and
- (ii) on the second business day following the fifteenth calendar day of each Monthly Period the Monthly Collections Part 1.

Payment adjustments (i.e. payment adjustments resulting from prepayment of loan contracts (the "Loan Contracts") or amendments of Loan Contracts) which became evident from the reporting duties of the Servicer under this Agreement for the previous Monthly Period will be remitted or debited to the Collection Account on the 4th business day of each Monthly Period.

Commingled funds may be used or invested by VW Bank at its own risk and for its own benefit until each Payment Date. If VW Bank were unable to remit those funds or were to become an insolvent debtor, losses or delays in distributions to investors may occur.

Conflicts of Interest

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

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

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

Risks from Reliance on Certification by True Sale International GmbH

True Sale International GmbH grants a certificate which is registered as a trade mark if a special purpose vehicle company complies with certain conditions of True Sale International GmbH. These conditions shall introduce a certain quality standard for securitisations with a German special purpose vehicle. The certificate "Certified by True Sale International" certifies in this respect a certain quality standard which depends on the conditions imposed by True Sale International GmbH.

However, the certificate granted by True Sale International GmbH is not a recommendation to buy, sell or hold securities. This certificate of True Sale International GmbH is issued on the basis that Driver One has represented, as of the date of an information memorandum, to True Sale International GmbH that:

- (d) it will comply with the reporting requirements of True Sale International GmbH, and
- (e) upon issue of the securities, a market maker will be appointed for the purposes of making a market in the securities.

(for a more detailed explanation of these representations see Chapter IV of this Offering Circular)

True Sale International GmbH has made no other investigation or inquiry in respect of Driver One or the securities and disclaims any responsibility for monitoring Driver One's continuing compliance with these representations or any other aspect of Driver One's activities or operations.

Taxation

The Notes will not provide for gross-up of payments in the event that the payments on the Notes become subject to withholding taxes. See “Summary of the Terms and Conditions of the Notes – Taxation”.

Council Directive 2003/48/EC of 3 June 2003 on taxation of savings as interest payments.

On 3 June 2003, the Council of the European Union adopted a Directive on the taxation of savings (2003/48/EC) according to the terms of which each Member State will as a rule be bound to automatically communicate to the tax authorities of the other Member States detailed information on the interest payments and similar income (notably premiums and lots related to all kinds of receivables and the accrued or capitalised interest gained from the sale, repayment of these receivables to these loans) paid by an individual resident in his jurisdiction for the benefit of a resident of another Member State. As an exception, and only for a transitional period (which will come to an end as soon as an agreement on a procedure for the exchange of information has been reached between the European Union and some third-party States), Belgium, Luxembourg and Austria will not take part in the exchange of information and will apply a withholding tax at the source on the said payments. The withholding tax will not, however, apply if the beneficiary of the income (i) expressly authorises the paying establishment to declare the payments or (b) provides a certificate issued in his name by the competent tax authorities allowing him to benefit from an exemption from withholding tax. The attention of the Noteholders is drawn to the “Summary of the Terms and Conditions of the Notes – Taxation” stating that no gross-up will be available with respect to any withholding tax imposed under the EU Directive 2003/48/EC of 3 June 2003.

German Tax Issues

Germany does not offer a general legal framework relating to the tax treatment of securitisations. Therefore, any German transaction has to rely on the application of general principles of German tax law.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risks of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this document mitigate some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

III. USE OF PROCEEDS

The aggregate net proceeds from the Notes and the Subordinated Loan amount to approximately €1,250,659,801 and will be used to purchase Loan Receivables from VW Bank, to pay costs related to the issue of the Notes, the raising of the Subordinated Loan and to endow the Cash Collateral Account with €18,998,000; the sum of the initial Cash Collateral Amount. On the date of the issue of the Notes and of the raising of the Subordinated Loan, the discounted value of the Loan Receivables will be €1,266,495,027.49.

IV. SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

GENERAL SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

The Notes do not constitute an obligation of Volkswagen Bank GmbH.

Denomination

The issue in the aggregate nominal amount of €1,200,000,000 consists of 40,000 transferable Class A1 bearer notes of €10,000 nominal amount each and of 76,000 transferable Class A2 bearer notes of €10,000 nominal amount each ranking equally among themselves and of 4,000 transferable Class B bearer notes of €10,000 nominal amount each, ranking equally among themselves but subordinated to the Class A1 and Class A2 bearer notes.

Global Notes

Each of the Notes will be initially represented by a Temporary Global bearer Note without coupons. The Temporary Global Notes will be exchangeable for Permanent Global Notes without interest coupons not earlier than 40 days and not later than 180 days after the date of issue of the Temporary Global Notes upon delivery of certifications as set forth in § 1(3) of the Terms and Conditions. The Temporary Global Notes and the Permanent Global Notes will bear the personal signature of two managing directors of the Issuer.

The Global Notes shall be deposited with a common depository for Clearstream and Euroclear. The interests in the Notes are transferable according to applicable rules and regulations of Clearstream. The Global Notes will not be exchangeable for definitive Notes.

In addition, the Temporary Global Notes and the Permanent Global Notes will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Notes and the Permanent Global Notes. The following is a summary of certain of those provisions:

Payments in respect of each Temporary Global Note and each Permanent Global Note shall be made against presentation and notification on the reverse side thereof of the payments made and (in the case of payment of principal in full with all interest accrued thereon) against surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note at the specified office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer of the Notes.

Notwithstanding section 12 (Notices), while all the Notes are represented by the Permanent Global Note and the Permanent Global Note is deposited with a common depository with Clearstream and Euroclear, notices to Noteholders may be given by delivery of the relevant notice through Clearstream and Euroclear and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with section 12 (Notices) on the seventh day after the date of delivery to Clearstream and Euroclear; provided, however, that, so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, all notices concerning the Notes shall be published in a newspaper with nation-wide circulation allowed for such purpose by the respective stock exchange to which the Notes are admitted and listed for trading (which is expected to be the Luxemburger Wort.)

Payments of Principal and Interest

Payments of principal shall be made only against presentation and notification on the reverse side of the Notes and (provided that payment is made in full) surrender of Notes at the specified office of the Paying Agent outside the United States by cheque drawn on, or by transfer to, an account to which Euro may be credited or transferred.

Payments of interest shall be made only against presentation and (provided that payment is made in full) surrender of the appropriate coupons at the specified office of the Paying Agent outside the United States in the manner discussed in the paragraph above.

The first payment shall take place on December 21, 2004. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date (as defined below) which is the last day on which a loan payment on outstanding Loan Receivables becomes due, falling in May 2009 (the "Class A1 Final Scheduled Payment Date") for the Class A1 Notes and the Payment Date (defined below) falling in May 2009 (the "Class A2 Final Scheduled Payment Date") for the Class A2 Notes, and the Payment Date (defined below) falling in May 2009 (the "Class B Final Scheduled Payment Date") for the Class B Notes. All payments of interest on

and principal of each Class of Notes will be due and payable at the latest in full on the legal final maturity date of such Class of Notes (a "Final Maturity Date"), which shall be 12 months after the Final Scheduled Payment Date and which shall be the Payment Date falling in May 2010 (the "Class A1 Final Maturity Date") for the Class A1 Notes and the Payment Date falling in May 2010 (the "Class A2 Final Maturity Date") for the Class A2 Notes and the Payment Date (defined below) falling in May 2010 (the "Class B Final Maturity Date") for the Class B Notes.

On December 21, 2004 and thereafter until the final payment on the 21st day of each month or, in the event such day is not a TARGET business day, then on the next following TARGET business day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day (hereafter a "Payment Date") the Company shall subject to § 4(3) of the Terms and Conditions pay to each holder of a Class A1 Note interest on the nominal amount of such Class A1 Note immediately prior to the respective Payment Date at the Class A1 Notes Interest Rate and shall make repayments of the nominal amount of such Class A1 Notes by paying to the holders thereof from any amounts remaining from the Available Distribution Amount (as defined in § 23(4) of the Trust Agreement) after payment of interest due on such Payment Date on the Class A2 Notes and on the Class B Notes (prior to the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement) the Class A1 Principal Payment Amount (as defined below). Upon the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement, the payments of principal in an amount up to the outstanding principal of the Class A1 Notes will rank *pari passu* with payments of principal to the holders of the Class A2 Notes up to the outstanding principal of the Class A2 Notes.

On December 21, 2004 and thereafter until the final payment on the 21st day of each month or, in the event such day is not a TARGET business day, then on the next following TARGET business day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day (Payment Date) the Company shall subject to § 4(3) of the Terms and Conditions pay to each holder of a Class A2 Notes from any amounts remaining from the Available Distribution Amount (as defined in § 23(4) of the Trust Agreement) after payment of interest due on such Payment Date on the Class A1 Notes interest on the nominal amount of such Class A2 Note immediately prior to the respective Payment Date at the Class A2 Notes Interest Rate and shall make repayments of the nominal amount of such Class A2 Notes by paying to the holders thereof the Class A2 Principal Payment Amount (as defined below) from any amounts remaining from the Available Distribution Amount after payment of interest due and payable on the Class A1 Notes and on the Class B Notes, and (prior to the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement) after payment of principal on the Class A1 Notes equal to the Class A1 Principal Payment Amount (as defined below). Upon the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement, the payments of principal in an amount up to the outstanding principal of the Class A1 Notes will rank *pari passu* with payments of principal to the holders of the Class A2 Notes up to the outstanding principal of the Class A2 Notes.

On December 21, 2004 and thereafter until the final payment on the 21st day of each month or, in the event such day is not a TARGET business day, then on the next following TARGET business day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day (Payment Date) the Company shall subject to § 4(3) of the Terms and Conditions pay to each holder of a Class B Note interest on the nominal amount of such Class B Note immediately prior to the respective Payment Date at the Class B Notes Interest Rate and shall make repayments of the nominal amount of such Class B Notes by paying to the holders thereof from any amounts remaining from the Available Distribution Amount (as defined in § 23(4) of the Trust Agreement) after payment of interest due on such Payment Date on the Class A1 Notes and Class A2 Notes and the Class B Notes and (prior to the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement) after the payment of principal on the Class A1 Notes equal to the Class A1 Principal Payment Amount (as defined below) and the payment of principal to the holders of the Class A2 Notes up to the Class A2 Principal Payment Amount (as defined below) the Class B Principal Payment Amount (as defined below). Such Available Distribution Amount consists of (i) the Loan Receivables (including the discounted Loan Receivables payable by VW Bank in cases of a settlement pursuant to the Purchase Agreement) received or collected by the Servicer for the Monthly Period (and in case of a termination of a Loan Contract up to the date of the final write-off made by the Servicer), plus (ii) drawings from the Cash Collateral Account as provided for in § 24(2) of the Trust Agreement, plus (iii) Driver One's portion in the proceeds from the realisation of Financed Objects pursuant to § 7 of the Purchase Agreement, plus (iv) the Net Swap Receipts

under the Class A1 Notes Interest Rate Swap Agreement, the Class A2 Notes Interest Rate Swap Agreement and the Class B Notes Interest Rate Swap Agreement and certain other amounts.

The Company is only obligated to make any payments to the Noteholders if it has first received such amounts to freely dispose of them. Payments to the holders of Class A1 Notes and Class A2 Notes of principal will be effected only after the payment to the holders of Class B Notes of interest on the respective Payment Date.

Principal Payment Amounts

On each Payment Date, to the extent of the Available Distribution Amount in accordance with the order of priority of distributions set forth below, Driver One will pay (prior to the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement) to the holders of the Class A1 Notes an aggregate amount in respect of principal up to the Class A1 Principal Payment Amount and out of the amounts remaining from the Available Distribution Amount to the holders of the Class A2 Notes an aggregate amount in respect of principal equal to the Class A2 Principal Payment Amount and will pay to the holders of the Class B Notes an aggregate amount in respect of principal equal to the Class B Principal Payment Amount. Upon the occurrence of a Foreclosure Event as defined in § 18 of the Trust Agreement, the payments of principal in an amount up to the outstanding principal of the Class A1 Notes will rank *pari passu* with the payment of principal to the holders of the Class A2 Notes up to the outstanding principal of the Class A2 Notes. The Class A1 Principal Payment Amount is the lesser of the Class A Principal Payment Amount and the remaining principal balance of the Class A1 Notes. The Class A2 Principal Payment Amount is equal to the excess (if any) of the Class A Principal Payment Amount over the Class A1 Principal Payment Amount. The Class A Principal Payment Amount is the amount necessary to reduce the outstanding principal amount of the Class A Notes to the Targeted Class A Note Balance. The Class B Principal Payment Amount for any Payment Date is equal to the amount necessary to reduce the outstanding principal amount of the Class B Notes to the Targeted Class B Note Balance (defined below). The Class A1 Principal Payment Amount, the Class A2 Principal Payment Amount and the Class B Principal Payment Amount are intended to reduce the aggregate outstanding principal amounts of the Class A1 Notes, of the Class A2 Notes and of the Class B Notes to amounts which would leave an amount of overcollateralisation constant as a percentage of the Aggregate Discounted Principal Balance subject to certain specified increases in those percentages in case a Credit Enhancement Increase Condition is in effect because the Cumulative Net Loss Ratio for a Payment Date exceeds specified thresholds (as defined in § 23(4) of the Trust Agreement).

Order of Priority of Distributions

Distributions will be made on each Payment Date from the Available Distribution Amount according to the following order of priority (the “Order of Priority”) as set forth in § 23 paragraph (3)(i) of the Trust Agreement:

(A) on each Payment Date prior to the occurrence of a Foreclosure Event (as defined in § 18):

first, amounts payable in respect of taxes (if any) by Driver One;

second, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to §§ 32 and 33 of the Trust Agreement or under any agreement replacing the Trust Agreement;

third, of equal rank amounts payable (i) to the Administrator under the Administration Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iii) to the Servicer, the Servicer Fee, and (iv) to the Rating Agencies the fees for the monitoring;

fourth, of equal rank amounts payable (i) to the directors of Driver One and (ii) in respect of other administration costs and expenses of Driver One including without limitation, any costs relating to the listing of the Notes, any auditors’ fees, any tax filing fees and any annual return or exempt company status fees;

fifth, amounts payable to the bank maintaining the Accounts for account management fees due under the Account Agreement;

sixth, amounts payable by Driver One to the Swap Counterparties in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreements (if any and provided that the Swap Counterparty is not the defaulting party (as defined in the relevant Interest Rate Swap Agreement) and there has been no termination of the transaction under the Interest Rate Swap Agreement due to a termination event with the Swap Counterparty being the affected party); provided that if the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One's payment obligations under the Interest Rate Swap Agreements, such payments by Driver One will be used pro rata for payments due under the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement;

seventh, of equal rank amounts payable in respect of accrued and unpaid interest on the Class A1 Notes and on the Class A2 Notes (including, without limitation, overdue interest);

eighth, amounts payable in respect of accrued and unpaid interest on the Class B Notes (including, without limitation, overdue interest);

ninth, to the Cash Collateral Account (as defined below), until the amount of funds in the Cash Collateral Account is equal to the Specified Cash Collateral Account Balance;

tenth, to the holders of the Class A1 Notes, an aggregate amount equal to the Class A1 Principal Payment Amount for such Payment Date, which is the lesser of the Class A Principal Payment Amount and the remaining principal balance of the Class A1 Notes;

eleventh, to the holders of the Class A2 Notes, an aggregate amount equal to the "Class A2 Principal Payment Amount" for such Payment Date, which is equal to the excess (if any) of the Class A Principal Payment Amount over the Class A1 Principal Payment Amount;

twelfth, to the holders of the Class B Notes, an aggregate amount equal to the "Class B Principal Payment Amount" for such Payment Date, which is equal to the amount necessary to reduce the outstanding principal amount of the Class B Notes to the Targeted Class B Note Balance;

thirteenth, after a Cash Collateral Increase Event to the Cash Collateral Account (as defined below), until the Specified Cash Collateral Account Balance is increased by the Cash Collateral Increase Amount;

fourteenth, by Driver One to the Swap Counterparties, any payments under the Swap Agreements other than those made under clause *sixth* above; provided that if the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One's payment obligations under the Swap Agreements, such payments by Driver One will be used pro rata for payments due under the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement;

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

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

seventeenth, to VW Bank, under the terms of the Servicing Agreement.

(B) on each Payment Date upon the occurrence of a Foreclosure Event (as defined in § 18):

first, amounts payable in respect of taxes (if any) by Driver One;

second, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to §§ 32 and 33 of the Trust Agreement or under any agreement replacing the Trust Agreement;

third, of equal rank amounts payable (i) to the Administrator under the Administration Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iii) to the Servicer, the Servicer Fee, and (iv) to the Rating Agencies the fees for the monitoring;

fourth, of equal rank amounts payable (i) to the directors of Driver One and (ii) in respect of other administration costs and expenses of Driver One including without limitation, any costs relating to the listing of the Notes, any auditors' fees, any tax filing fees and any annual return or exempt company status fees;

fifth, amounts payable to the bank maintaining the Accounts for account management fees due under the Account Agreement;

sixth, amounts payable by Driver One to the Swap Counterparties in respect of any Net Swap Payments or any Swap Termination Payments under the Swap Agreements (if any and provided that the Swap Counterparty is not the defaulting party (as defined in the relevant Interest Rate Swap Agreement) and there has been no termination of the transaction under the Interest Rate Swap Agreement due to a termination event with the Swap Counterparty being the affected party); provided that if the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One's payment obligations under the Interest Rate Swap Agreements, such payments by Driver One will be used pro rata for payments due under the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreements;

seventh, of equal rank amounts payable in respect of accrued and unpaid interest on the Class A1 Notes and on the Class A2 Notes (including, without limitation, overdue interest);

eighth, amounts payable in respect of accrued and unpaid interest on the Class B Notes (including, without limitation, overdue interest);

ninth, to the Cash Collateral Account (as defined below), until the amount of funds in the Cash Collateral Amount is equal to the Specified Cash Collateral Account Balance;

tenth, and of equal rank with amounts payable under the following step *eleventh*, to the holders of the Class A1 Notes, amounts payable in respect of the outstanding principal amount of the Class A1 Notes;

eleventh, to the holders of the Class A2 Notes, amounts payable in respect of the outstanding principal amount of the Class A2 Notes;

twelfth, to the holders of the Class B Notes, an aggregate amount equal to the "Class B Principal Payment Amount" for such Payment Date, which is equal to the amount necessary to reduce the outstanding principal amount of the Class B Notes to the Targeted Class B Note Balance;

thirteenth, after a Cash Collateral Increase Event to the Cash Collateral Account (as defined below), until the Specified Cash Collateral Account Balance is increased by the Cash Collateral Increase Amount;

fourteenth, by Driver One to the Swap Counterparties, any payments under the Swap Agreements other than those made under clause *sixth* above; provided that if the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One's payment obligations under the Swap Agreements, such payments by Driver One will be used pro rata for payments due under the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement;

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

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

seventeenth, to VW Bank, under the terms of the Servicing Agreement.

Certain capitalised terms used above are defined in § 23 of the Trust Agreement. (see pages 107 *et seq.* below).

Cash Collateral Account

On the date of the issue of the Notes, Driver One deposited €18,998,000 in the Cash Collateral Account at ABN AMRO Bank N.V. and has agreed to keep this account at all times with a bank whose short-term senior unsecured debt is rated F1 by Fitch and P1 by Moody's. In the event of a downgrade of ABN AMRO Bank N.V. by Fitch or Moody's of any of ABN AMRO Bank N.V.'s

debt obligations for short-term unguaranteed, unsubordinated and unsecured debt obligations or if such debt obligations cease to be rated at least F1 by Fitch or P-1 by Moody's, ABN AMRO Bank N.V. shall within 30 days of the occurrence of such downgrade, at ABN AMRO Bank N.V.'s own cost, do one of the following: (i) procure the transfer of all rights and obligations to another appropriately rated entity for such purposes, or (ii) procure another appropriately rated entity to become co-obligor in respect of the obligations of ABN AMRO Bank N.V. under the Cash Collateral Account, or (iii) take such other action acceptable to the rating agency in question.

The amount of €18,998,000 (1.5% of the initial Aggregate Cutoff Date Discounted Principal Balance) serves as the initial Cash Collateral Amount. The funds in the Cash Collateral Account will be invested by Driver One in Permitted Investments (as defined in § 23 of the Trust Agreement) specified by VW Bank in such a way that funds will be available for distribution on each Payment Date.

On each Payment Date, after the payment of interest on the Notes and certain other amounts payable by Driver One, any remaining portion of the Available Distribution Amount will be deposited in the Cash Collateral Account until the Cash Collateral Amount on deposit in the Cash Collateral Account equals the Specified Cash Collateral Account Balance (as defined below).

“Specified Cash Collateral Account Balance” means, on each Payment Date, the greater of (a) 1.5% of the Aggregate Discounted Principal Balance as of the end of the preceding Monthly Period, and (b) the lesser of (i) €17,270,000 (i.e., 1.3636% of the Aggregate Cutoff Date Discounted Principal Balance), and (ii) the aggregate outstanding principal amount of the Class A1, Class A2 and Class B Notes on such Payment Date (after giving effect to all payments and distributions on such date).

On each Payment Date amounts will be withdrawn from the Cash Collateral Account (a) to cover any shortfall in the amounts payable under clauses *first* through *eighth* of the Order of Priority of distributions described above (this will include *inter alia* shortfalls in amounts payable in respect of accrued and unpaid interest on the Notes), (b) for the amounts payable under § 23(3)(ii) of the Trust Agreement, and (c) on the Final Scheduled Payment Date for amounts payable under clauses *tenth* through *twelfth* of the Order of Priority described above for any class of Notes (this will include *inter alia* amounts payable in respect of the outstanding principal of the Notes).

On each Payment Date, any amount in the Cash Collateral Account in excess of the Specified Cash Collateral Account Balance for that Payment Date will be released for payment to the Subordinated Lender (until all amounts payable in respect of accrued and unpaid interest have been made and the principal of the Subordinated Loan has been reduced to zero) and thereafter to VW Bank as provided for under the terms of the Servicing Agreement.

Duties of Driver One

In addition to its obligation to make payments to the holders of the Notes as set out in the Terms and Conditions, Driver One undertakes to hold, administer and collect or realise in accordance with the Terms and Conditions, the Loan Receivables (including damage claims in case of default of the respective borrower) and ancillary rights arising from Loan Contracts which VW Bank has concluded with private individual and commercial borrowers, claims against the insurer pursuant to loss insurance policies covering the respective Financed Objects, damage claims arising from a breach of contract or in tort against a respective borrower, as well as any interest due and claims against third parties due to damage or loss of the Financed Objects, and of the Rights Associated with the Premature Termination of a Loan Contract (see page 42 *et seq.* below), the Specified Cash Collateral Account Balance (as defined in § 23(4) of the Trust Agreement), the rights arising from the Swap Agreements (as defined in Recital (4) and § 23(4) of the Trust Agreement) and the Collateral Rights (as defined in § 7(1) of the Trust Agreement), as well as any further rights arising from the Purchase Agreement, particularly the right to payment of the amount provided for in the event of a settlement (as defined in § 5(5) of the Purchase Agreement).

Duties of VW Bank

VW Bank is obligated to keep Borrower data confidential as required under German data protection and banking secrecy principles as set forth by the German regulator Bundesanstalt für Finanzdienstleistungsaufsicht in its circular 4/97 and will disclose confidential Borrower information to Driver One only in encrypted form.

In accordance with the Data Protection Trust Agreement, VW Bank promptly after the execution of the Purchase Agreement is obliged to provide the Data Protection Trustee with a sealed envelope containing an electronically readable media of data with the decryption key for the identification of

the name and address of the respective Borrower for each number relating to a Loan Contract. Driver One shall treat as confidential all information on the Borrowers and on the business operations of VW Bank acquired in connection with the performance of this Agreement. The foregoing shall not apply (i) to information which is generally known or becomes generally known without Driver One being responsible for such disclosure, (ii) to information the disclosure of which VW Bank has expressly or tacitly permitted, (iii) if Driver One is legally obligated to disclose information, and (iv) if the disclosure of information by Driver One or by a substitute Servicer is necessary for asserting rights arising from the Issue or the agreements concluded in connection with the issue of the Issue.

Realisation of Security

The Security Trustee is authorised and obligated to adequately realise the ownership interest given in the form of a directly enforceable collateral interest in the financed objects by adequately selling the vehicles or having the vehicles adequately sold by third parties commissioned by the Security Trustee. The proceeds of realisation thus gained shall be allocated to Driver One as provided in § 19 of the Trust Agreement.

Optional Redemption of the Notes / Clean-up Call

VW Bank will have the right at its option to exercise a Clean-Up Call and to repurchase the Loan Receivables from Driver One at any time when the then outstanding Aggregate Discounted Principal Balance is less than 9% of the Aggregate Cutoff Date Discounted Principal Balance provided that all payment obligations under the Notes will be thereby fulfilled. If VW Bank repurchases the Loan Receivables, the outstanding Notes, if any, will be redeemed at a price equal to their outstanding principal balance, plus accrued and unpaid interest on the Notes.

Paying Agent

Payments shall be made from Driver One's accounts with ABN AMRO Bank N.V., Niederlassung Deutschland by BNP Paribas Securities Services, Luxembourg Branch (the Paying Agent which may also include a substitute or alternative paying agent pursuant to § 8 (5) of the Terms and Conditions) without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange, procedures of the clearing systems or other regulations of the country where the distribution takes place.

Servicer

Subject to revocation by Driver One after a Servicer Replacement Event (as defined below), VW Bank is commissioned pursuant to the Servicing Agreement to collect the Loan Receivables in accordance with the Servicer's customary practices in effect from time to time using the same degree of skill and attention that the Servicer exercises with respect to comparable vehicle loan contracts that the Servicer collects for itself or others.

The Servicer has also been empowered to administer the Cash Collateral Account and the Collateral Rights for and on behalf of Driver One. The Servicer has undertaken to transfer to the Distribution Account maintained by Driver One with Distribution Account Bank amounts received until the final writingoff of a Loan Contract from receivables collected, drawn from the Cash Collateral Account or realised from the financed objects, as the case may be.

Commingling

VW Bank, as the Servicer, is entitled to commingle funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period in accordance with the following procedure:

If the Monthly Remittance Condition (as defined in § 5(3) of the Servicing Agreement) is met (i.e. the Monthly Remittance Condition will be deemed to be satisfied if (i) VW Bank is the Servicer, (ii) VW Bank has a short-term rating for unsecured debt of at least "F1" from Fitch and "P-1" from Moody's and (iii) VW Bank remains a direct or indirect wholly-owned subsidiary of Volkswagen Financial Services AG), VW Bank as the Servicer, is entitled to commingle funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Object with own funds during each Monthly Period and will be required to make a single deposit to the Distribution Account on each Payment Date.

If VW Bank's rating from Moody's for long term unsecured debt is lower than "Baa3", VW Bank is bound to pay collections from the Loan Receivables at the subsequent business day to the Distribution Account. If the Monthly Remittance Condition is not met and provided that VW Bank's rating from Moody's for long term unsecured debt is at least "Baa3", VW Bank, as the Servicer, is entitled to commingle to a minor extent funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period in accordance with the following procedure:

VW Bank as the Servicer, will determine the exact collections: (i) for the first fifteen calendar days of a Monthly Period on the first business day following the fifteenth calendar day of a Monthly Period (the "Monthly Collections Part 1") and (ii) for the period from (and including) the sixteenth calendar day of a Monthly Period until (and including) the last day of such Monthly Period (the "Monthly Collections Part 2") on the second business day of the subsequent Monthly Period. Furthermore, VW Bank as the Servicer will arrange for the following:

- (a) VW Bank as the Servicer will determine (A) if the fifteenth calendar day of a Monthly Period is a business day the expected collections for the period from the first through the fourteenth calendar day of each Monthly Period, or, alternatively, (B) if the fifteenth calendar day of a Monthly Period is not a business day, the expected collections for the period from the first through the day which is second business day before the fifteenth calendar day of each Monthly Period (the amounts according to (A) or (B), the "Monthly Collateral Part 1"). VW Bank as the Servicer shall transfer on the second business day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Monthly Collateral Part 1 for securing Driver One's claim with respect to the Monthly Collections Part 1 and will maintain the Monthly Collateral Part 1 as collateral on this account until the Monthly Collections Part 1 have been paid.
- (b) VW Bank as the Servicer will further determine the expected collections for the period from (and including) the sixteenth calendar day of a Monthly Period through (and including) the second last business day of such Monthly Period (the "Monthly Collateral Part 2"). VW Bank as the Servicer shall transfer on the second business day following the fifteenth calendar day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Monthly Collateral Part 2 for securing Driver One's claim with respect to the Monthly Collections Part 2 and will maintain the Monthly Collateral Part 2 as collateral on this account until the Monthly Collections Part 2 have been paid.
- (c) If VW Bank receives the notification by Fitch that Fitch has determined that VW Bank's capacity for timely payment of financial commitments would no longer equal a rating of at least F2 (the "Monthly Collateral Increase Event"), then VW Bank as the Servicer, is only entitled to commingle funds as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period by arranging the following mechanism within 30 days after the Monthly Collateral Increase Event (instead of maintaining the Monthly Collateral Part 1 and the Monthly Collateral Part 2 upon the implementation of such mechanism):
 - (i) VW Bank as the Servicer will determine the expected collections for the period from the first through the fifteenth calendar day of each Monthly Period (the amounts referred to as the "Increased Monthly Collateral Part 1"). VW Bank as the Servicer shall transfer on the second business day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Increased Monthly Collateral Part 1 for securing Driver One's claim with respect to the Monthly Collections Part 1 and will maintain the Increased Monthly Collateral Part 1 as collateral on this account until the Monthly Collections Part 1 have been paid.
 - (ii) VW Bank as the Servicer will further determine the expected collections for the period from (and including) the sixteenth calendar day of a Monthly Period through (and including) the last business day of such Monthly Period (the "Increased Monthly Collateral Part 2"). VW Bank as the Servicer shall transfer on the second business day following the fifteenth calendar day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Increased Monthly Collateral Part 2 for securing Driver One's

claim with respect to the Monthly Collections Part 2 and will maintain the Increased Monthly Collateral Part 2 as collateral on this account until the Monthly Collections Part 2 have been paid.

VW Bank, as the Servicer, will remit the following payments (each as a single deposit) to the Distribution Account:

- (i) on the second business day of each Monthly Period the Monthly Collections Part 2 for the previous Monthly Period; and
- (ii) on the second business day following the fifteenth calendar day of each Monthly Period the Monthly Collections Part 1.

Payment adjustments (i.e. payment adjustments resulting from prepayment of loan contracts (the “Loan Contracts”) or amendments of Loan Contracts) which became evident from the reporting duties of the Servicer under this Agreement for the previous Monthly Period will be remitted or debited to the Collection Account on the 4th business day of each Monthly Period.

Commingled funds may be used or invested by VW Bank at its own risk and for its own benefit until each Payment Date. If VW Bank were unable to remit those funds or were to become an insolvent debtor, losses or delays in distributions to investors may occur.

Information as to the present lending business procedures of VW Bank are described in the sections entitled “Business Procedures of Volkswagen Bank GmbH” and “Administration of the Loan Receivables under the Servicing Agreement” below, however, VW Bank will be permitted to change those business procedures from time to time in its discretion.

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

The Servicer will be entitled to receive a fee on each Payment Date for the preceding Monthly Period. The “Servicer Fee” for any Payment Date will be an amount equal to the product of (1) one-twelfth, (2) 1.0% per annum and (3) the Aggregate Discounted Principal Balance as of the first day of the preceding Monthly Period (or as of the Closing Date, in the case of the first Monthly Period). As additional compensation, the Servicer will be entitled to retain all fees for cheques with insufficient funds, other administrative fees and any investment earnings from the Cash Collateral Account and the Distribution Account. The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses. The Servicer will have no responsibility, however, to pay any credit losses with respect to the Loan Receivables.

Dismissal and Replacement of the Servicer

After a Servicer Replacement Event, Driver One is entitled to dismiss the Servicer as outlined below.

Security, Security Trustee and Enforcement

For the benefit of the Transaction Creditors, Driver One has appointed the Security Trustee pursuant to the Trust Agreement and has assigned for security purposes (*Sicherungseigentum*) and pledged to the Security Trustee as security under German law, the Purchased Rights and all its rights under the Transaction Agreements and has assigned for security purposes (*Sicherungseigentum*) and pledged to the Security Trustee the ownership interest in the Financed Objects acquired from VW Bank for these purposes (including title to newly fitted parts and accessories), whereby the act of delivery has been substituted by the assignment of its surrender claims (collectively the “Collateral Rights”). The Collateral Rights serve to secure the respective obligations of the Company arising from the Notes and the Subordinated Loan.

The Trust Agreement establishes the right and duty of the Security Trustee to the extent necessary to hold, administer or realise the Collateral Rights for the benefit of the Transaction Creditors and to perform only those other duties which are necessarily incidental thereto. The Transaction Creditors are entitled, subject to the provisions of §§ 18-21 of the Trust Agreement, to demand from the Security Trustee the fulfilment of its duties as specified under the Terms and Conditions. The Security Trustee is not obligated to monitor the fulfilment of the duties of Driver One under the Notes, the Terms and Conditions, the Subordinated Loan or any other contracts to which Driver One is a party. All rights of the Noteholders shall remain at all times and under all circumstances vested in the Noteholders.

The Collateral Rights can be realised pursuant to § 18 of the Trust Agreement if (i) insolvency proceedings or other proceedings are instituted against the assets of Driver One, which affects or prejudices the performance of the obligations arising from the Notes or the Transaction Agreements (as defined below) or the Security, or the institution of such proceedings is refused for insufficiency of assets; (ii) Driver One defaults in the payment of any interest on any Note of when the same becomes due and payable, and such default shall continue for a period of five days; or (iii) Driver One defaults in the payment of principal of any Note at the related Final Legal Maturity Date. Amounts generally will not be due and payable on any Payment Date except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Order of Priority of distributions described above.

VW Bank shall undertake all steps necessary to protect the Security Trustee's collateral ownership interest in the collateral and to hold the Financed Objects harmless or free from attachments or secured rights of third parties.

Replacement of Issuer

Subject to certain preconditions Driver One is entitled to appoint another company (the "New Issuer") in place of itself as debtor for all obligations arising from and in connection with the Notes.

Notices

All notices concerning the Notes shall be published in a newspaper with nation-wide circulation of the respective stock exchange to which the Notes are admitted and officially listed for trading.

Applicable Law, Place of Performance and Place of Jurisdiction

The form and content of the Notes and all of the rights and privileges of the Noteholders, Driver One, the Paying Agent and the Servicer under the Notes shall be subject in all respects to the laws of the Federal Republic of Germany.

Place of performance and venue is Frankfurt am Main.

For any litigation in connection with the Terms and Conditions, which will be initiated against Driver One in a court of the Federal Republic of Germany, Driver One has appointed Heussen Rechtsanwalts-gesellschaft mbH), Im Trutz Frankfurt 55, D-60322 Frankfurt am Main, Federal Republic of Germany, to accept serve of process.

INTEREST RATE SWAP AGREEMENTS AND SWAP COUNTERPARTIES

Driver One will enter into a Class A1 Note swap agreement (consisting of an ISDA Master Agreement, the associated schedule and a confirm dated as of the date of such ISDA Master Agreement (such documents collectively, the “Class A1 Interest Rate Swap Agreement”)) with Banque AIG, London Branch (the “Class A1 Swap Counterparty”), a Class A2 Notes interest rate swap agreement (consisting of an ISDA Master Agreement, the associated schedule and a confirm dated as of the date of such ISDA Master Agreement (such documents collectively, the “Class A2 Interest Rate Swap Agreement”) with Banque AIG, London Branch (the “Class A2 Swap Counterparty”)) and a Class B Notes interest rate swap agreement (consisting of an ISDA Master Agreement, the associated schedule and a confirm dated as of the date of such ISDA Master Agreement (such documents collectively, the “Class B Interest Rate Swap Agreement” and together with the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement, the “Swap Agreements”)) with Banque AIG, London Branch (the “Class B Swap Counterparty” and together with the Class A1 Swap Counterparty and the Class A2 Swap Counterparty, the “Swap Counterparties”). Each Swap Agreement will hedge the floating interest rate risk on the applicable class of Notes. Each Swap Counterparty (or its guarantor) will be long term rated at least A+ by Fitch and A1 by Moody’s or will have taken measures agreed with the Rating Agencies for the rating of the Notes.

Under the Class A1 Interest Rate Swap Agreement Driver One will undertake to pay to the Class A1 Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class A1 Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 2.3335% per annum. The Class A1 Swap Counterparty will undertake to pay to Driver One on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Class A1 Notes, calculated on the basis of EURIBOR One-Month Euro Deposits plus 0.05% per annum on the basis of the actual number of days elapsed in an interest period divided by 360.

Under the Class A2 Interest Rate Swap Agreement Driver One will undertake to pay to the Class A2 Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class A2 Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 2.7470% per annum. The Class A2 Swap Counterparty will undertake to pay to Driver One on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Class A2 Notes, calculated on the basis of EURIBOR One-Month Euro Deposits plus 0.10% per annum on the basis of the actual number of days elapsed in an interest period divided by 360.

Under the Class B Interest Rate Swap Agreement Driver One will undertake to pay to the Class B Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class B Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 2.8500% per annum. The Class B Swap Counterparty will undertake to pay to Driver One on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Class B Notes, calculated on the basis of EURIBOR One-Month Euro Deposits plus 0.24% per annum on the basis of the actual number of days elapsed in an interest period divided by 360.

Payments under each Swap Agreement will be exchanged on a net basis on each Payment Date. Payments made by Driver One under the Swap Agreements (other than termination payments related to an event of default or termination event where the Swap Counterparty is the defaulting party, respectively the affected party) rank higher in priority than all payments on the Notes. If the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One’s payment obligations under the Swap Agreements, such payments by Driver One will be used for payments due under the Class A1 Interest Rate Swap Agreement, the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement. Payments by the Swap Counterparties to Driver One under the Swap Agreements will be made into the Distribution Account and will, to the extent necessary, be increased to insure that such payments are free and clear of all taxes.

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

- failure to make a payment under the Swap Agreements when due, if such failure is not remedied within three business days of notice of such failure being given; or

- the occurrence of certain bankruptcy and insolvency events.

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

- illegality of the transactions contemplated by the Swap Agreements;
- either party is required to pay additional amounts under the Swap Agreement due to certain taxes, or has the amount payable to it under the Swap Agreement reduced due to certain taxes, and a transfer to another office or affiliate of the Swap Counterparty that would eliminate the effect of such taxes has not taken place after the time set forth in the Swap Agreement;
- a Foreclosure Event under the Trust Agreement occurs or any clean-up call or prepayment in full, but not in part, of the Notes occurs; or
- failure of the Swap Counterparty to maintain its credit rating at certain levels required by the Swap Agreement, which failure may not constitute a termination event if (in the time set forth in the applicable Swap Agreement) the Swap Counterparty:
 - posts an amount of collateral (in the form of cash and/or securities) as set forth in the Swap Agreement; or
 - obtains a guaranty from an institution with an acceptable rating; or
 - assigns its rights and obligations under the Swap Agreement to a substitute Swap Counterparty with an acceptable rating; or
 - take such other action as agreed with the rating agencies.

Upon the occurrence of any event of default or termination event specified in a Swap Agreement, the non-defaulting party may, after a period of time set forth in the Swap Agreement, elect to terminate such Swap Agreement. If a Swap Agreement is terminated due to an event of default or a termination event, a swap termination payment may be due to the Swap Counterparty by Driver One out of its available funds. The amount of any such swap termination payment may be based on the actual cost or market quotations of the cost of entering into a similar swap transaction or such other methods as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement. Any such swap termination payment could, if market rates or other conditions have changed materially, be substantial. Under certain circumstances, termination payments required to be made by Driver One to a Swap Counterparty will rank higher in priority than all payments on the Notes. In such event, the Loan Receivables and the Cash Collateral Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

A Swap Counterparty may transfer its obligations under the Swap Agreement to a third party with the required ratings, which are long term ratings from Fitch of A+ and from Moody's of A1, if it meets certain limited conditions. There can be no assurance that the credit quality of the replacement Swap Counterparty will ultimately prove as strong as that of the original Swap Counterparty.

Banque AIG has passed all of its exposure to Driver One under the Swap Agreements through to Bayerische Hypo- und Vereinsbank AG, Munich by means of a back to back swap.

TAXATION

The following information is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Notes. It should be read in conjunction with the section entitled “Risk Factors”. Potential purchasers of the Notes are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Notes and, therefore, to consult their professional tax advisors.

Taxation in Germany

Interest paid to a Noteholder resident in Germany is subject to personal or corporate income tax (plus solidarity tax (*Solidaritätszuschlag*) thereon currently at a rate of 5.5%). Such interest is also subject to trade tax on income if the Notes form part of the property of a German business. Where the Notes are kept in a custodial account maintained with a German financial institution or financial services institution (including a German branch of a non-German financial institution or financial services institution, but excluding a non-German branch of a German financial institution or financial services institution, the “Institution”) such Institution is generally required to withhold tax currently at a rate of 30% (plus solidarity tax thereon currently at a rate of 5.5% thus resulting in a total withholding at 31,65%) of the gross amount of interest paid to a Noteholder resident in Germany. Such withholding tax (*Zinsabschlagsteuer*) is credited against the Noteholder’s final liability for personal or corporate income tax.

Interest derived by a non-resident Noteholder is subject to German personal or corporate income tax (plus solidarity tax thereon currently at a rate of 5.5%) only if the Notes form part of the business property of a permanent establishment in Germany (in which case such interest is also subject to trade tax on income) or a fixed base maintained in Germany by the Noteholder. Tax treaties concluded by Germany generally permit Germany to tax the interest income in this situation.

Where the non-resident Noteholder keeps the Notes in a custodial account maintained with a German Institution such Institution is generally required to withhold a tax currently at a rate of 30% (plus solidarity tax thereon currently at a rate of 5.5%) of the gross amount of interest paid, provided the interest constitutes income from German sources (for instance, because the Notes form part of the business property of a permanent establishment which the Noteholder maintains in Germany). Such withholding tax is credited against the Noteholder’s final liability for personal or corporate income tax.

Interest accrued until the sale of the Notes and shown separately on the respective settlement statement (*Stückzinsen*) is also subject to income tax and solidarity tax. This also applies to non-resident Noteholder if the Notes form part of the business property of a permanent establishment in Germany (in which case such interest is also subject to trade tax on income) or a fixed base maintained in Germany by the Noteholder.

Where the Notes are kept in a custodial account maintained with a German Institution such Institution is generally required to withhold tax currently at a rate of 30% (plus solidarity tax thereon currently at a rate of 5.5%) of the gross amount of accrued interest. Such withholding tax is credited against the Noteholder’s final liability for personal or corporate income tax. This also applies to non resident-Noteholders provided the income from accrued interest constitutes income from German sources (for instance, because the Notes form part of the business property of a permanent establishment which the Noteholder maintains in Germany). Such withholding tax is credited against the Noteholder’s final liability for personal or corporate income tax.

Gains from the alienation of the Notes, including gains derived by a secondary or any subsequent acquirer of the Notes upon redemption of the Notes at maturity (“Capital Gains”) derived by an individual Noteholder resident in Germany not holding the Notes as business assets are subject to personal income tax, regardless of the period between acquisition and alienation of the Notes as the payment of interest on the Notes is contingent on an uncertain event. Capital gains derived by an individual Noteholder resident in Germany holding the Notes as a business asset are subject to personal income tax (plus solidarity tax thereon currently at a rate of 5.5%) and trade tax on income. Capital gains derived by a corporate Noteholder resident in Germany are subject to corporate income tax (plus solidarity tax thereon currently at a rate of 5.5%) and trade tax on income. Capital gains derived by a non-resident Noteholder are subject to personal or corporate income tax (plus solidarity tax thereon currently at a rate of 5.5%) if the Notes form part of the business property of a permanent establishment (in which case such gains are also subject to trade tax on income) or fixed base maintained in Germany by the Noteholder.

Where the Notes are kept in a custodial account maintained with a German Institution such Institution is generally required to withhold tax currently at a rate of 30% (plus solidarity tax thereon currently at a rate of 5.5%) of an amount equal to currently 30% of the proceeds from the alienation or redemption of the Notes, or, where such Institution has since acquiring or selling the Notes held such Notes in custody, of the excess of the sales or redemption proceeds over the purchase price for the Notes.

Tax treaties concluded by Germany generally do not permit Germany to tax the capital gains derived by a Noteholder resident in the other treaty country, unless the Notes form part of the business property of a permanent establishment or a fixed base maintained in Germany by the Noteholder. Where Germany is allowed to tax the capital gains, any tax withheld by the Institution will give rise to a refundable credit against the Noteholder's assessed liability for personal or corporate tax.

The above summary is restricted to German income taxation of Noteholders and is based on an interpretation of the German tax laws prevailing on November 10, 2004 which are subject to statutory changes and their application by the German fiscal courts and authorities.

Other German taxes (including, *inter alia*, trade, church, gift and inheritance tax) are not discussed hereunder.

Although it is believed that the Notes are to be classified for German income tax purposes as indebtedness with variable interest, no ruling has been sought from the German tax authorities and thus no assurance can be given that such classification will prevail.

Gift or Inheritance Tax

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

European Union Directive on the Taxation of Savings Income

On 3 June 2003, the European Union ("EU") Council of Economic and Finance Ministers adopted a directive on the taxation of savings income in the form of interest payments (the "EU Savings Tax Directive"). It is proposed that, subject to a number of important conditions being met, each EU member state ("EU Member State") will from 1 January 2005 be required to provide to the tax authorities of another EU Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to or for the benefit of an individual resident in that another EU Member State, however, Austria, Belgium and Luxemburg will instead apply a withholding tax system for a transitional period in relation to such payments.

The foregoing information is not exhaustive; it does not, in particular, deal with all types of taxes nor with the position of individual investors. Prospective investors should, therefore, consult their professional advisors.

CERTIFICATION BY TRUE SALE INTERNATIONAL GMBH (“TSI”)

True Sale International GmbH has granted a certificate entitled “Certified by True Sale International” to Driver One which it may use as a certificate for the Notes.

The certificate is registered as a trade mark and is usually licensed to an issuer of notes, if the notes meet, among other things, the following conditions:

- creation of a special purpose vehicle based on a certain documentation standard;
- transfer of the shares to a foundation (*Stiftung*), also based on a certain documentation standard;
- use of the TSI-securitisation platform, i.e. use of a German special purpose vehicle structure for the securitisation;
- conclusion of a market maker agreement, which puts in place two market makers providing bids for the sale and purchase of the notes rated as AAA/Aaa. The market making does only apply for those notes with an extended maturity of 10 years or less, for a volume of orders of 5 million euro or less and only for those transactions made within the ordinary business hours; there will be only an obligation of the market makers to provide bids in the market for the notes if the market is functioning and sufficient liquidity available; in case of a downgrade event of the AAA/Aaa tranche the obligation of the market makers may be limited; the market makers’ obligation to provide bids will usually end 2 years before the final maturity of the AAA/Aaa tranche notes;
- the issuer of the notes must apply for official quotation (*Antrag auf Börsenzulassung*);
- the issuer must accept the general conditions for the certification, including the annexes and the payment of a certificate fee;
- the issuer must accept the reporting standards of TSI, including the publication of servicing reports on the website of True Sale International GmbH (www.true-sale-international.de) by the originator.

The certificate granted by True Sale International GmbH is not a recommendation to buy, sell or hold securities. This certificate of True Sale International GmbH is issued on the basis that Driver One has represented, as of the date of this information memorandum, to True Sale International GmbH that:

- (a) it will comply with the reporting requirements of True Sale International GmbH, and**
- (b) upon issue of the securities, a market maker will be appointed for the purposes of making a market in the securities.**

True Sale International GmbH has made no other investigation or inquiry in respect of Driver One or the securities and disclaims any responsibility for monitoring Driver One’s continuing compliance with these representations or any other aspect of Driver One’s activities or operations.

V. DESCRIPTION OF THE LOAN RECEIVABLES UNDER THE RECEIVABLES PURCHASE AGREEMENT AND OF THE RIGHTS ASSOCIATED WITH THE PREMATURE TERMINATION OF A LOAN CONTRACT OR WITH THE TRANSFER OF LOAN RECEIVABLES (THE “ADDITIONAL RIGHTS”)¹

The Loan Receivables under the Purchase Agreement

The Loan Receivables are receivables from vehicle loan contracts originated by Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge dealers as agents as well as third parties. The contracts generally contain VW Bank’s standard loan terms; contracts with “large customers” have essentially these conditions (hereinafter the “Loan Contracts”) as used by VW Bank in accordance with its customary business practices as in place from time to time. Other payments may also be agreed upon in these contracts. Payments under the contracts are due monthly. The Financed Objects are mainly new or used Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge vehicles and to a minor extent new or used vehicles of other makes.

The Loan Receivables include the monthly payments on interest and principal for the financing of the acquisition of the vehicles which (i) either amortize in substantially equal monthly instalments during the life of the Loan Contract (Classic Credit) or (ii) provide in addition to substantially equal monthly instalments during the life of the Loan Contract for a final larger balloon payment (Auto Credit). If the Loan Contracts provide for a final larger balloon payment, the Borrower is entitled to settle the final balloon payment either by (x) payment in cash, or (z) sell the Financed Object (provided the Financed Object is in the contractually required physical and technical condition) for a purchase price which equals the balloon payment to the car dealer who will settle on the Borrower’s behalf the balloon payment (if the purchase price for the Financed Object is lower than the contractual balloon payment, the Borrower is bound to pay the difference for the entire settlement of the balloon payment), or (iii) refinance the balloon by concluding a new loan with VW Bank and VW Bank will pay out with the funds of the new loan contract the balloon payment.

In the Purchase Agreement VW Bank has warranted and guaranteed the following in the form of a separate guarantee undertaking pursuant to § 311 (1) German Civil Code (*Bürgerliches Gesetzbuch*) as of the Cutoff Date:

- that the Loan Contracts are existing as legally valid, binding and enforceable agreements;
- that the Loan Receivables are assignable and the Loan Contracts require monthly payments which consist over the life of the Loan Contract of substantially equal monthly instalments and could also include a final Balloon Payment;
- that it may dispose of the Loan Receivables free from rights of third parties;
- that the Loan Receivables are free of defences, whether preemptory or otherwise (*Einwendungen oder Einreden*) for the agreed term of the Loan Contract as well as free from rights of third parties and that the borrowers in particular have no set-off claim;
- that no Loan Receivable was overdue at Cutoff Date;
- that the status and enforceability of the Loan Receivables is not impaired due to warranty claims or any other rights of the Borrower (even if Driver One knew or could have known on the Cutoff Date of the existence of such defences or rights);
- that the status and enforceability of the Loan Receivables is not impaired by set-off rights and that no Borrower maintains deposits on accounts with VW Bank;
- that none of the Borrowers is an affiliate of Volkswagen AG;
- that (according to VW Bank’s records) terminations of the Loan Contracts have not occurred and are not pending;
- that the Loan Contracts shall be governed by the laws of the Federal Republic of Germany and have not been concluded prior to January 1, 2002;
- that the Loan Contracts have been entered into exclusively with borrowers which, if they are corporate entities have their registered office or, if they are individuals have their place of residence in the Federal Republic of Germany;

¹ As used by VW Bank in accordance with its customary business practices as in place from time to time.

- that on the Cutoff Date at least two loan instalments have been paid in respect of each of the Loan Contracts and that the Loan Contracts require substantially equal monthly payments to be made within 72 months of the date of origination of the Loan Contract and could also provide for a final Balloon Payment;
- that the total amount of Loan Receivables assigned hereunder resulting from Loan Contracts with one and the same borrower will not exceed €1,500,000 in respect of any single borrower;
- that those Loan Contracts which are subject to the provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) on consumer financing, comply in all material respects with the requirements of such provisions and, in particular contain orderly instructions in respect of the right of revocation of the borrowers and that none of the borrowers has used its right of revocation within the term of revocation;
- that it may freely dispose of security title (*Sicherungseigentum*) to the Financed Objects and that no third-party's rights prevent such dispositions;
- that (according to VW Bank's records) no insolvency proceedings have been initiated against any of the borrowers during the term of the Loan Contracts up to the Cutoff Date; and
- that VW Bank had not opted for German VAT in regard of the Loan Receivables.

In the event of a breach of any of the warranties set forth above at the Cutoff Date which materially and adversely affects the interests of Driver One or the Noteholders, VW Bank shall have until the end of the Monthly Period which includes the 60th day (or, if VW Bank elects, an earlier date) after the date that VW Bank became aware or was notified of such breach to cure or correct such breach. Any such breach or failure will not be deemed to have a material and adverse effect if such breach or failure does not affect the ability of Driver One to receive and retain timely payment in full on the related Loan Contract. If VW Bank does not cure or correct such breach prior to such time, then VW Bank shall purchase any Loan Receivables affected by such breach which materially and adversely affects the interests of Driver One or the Noteholders from Driver One on the Payment Date following the expiration of such period. Any such purchase by VW Bank shall be at a price equal to the present value of the Loan Receivables remaining due under such Loan Contract, using a discount rate of 3.6563 %. Upon payment of such settlement amount ("Settlement Amount") by VW Bank, Driver One and the Security Trustee shall release and shall execute and deliver such instruments of release, transfer or assignment, in each case without recourse or representation, as shall be reasonably necessary to vest in VW Bank or its designee any Loan Receivable settled. The right to cause VW Bank to settle any Loan Receivable as described above will constitute the sole remedy respecting such breach available to Driver One and the Security Trustee. Neither Driver One nor the Security Trustee will have any duty to conduct an affirmative investigation as to the occurrence of any condition requiring the settlement of any Loan Receivable.

PwC Deutsche Revision Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Hannover ("PwC"), was engaged to perform certain agreed upon procedures in respect of VW Bank's loan files in connection with the proposed issue of the Notes by Driver One. In its report of November 24, 2004 PwC has confirmed that as a result of PwC's review which started on November 23, 2004, nothing came to PwC's attention that VW Bank has not performed all that it has undertaken and warranted or that the eligibility criteria as stated above are not fulfilled.

VW Bank does not warrant the solvency (credit standing) of the borrowers.

Description of the Loan Contracts, Loan Receivables, Financed Objects and Borrowers as at the Cutoff Date

The portfolio information presented in this Offering Circular is based on a sample pool as of the Cutoff Date. The characteristics of the actual pool will vary somewhat from the statistical portfolio information presented in this Offering Circular, however, these variations are not expected to be material.

THE LOAN RECEIVABLES POOL

The characteristics set forth in this section are based on the Loan Receivables balance as of the statistical Cutoff Date.

As of the statistical Cutoff Date, each Loan Receivable:

- had an original term of maturity of 33 to 72 months and a remaining term to maturity of 31 months or more;
- had a contract rate of 0.10 % to 13.80 % and a weighted average contract rate of 5.66 %;
- was not past due; and
- satisfied the other criteria set forth in the transaction documents, including the criteria set forth under “Description of the Loan Receivables” in this offering circular.

The monthly servicing report will contain the information outlined in the paragraph entitled “Servicing Report” of Chapter VIII (Administration of the Loan Receivables under the Servicing Agreement) of this Offering Circular. As part of the monthly report prepared by the Servicer in connection with the Notes, the Servicer will compute a Note Factor. See “Pool Factors, Note Factors and Pool Information” in the Terms and Conditions of the Notes.

The composition, distribution by remaining term, distribution by contract rate and geographic distribution, in each case of the Loan Receivables as of the statistical Cutoff Date, are set forth in the tables below.

Composition of the Loan Receivables Pool as of the statistical Cutoff Date

Outstanding Discounted Principal Balance	€ 1,266,495,027.49
Number of Loan Contracts	111,399
Average Outstanding Discounted Principal Balance	€ 11,369
<i>Range of Outstanding Discounted Principal Balance</i>	€ 523.80 to € 126,656.21
Weighted Average Contract Rate(1)	5.66 %
<i>Range of Contract Rates</i>	0.10 % to 13.80 %
Weighted Average Remaining Term(1)	39.49 months
<i>Range of Remaining Terms</i>	31 to 54 months
Weighted Average Original Term(1)	50.52 months
<i>Range of Original Terms</i>	33 to 72 months

(1) Weighted by principal balance as of the statistical Cutoff Date.

I. Make: New and Used Cars

AUDI

<i>New or Used Cars</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
New Cars	5,556	29.13%	109,233,674.83 €	38.52%
Used Cars	13,519	70.87%	174,378,126.39 €	61.48%
Total	19,075	100.00%	283,611,801.22 €	100.00%

SEAT

<i>New or Used Cars</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
New Cars	7,095	61.19%	77,557,338.93 €	67.52%
Used Cars	4,500	38.81%	37,314,175.19 €	32.48%
Total	11,595	100.00%	114,871,514.12 €	100.00%

SKODA

<i>New or Used Cars</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
New Cars	12,674	79.01%	142,993,072.47 €	82.76%
Used Cars	3,367	20.99%	29,788,115.14 €	17.24%
Total	16,041	100.00%	172,781,187.61 €	100.00%

VW

<i>New or Used Cars</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
New Cars	23,951	42.12%	301,475,567.91 €	47.67%
Used Cars	32,915	57.88%	330,938,011.71 €	52.33%
Total	56,866	100.00%	632,413,579.62 €	100.00%

OTHER

<i>New or Used Cars</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
New Cars	152	1.94%	2,053,666.56 €	3.27%
Used Cars	7,670	98.06%	60,763,278.36 €	96.73%
Total	7,822	100.00%	62,816,944.92 €	100.00%

2. Borrower Initial Down-Payments in %

<i>Down-payment</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>	<i>Down Payment/ Purchase Price in %</i>
No Down-Payment	21,683	19.46%	257,331,921.22 €	20.32%	0.00%
< = 1.000,00	8,159	7.32%	77,932,391.60 €	6.15%	6.74%
1.000,01 – 2.000,00	11,855	10.64%	120,609,996.70 €	9.52%	13.34%
2.000,01 – 3.000,00	12,598	11.31%	128,882,932.67 €	10.18%	19.35%
3.000,01 – 4.000,00	11,636	10.45%	125,096,456.72 €	9.88%	23.03%
4.000,01 – 5.000,00	11,182	10.04%	127,486,210.12 €	10.07%	26.70%
5.000,01 – 6.000,00	7,430	6.67%	92,618,406.47 €	7.31%	28.85%
6.000,01 – 7.000,00	5,721	5.14%	73,326,731.49 €	5.79%	31.64%
7.000,01 – 8.000,00	4,803	4.31%	60,837,478.24 €	4.80%	34.99%
8.000,01 – 9.000,00	2,854	2.56%	35,257,318.68 €	2.78%	38.55%
9.000,01 – 10.000,00	4,451	4.00%	56,780,071.58 €	4.48%	40.59%
10.000,01 – 11.000,00	1,678	1.51%	19,839,323.31 €	1.57%	44.34%
11.000,01 – 12.000,00	1,636	1.47%	19,972,330.13 €	1.58%	46.21%
12.000,01 – 13.000,00	1,181	1.06%	14,216,899.41 €	1.12%	48.36%
13.000,01 – 14.000,00	876	0.79%	10,302,118.74 €	0.81%	50.75%
14.000,01 – 15.000,00	1,188	1.07%	15,651,121.00 €	1.24%	50.27%
> 15.000,00	2,468	2.22%	30,353,319.41 €	2.40%	58.46%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%	25.02%

Statistics

Minimum Down-Payment	0.02 €
Maximum Down-Payment	80,787.52 €
Average Down-Payment (Customers who made Down-Payment)	5,262.67 €

Statistics

Average Down-Payment 4,238.33 €

3. *Customer Type*

<i>Customer Type</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
Corporate	15,546	13.96%	239,011,078.01 €	18.87%
Retail	95,853	86.04%	1,027,483,949.48 €	81.13%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

4. *Type of Payment*

<i>Type of Payment</i>	<i>Number of Loans</i>	<i>Percentage of Loans %</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
Direct Borrower Account Debit (<i>Lastschrift</i>)	109,229	98.05%	1,240,743,434.06 €	97.97%
Other	2,170	1.95%	25,751,593.43 €	2.03%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

5. *Distribution of Loan Contracts and Vehicles per Borrower*

<i>Contracts-Concentration</i>	<i>Number of Customers</i>	<i>Percentage of Customers (%)</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
1	110,053	99.4533%	110,053	98.7917%	1,247,423,426.19 €	98.4941%
2	537	0.4853%	1,074	0.9641%	15,427,486.41 €	1.2181%
3	41	0.0371%	123	0.1104%	1,716,092.92 €	0.1355%
4	11	0.0099%	44	0.0395%	544,525.26 €	0.0430%
5	6	0.0054%	30	0.0269%	492,246.88 €	0.0389%
6 – 10	9	0.0081%	62	0.0557%	699,708.16 €	0.0552%
> 10	1	0.0009%	13	0.0117%	191,541.67 €	0.0151%
Total	110,658	100.0000%	111,399	100.0000%	1,266,495,027.49 €	100.0000%

Top 20 Borrowers

<i>Number</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Discounted Principal Balance (%)</i>	<i>Number of Contracts</i>
1	191,541.67 €	0.0151%	13
2	165,955.03 €	0.0131%	5
3	131,933.57 €	0.0104%	9
4	128,849.06 €	0.0102%	2
5	126,656.21 €	0.0100%	1
6	117,665.44 €	0.0093%	8
7	107,693.27 €	0.0085%	2
8	102,020.80 €	0.0081%	1
9	101,071.13 €	0.0080%	2
10	97,742.39 €	0.0077%	2
11	95,154.40 €	0.0075%	6
12	89,599.73 €	0.0071%	1
13	88,190.24 €	0.0070%	1
14	84,544.56 €	0.0067%	5
15	83,181.04 €	0.0066%	2
16	81,605.87 €	0.0064%	6
17	81,213.77 €	0.0064%	3
18	81,111.12 €	0.0064%	1
19	80,667.17 €	0.0064%	2
20	80,577.84 €	0.0064%	1
Total 1 - 20	2,116,974.31 €	0.1672%	73

6. Distribution by Outstanding Discounted Principal Balance

<i>Distribution by Outstanding Discounted Principal Balance (€)</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
0,01 – 5.000,00	9,771	8.77%	37,676,709.72 €	2.97%
5.000,01 – 10.000,00	44,366	39.83%	341,590,777.55 €	26.97%
10.000,01 – 15.000,00	33,610	30.17%	408,875,427.36 €	32.28%
15.000,01 – 20.000,00	14,856	13.34%	255,027,064.75 €	20.14%
20.000,01 – 25.000,00	5,643	5.07%	124,333,266.76 €	9.82%
25.000,01 – 30.000,00	1,821	1.63%	49,242,991.95 €	3.89%
> 30.000,00	1,332	1.20%	49,748,789.40 €	3.93%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

Statistics

Minimum Outstanding Discounted Principal Balance	523.80 €
Maximum Outstanding Discounted Principal Balance	126,656.21 €
Average Outstanding Discounted Principal Balance	11,369.00 €

7. *Distribution by Original Principal Balance*

<i>Distribution by Original Principal Balance (€)</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
0,01 – 5.000,00	3,419	3.07%	10,545,801.25 €	0.83%
5.000,01 – 10.000,00	24,732	22.20%	148,940,733.68 €	11.76%
10.000,01 – 15.000,00	37,432	33.60%	352,323,854.52 €	27.82%
15.000,01 – 20.000,00	24,220	21.74%	316,900,558.26 €	25.02%
20.000,01 – 25.000,00	12,298	11.04%	209,976,708.17 €	16.58%
25.000,01 – 30.000,00	5,275	4.74%	110,725,835.68 €	8.74%
> 30.000,00	4,023	3.61%	117,081,535.93 €	9.24%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

Statistics

Minimum Original Principal Balance	661.44 €
Maximum Original Principal Balance	142,762.97 €
Average Original Principal Balance	14,893.38 €

8. *Interest Rate paid by the Receivable Debtor*

<i>Interest Rate paid by the Receivable Debtor</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
0,1 % – 0,5 %	415	0.37%	4,384,991.19 €	0.35%
0,6 % – 1,0 %	11,620	10.43%	118,737,283.61 €	9.38%
1,1 % – 1,5 %	54	0.05%	783,166.36 €	0.06%
1,6 % – 2,0 %	4,623	4.15%	57,712,151.12 €	4.56%
2,1 % – 2,5 %	159	0.14%	2,564,637.20 €	0.20%
2,6 % – 3,0 %	5,090	4.57%	55,297,198.48 €	4.37%
3,1 % – 3,5 %	228	0.20%	4,311,155.38 €	0.34%
3,6 % – 4,0 %	9,982	8.96%	127,412,702.94 €	10.06%
4,1 % – 4,5 %	228	0.20%	3,618,462.42 €	0.29%
4,6 % – 5,0 %	12,561	11.28%	160,310,917.83 €	12.66%
5,1 % – 5,5 %	402	0.36%	4,644,152.43 €	0.37%
5,6 % – 6,0 %	6,065	5.44%	83,687,358.14 €	6.61%
6,1 % – 6,5 %	5,371	4.82%	64,625,824.17 €	5.10%
6,6 % – 7,0 %	25,200	22.62%	293,556,767.50 €	23.18%
7,1 % – 7,5 %	3,957	3.55%	39,768,737.66 €	3.14%
7,6 % – 8,0 %	10,122	9.09%	110,661,886.45 €	8.74%
8,1 % – 8,5 %	1,103	0.99%	11,228,730.26 €	0.89%
8,6 % – 9,0 %	5,770	5.18%	54,077,073.28 €	4.27%
9,1 % – 9,5 %	1,659	1.49%	13,128,860.67 €	1.04%
9,6 % – 10,0 %	2,848	2.56%	24,678,275.28 €	1.95%
> 10,0 %	3,942	3.54%	31,304,695.12 €	2.47%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

Statistics

Minimum Interest Rate Debtor	0.10%
Maximum Interest Rate Debtor	13.80%
Weighted Average Interest Rate Debtor	5.66%

9. Distribution by Original Term

<i>Length of Original Term months</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
01 – 12	0	0.00%	– €	0.00%
13 – 24	0	0.00%	– €	0.00%
25 – 36	14,534	13.05%	170,466,263.48 €	13.46%
37 – 48	54,300	48.74%	585,569,742.42 €	46.24%
49 – 60	33,466	30.04%	422,151,453.08 €	33.33%
61 – 72	9,099	8.17%	88,307,568.51 €	6.97%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

Statistics

Minimum Original Term months	33
Maximum Original Term months	72
Weighted Average Original Term month	50.52

10. Distribution by Remaining Term

<i>Length of Remaining Term months</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
01 – 12	0	0.00%	– €	0.00%
13 – 24	0	0.00%	– €	0.00%
25 – 36	44,906	40.31%	471,269,625.53 €	37.21%
37 – 48	55,328	49.67%	649,806,954.72 €	51.31%
49 – 54	11,165	10.02%	145,418,447.24 €	11.48%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

Statistics

Minimum Remaining Term months	31
Maximum Remaining Term months	54
Weighted Average Remaining Term month	39.49

11. Seasoning

<i>Seasoning (months)</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
01 – 06	38,713	34.75%	483,256,399.64 €	38.16%
07 – 12	26,497	23.79%	314,223,521.55 €	24.81%
13 – 18	29,125	26.14%	300,017,827.09 €	23.69%
19 – 24	9,778	8.78%	107,441,175.82 €	8.48%
25 – 30	5,390	4.84%	47,327,375.31 €	3.74%
31 – 36	1,699	1.53%	13,659,634.18 €	1.08%
>36	197	0.18%	569,093.90 €	0.04%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

Statistics

Weighted Average Seasoning Term in months	11.40
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12. Credit Type

<i>Credit Type</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
Balloon	58,998	52.96%	796,735,953.52 €	62.91%
Equal-Instalment Loan	52,401	47.04%	469,759,073.97 €	37.09%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%

13. Type of Car

<i>Type of Car</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
New	49,428	44.3702%	633,313,320.70 €	50.0052%
Used	61,971	55.6298%	633,181,706.79 €	49.9948%
Total	111,399	100.0000%	1,266,495,027.49 €	100.0000%

Type of Car: only Balloon Loans

<i>Type of Car</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
New	23,759	40.2709%	372,099,796.15 €	46.7030%
Used	35,239	59.7291%	424,636,157.37 €	53.2970%
Total	58,998	100.0000%	796,735,953.52 €	100.0000%

Type of Car: only Equal-Instalment Loans

<i>Type of Car</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
New	25,669	48.9857%	261,213,524.55 €	55.6058%
Used	26,732	51.0143%	208,545,549.42 €	44.3942%
Total	52,401	100.0000%	469,759,073.97 €	100.0000%

14. Distribution by Vehicle Makes and Models

<i>Make</i>	<i>Model</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>	
<u>Audi</u>	Audi 80	116	0.10%	524,441.68 €	0.04%	
	Audi 100, 200, Coupé	154	0.14%	1,131,373.17 €	0.09%	
	A2	1,713	1.54%	17,774,501.28 €	1.40%	
	A3	4,843	4.35%	65,205,898.65 €	5.15%	
	A4	7,885	7.08%	120,284,920.89 €	9.50%	
	A6	2,688	2.41%	46,211,384.68 €	3.65%	
	A8	314	0.28%	7,632,250.06 €	0.60%	
	Audi Allroad	365	0.33%	8,800,709.99 €	0.69%	
	Audi Cabriolet	171	0.15%	2,096,276.00 €	0.17%	
	Audi TT	826	0.74%	13,950,044.82 €	1.10%	
	Summe	19,075	17.12%	283,611,801.22 €	22.39%	
<u>Seat</u>	Alhambra	1,045	0.94%	15,320,675.78 €	1.21%	
	Altea	255	0.23%	4,089,638.48 €	0.32%	
	Arosa	1,420	1.27%	9,306,241.82 €	0.73%	
	Cordoba	828	0.74%	6,965,580.03 €	0.55%	
	Ibiza	3,862	3.47%	33,537,265.79 €	2.65%	
	Inca	39	0.04%	243,085.75 €	0.02%	
	Leon	2,663	2.39%	30,731,149.67 €	2.43%	
	Marbella, Ronda	2	0.00%	3,646.91 €	0.00%	
	Toledo	1,481	1.33%	14,674,229.89 €	1.16%	
		Summe	11,595	10.41%	114,871,514.12 €	9.07%
<u>Skoda</u>	Fabia	4,657	4.18%	41,473,071.19 €	3.27%	
	Fabia Combi	3,653	3.28%	36,123,186.34 €	2.85%	
	Felicia	277	0.25%	1,254,195.21 €	0.10%	
	Octavia	6,812	6.11%	82,737,672.74 €	6.53%	
	Superb	642	0.58%	11,193,062.13 €	0.88%	
		SUMME	16,041	14.40%	172,781,187.61 €	13.64%
<u>VW</u>	Bora	1,619	1.45%	17,729,194.25 €	1.40%	
	Caddy	258	0.23%	2,715,061.45 €	0.21%	
	Corrado, VW Käfer, VW Käfer Cabriolet, VW 411, Jetta	9	0.01%	46,027.05 €	0.00%	
	Golf	22,565	20.26%	220,162,568.33 €	17.38%	
	Golf Cabriolet	422	0.38%	4,023,914.40 €	0.32%	
	LT	142	0.13%	1,986,273.65 €	0.16%	
	Lupo	2,914	2.62%	19,637,713.84 €	1.55%	
	New Beetle	1,370	1.23%	16,377,603.71 €	1.29%	
	Passat	7,803	7.00%	96,277,360.21 €	7.60%	
	Phaeton	12	0.01%	447,002.87 €	0.04%	
	Polo	8,599	7.72%	69,051,937.83 €	5.45%	
	Sharan	3,025	2.72%	45,725,056.65 €	3.61%	
	T4	2,146	1.93%	33,215,835.72 €	2.62%	
	T5	914	0.82%	21,388,754.17 €	1.69%	
	Touareg	353	0.32%	12,787,132.33 €	1.01%	
	Touran	4,639	4.16%	70,509,088.62 €	5.57%	
	Vento	76	0.07%	333,054.54 €	0.03%	
		Summe	56,866	51.05%	632,413,579.62 €	49.93%
	<u>Non VW Group Vehicles</u>		7,822	7.02%	62,816,944.92 €	4.96%
Total		111,399	100.00%	1,266,495,027.49 €	100.00%	

15. *Geographic Distribution of the Loan Receivables by German Federal States (Bundesländer) as of the Statistical Cutoff Date*

<i>Region</i>	<i>Number of Loans</i>	<i>Percentage of Loans (%)</i>	<i>Outstanding Discounted Principal Balance (€)</i>	<i>Percentage of Balance (%)</i>
Baden-Wuerttemberg	11,096	9.96%	131,980,821.73 €	10.42%
Bavaria	11,276	10.12%	136,713,712.32 €	10.79%
Berlin	2,267	2.04%	26,931,005.47 €	2.13%
Brandenburg	5,599	5.03%	63,550,930.01 €	5.02%
Bremen	790	0.71%	9,017,578.97 €	0.71%
Hamburg	1,527	1.37%	17,072,804.72 €	1.35%
Hesse	7,546	6.77%	87,339,247.35 €	6.90%
Mecklenburg-Vorpommern	4,372	3.92%	47,597,112.22 €	3.76%
Lower Saxony	12,081	10.84%	134,659,021.67 €	10.63%
North Rhine-Westphalia	21,487	19.29%	241,758,120.31 €	19.09%
Rhineland-Palatinate	5,229	4.69%	58,154,094.23 €	4.59%
Saarland	813	0.73%	9,163,889.90 €	0.72%
Saxony	9,763	8.76%	107,773,819.39 €	8.51%
Saxony-Anhalt	6,987	6.27%	77,781,773.04 €	6.14%
Schleswig-Holstein	4,523	4.06%	48,872,383.59 €	3.86%
Thuringia	6,043	5.42%	68,128,712.57 €	5.38%
Total	111,399	100.00%	1,266,495,027.49 €	100.00%



Delinquencies

The following data indicates, for the whole loan portfolio of VW Bank, and for a given month the outstanding balance of the receivables which are current, one (1) instalment, two (2) instalments, or more than two (2) instalments in arrears, expressed as a percentage of the total outstanding balance of the loan portfolio at the beginning of such period.

Arrear status credit portfolio VW Bank Germany

in % of receivable volume

Month	<i>0 instalments</i>	<i>1 instalment</i>	<i>2 instalments</i>	<i>> 2 instalments</i>	<i>Receivable volume in thsd. €</i>
Sep 99	94.94	2.01	0.80	2.24	5,585,835
Dec 99	95.09	2.01	0.73	2.17	5,778,375
Mar 00	95.34	1.85	0.76	2.06	5,841,090
Jun 00	95.30	1.96	0.70	2.05	6,042,546
Sep 00	95.46	1.81	0.66	2.07	6,189,553
Dec 00	95.30	1.97	0.59	2.15	6,307,680
Mar 01	95.74	1.77	0.46	2.03	6,513,252
Jun 01	95.71	1.76	0.53	2.01	6,649,603
Sep 01	95.84	1.61	0.57	1.98	6,773,575
Dec 01	95.96	1.59	0.49	1.96	6,792,221
Mar 02	96.07	1.68	0.50	1.75	6,881,057
Jun 02	96.18	1.48	0.59	1.75	7,128,514
Sep 02	96.34	1.34	0.59	1.73	7,598,977
Dec 02	96.21	1.28	0.83	1.68	8,000,900
Mar 03	96.09	1.45	0.87	1.59	8,376,104
Jun 03	96.17	1.54	0.64	1.65	8,620,495
Sep 03	96.38	1.45	0.54	1.62	8,931,496
Dec 03	96.21	1.34	0.81	1.63	9,039,069
Mar 04	96.43	1.26	0.78	1.53	9,028,450
Jun 04	96.75	1.24	0.53	1.47	9,670,628

WEIGHTED AVERAGE LIFE OF THE NOTES

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

The following table is prepared on the basis of certain assumptions, as described below, regarding the weighted average characteristics of the Loan Receivables and the performance thereof.

The table assumes, among other things, that if:

- (a) the Portfolio is subject to a constant annual rate of prepayment as set out under "CPR";
- (b) no Loan Receivables are repurchased by the Originator;
- (c) the Notes are purchased on the assumed Closing Date of November 30, 2004;
- (d) the Payment Date is assumed to be the 21st of each month;
- (e) the Clean-Up Call is exercised;
- (f) the Loan Receivables are fully performing;
- (g) the original outstanding balance of each class of Notes is equal to the Nominal Amount set forth on the front cover of this Offering Circular;
- (h) the Discount Rate is assumed to be 3.66% and the Monthly Payments are discounted back to the assumed Cutoff Date of October 31, 2004; and
- (i) the fixed rates under the Swap Agreements and the estimate of the hypothetical swap rate theoretically needed to swap the floating rate payments of the Subordinated Loan are assumed to be 2.64%;

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

<i>CPR (%)</i>	<i>Class A1 Notes</i>			<i>Class A2 Notes</i>		
	<i>Average life (in years)</i>	<i>First principal payment in month</i>	<i>Expected maturity</i>	<i>Average life (in years)</i>	<i>First principal payment in month</i>	<i>Expected maturity</i>
0	0.83	Dec-04	Jun-06	2.81	Jun-06	Sep-08
5	0.69	Dec-04	Mar-06	2.66	Mar-06	Apr-08
10	0.58	Dec-04	Jan-06	2.30	Jan-06	Dec-07
15	0.51	Dec-04	Nov-05	2.09	Nov-05	Sep-07

<i>CPR (%)</i>	<i>Class B Notes</i>		
<i>Average life (in years)</i>	<i>First principal payment in month</i>	<i>Expected maturity</i>	
0	2.62	Jul-06	Sep-08
5	2.44	Apr-06	Apr-08
10	2.07	Jan-06	Dec-07
15	1.87	Nov-05	Sept-07

The average lives of the Class A1 Notes, of the Class A2 Notes and of the Class B Notes cannot be predicted as the actual rate at which the Loan Receivables will be repaid and a number of other relevant factors are unknown.

The average lives of the Class A1 Notes, of the Class A2 Notes and of the Class B Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

Additional Rights

Settlement and Reduction

Driver One may demand from VW Bank a Settlement Amount (as defined below) for any Loan Receivables in respect of which the respective Borrower legitimately terminates or invalidates the loan or asserts a right to refuse performance or to performance by set-off.

The “Settlement Amount” corresponds in each case to the present value of all Loan Receivables becoming payable under the respective Loan Contracts during the remaining contract term which would become payable absent a Settlement, calculated using a discount rate of 3.6563%.

The Settlement Amount to be paid in the case of a Clean-up Call which could be exercised if all payment obligations under the Notes were thereby fulfilled is equal to the present value of all Loan Receivables which would have become due if the Clean-up Call had not occurred, calculated using a discount rate of 3.6563% p.a. provided that all payment obligations under the Notes will thereby be fulfilled. For the calculation of such Clean-up Settlement Amount the risk of losses, if any, shall be taken into account, by applying the principles of impairment of such receivables pursuant to German Generally Accepted Accounting Principles (*Grundsätze ordnungsgemäßer Buchführung*) resulting in a flat-rate value adjustment (*Pauschalwertberichtigung*) or – if applicable – in an adjustment of the single Loan Receivable (*Einzelwertberichtigung*).

Realisation of Vehicles

Driver One is entitled to proceeds from the realisation of Financed Objects which VW Bank has received from the realisation of Financed Objects for the account of the Security Trustee or which the Security Trustee has received on its own behalf (and in case of a termination of a Loan Contract up to the date of the final write-off made by the Servicer) up to the amount of Loan Receivables of the corresponding Loan Contract. All payments and disposition and other proceeds with respect to the Financed Object will be allocated to the Loan Contract for which the Financed Object was foreclosed.

Security

Driver One has also acquired as security for the acquired Loan Receivables and as security for all of Driver One’s current and future claims against VW Bank arising from the Purchase Agreement and the Servicing Agreement, including all future damage claims pursuant to § 280 (1) in connection with § 280 (3) German Civil Code (*Bürgerliches Gesetzbuch*) (*Schadenersatz statt der Leistung*) and including all claims arising out of a withdrawal from the Purchase Agreement, security title (*Sicherungsseigentum*) to the Financed Objects, as well as security title to the respective Borrower’s wage and salary receivables, if any, which VW Bank had acquired as collateral under the relevant Loan Contract and,

- (a) notwithstanding the transfer of auxiliary or preferential rights pursuant to § 401 German Civil Code, when the assignment is effectuated pursuant to § 2(1), the following receivables and rights:
 - Unilateral right to alter legal relationships (*Gestaltungsrechte*), especially the right of termination. Until revoked, these rights will be exercised by VW Bank for Driver One’s benefit. VW Bank may exercise such rights in conformity with VW Bank’s customary practices in effect from time to time.
 - Damage claims arising from a breach of contract or in tort against the respective borrower or any interest due and claims against third parties due to damage to or loss of the financed objects.
 - The claims arising from the insurance certificate or without an insurance certificate against the respective vehicle insurer for payment of the insurance benefit. Driver One is entitled to notify the respective insurer of the assignment on behalf of VW Bank. Although VW Bank offers the opportunity to obtain insurance with respect to the financed object, VW Bank will have no requirement to monitor whether the borrowers will obtain insurances and VW Bank will have no liability should a borrower not obtain offered insurance protection.
- (b) all its present and future claims and other rights arising from the Transaction Agreements, as defined in the preamble of the Purchase Agreement, (including the rights to alter the legal relationship (*Gestaltungsrechte*)) and from all present and future contracts Driver One has entered or may enter into in connection with the Notes, the Subordinated Loan or the Purchased Rights.

Each right, claim or title assigned to Driver One as security is to be reassigned to VW Bank when the right or claim to be secured no longer exists.

Amendments to the Purchase Agreement

VW Bank will be entitled to unilaterally amend any term or provision of the Purchase Agreement without the consent of Driver One, the Security Trustee, any Noteholder, any Swap Counterparty, the Subordinated Lender or any other Person; *provided* that such amendment shall not, as evidenced by a legal opinion of counsel from an international law firm of recognised standing whose headquarters is in London, Chicago or New York appointed by VW Bank delivered to the Security Trustee, materially and adversely affect the interests of Driver One, the Security Trustee, the Noteholders, the Swap Counterparties, or the Subordinated Lender, and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by VW Bank under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, then the consent of the Swap Counterparty will be required. Any amendment which materially and adversely affects the interests of Driver One, the Security Trustee, the Swap Counterparty or the Subordinated Lender shall require the consent of the parties that are materially and adversely affected.

The Purchase Agreement may also be amended from time to time unilaterally by VW Bank without the consent of Driver One, the Security Trustee, any Noteholder, or the Subordinated Lender or any other person, to add, modify or eliminate any provisions as may be necessary or advisable as evidenced by a legal opinion of counsel from an international law firm of recognised standing whose headquarters is in London, Chicago or New York appointed by VW Bank delivered to the Security Trustee in order to enable VW Bank, Driver One, the Security Trustee, the Subordinated Lender or any of their affiliates to comply with or obtain more favourable treatment under any law or regulation or any accounting rule or principle, it being a condition to any such amendment that the Rating Agency Condition (as defined below) shall have been satisfied, and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by VW Bank under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparty, then the consent of the Swap Counterparty will be required.

The Purchase Agreement may also be amended from time to time by VW Bank with the consent of the Noteholders evidencing not less than a majority of the aggregate outstanding principal amount of the outstanding Notes, voting as a single class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Purchase Agreement or of modifying in any manner the rights of the Noteholders; *provided* that no such amendment shall (i) reduce the interest rate or principal amount of any Note or delay the Final Scheduled Payment Date or Final Maturity Date of any Note without the consent of the Holder of such Note, or (ii) reduce the percentage of the aggregate outstanding principal amount of the outstanding Notes, the holders of which are required to consent to any matter without the consent of the holders of at least the percentage of the aggregate outstanding principal amount of the outstanding Notes which were required to consent to such matter before giving effect to such amendment, and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by VW Bank under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparty, then the consent of the Swap Counterparty will be required. It will not be necessary for the consent of Noteholders to approve the particular form of any proposed amendment or consent, but it will be sufficient if such consent approves the substance thereof. The manner of obtaining such consents (and any other consents of Noteholders provided for in this Agreement) and of evidencing the authorization of the execution thereof by Noteholders will be subject to such reasonable requirements as the Security Trustee may prescribe, including the establishment of record dates.

Prior to the execution of any amendment to the Purchase Agreement, the Security Trustee shall be entitled to receive and conclusively rely upon a legal opinion of counsel addressed to the Security Trustee stating that the execution of such amendment is authorized or permitted by the Purchase Agreement that the rights and duties of the Security Trustee will not be materially affected and that all conditions precedent to the execution and delivery of such amendment have been satisfied.

“Rating Agency Condition” means, with respect to any event or circumstance and each Rating Agency, either (a) written confirmation by such Rating Agency that the occurrence of such event or

circumstance will not cause it to downgrade, qualify or withdraw its rating assigned to any of the Notes or (b) that such Rating Agency shall have been given notice of such event or circumstance at least ten days prior to the occurrence of such event or circumstance (or, if ten days' advance notice is impracticable, as much advance notice as is practicable) and such Rating Agency shall not have issued any written notice that the occurrence of such event or circumstance will cause it to downgrade, qualify or withdraw its rating assigned to the Notes.

VI. BUSINESS AND ORGANISATION OF VOLKSWAGEN BANK GMBH

Incorporation, Registered Office and Purpose

Volkswagen Bank GmbH (“VW Bank”) was incorporated on June 30, 1949 according to German law under the name “Volkswagen Finanzierungsgesellschaft mit beschränkter Haftung” in Wolfsburg. The headquarters was moved to Braunschweig, where the company was registered in the Commercial Register on September 29, 1982. The name was changed to “Volkswagen Bank GmbH” on December 14, 1994. VW Bank operates under a banking license (“*Vollbanklizenz*”) and is a member of the deposit protection fund *Einlagensicherungsfonds*. Therefore, VW Bank is subject to the regulations of the German regulator BaFin (“Bundesanstalt für Finanzdienstleistungsaufsicht”).

VW Bank employs a diversified business model by carrying out various banking activities such as accepting bank deposits, lending activities, transfer and payment activities. Within this business model VW Bank also supports the sale of the products of the Volkswagen Group and its brands. VW Bank fulfils this role by continuously optimising its service function, which entails improving processes, organisational structures and information systems, and above all by ensuring a high level of customer and dealer loyalty and by offering attractive products.

VW Bank co-operates closely with approximately 2,800 dealerships of the Volkswagen Group. A dealer can thus offer the customer complete, competent, personal service, at one stop and from a single source, including the financing. The co-operation between the manufacturer or importer and the dealer-partner respectively is established by a dealer agreement. Under this agreement the dealer-partner is given the responsibility for marketing the products and services of the Volkswagen Group and to service the trade-marked-products of the Volkswagen Group. Dealers receive valuable support from VW Bank in the form of diverse training measures and extensive marketing support.

VW Bank works with the sales organisation of the Volkswagen Group in close partnership and on the basis of task sharing. Customers are targeted by dealers and Volkswagen Bank *direct*, and are then provided with expert advice and personal service. Volkswagen Bank *direct*, as a division of Volkswagen Bank GmbH, is one of the largest direct banks in Germany. At December 31, 2003, the volume of deposits had risen to €6.7 billion (previous year: €5.6 billion), a figure which represents more than 579,000 customers. The wide range of products offered by Volkswagen Bank *direct* extends from modern bank products to attractive terms and first-class, expert service. Apart from credit cards, current accounts, overnight and fixed-term deposit accounts, there are also numerous savings products. In addition, stock broking, mortgage financing and private pension products are offered. Communication between dealer, VW Bank and customer is becoming increasingly standardised. The result is an extremely speedy contract processing.

At the same time, intensive preparations are being made for further expanding VW Bank’s international network of branches utilising its “European Passport” banking license. VW Bank can establish branches and establish, acquire or participate in other businesses, domestically or abroad, and partake in any activities that promote its objectives. Continuing the positive trend of past years, business volume in 2003 was increased once again in spite of the unfavourable economic situation. The balance sheet total rose by 7.4% to €16.2 billion as of year-end 2003.

VII. BUSINESS PROCEDURES OF VOLKSWAGEN BANK GMBH

Under the Servicing Agreement, the Loan Receivables are to be administered together with all other loan receivables of VW Bank according to VW Bank's normal business procedures as they exist from time to time. The borrowers will not be notified of the fact that the receivables from their loan contracts have been assigned to Driver One, except under special circumstances.

The normal business procedures of VW Bank currently include the following:

Negotiation of the Loan Contract and Appraisal of the Creditworthiness of the Prospective Borrower

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

Before it accepts an application, VW Bank checks the credit standing of the customer. For private customer contracts, currently the following procedure applies. Applications by private individuals are automatically approved or rejected by a scoring system if the information on the application demonstrates that the applicant meets or does not meet VW Bank's criteria for an automatic approval or rejection. For this purpose information from SCHUFA, VW Bank's credit office information provider, and data of customer profile are brought together into VW Bank's system.

For the purpose of evaluating a customer's credit standing, VW Bank uses a scoring system. The scoring system takes into account different criteria and factors, such as percentage of downpayment, type of vehicle to be financed (e.g. new car/used car), employment (duration, profession), age, marital status, time at current address, gender, information on previous defaults with respect to financial obligations, existence of insolvency proceedings, declarations of insolvency and former affidavits (*eidesstattliche Versicherungen*). Depending on the respective information which applies to each criteria, the loan application receives a certain amount of scores per criteria according to statistical methods and historical experience. The sum of scores gives VW Bank an assessment with respect to the risk of granting a loan to the respective applicant. The scoring process (in particular the weight or the value of the individual scoring criteria and the scoring result) is treated strictly confidential by VW Bank (internally *vis-à-vis* the employees of the credit department and also *vis-à-vis* the respective car dealer). The performance of the scoring system is monitored regularly by VW Bank. Changes to the scoring system are based on the results of regular VW Bank risk committees and statistical analysis.

Applications not automatically accepted by the scoring system and those of corporate customers have to be decided by an employee of the credit department. The employees of VW Bank's credit department are qualified persons (generally with at least three years' training in banks or in industry or with degrees in business administration or similar business experience, etc.). Each employee is personally assigned a credit ceiling up to which she/he may underwrite a given loan.

Claims Management

The borrower pays a contractually specified monthly instalment at a stipulated payment date, with the number of payments corresponding with the number of months covered by the financing period. In the case of the special "AutoCredit" financing option, a larger final instalment is due at the end of the contract term (balloon payment).

As a rule, VW Bank requests from the borrower to accept a procedure by which the monthly instalments shall be debited directly to the borrower's bank account. In 2003, around 95% of all borrowers made use of this procedure. This payment type generally ensures that the VW Bank receives payment of its claims promptly and without complication. Those customers who do not agree to this direct-debiting procedure effect their monthly payments either by way of a standing order for payment transfers from their bank accounts, by regular bank transfers or by cheque.

VW Bank receives direct debits on the specified due date (this process is normally initiated two business days before the specified due date) and by way of direct contact with the borrower's bank. In cases where the borrower's bank does not render payment of the direct-debit amount, a reversal of the amount is recorded on the corresponding account at VW Bank. Thus, VW Bank normally receives knowledge of such outstanding or non-paid claims normally at the latest within 12 days after the due date of payment, allowing the Bank to respond quickly with the issuance of reminder notices to the customers concerned. In 2003, 3.1 % of direct-debit payments were in arrears. In 85 % of those cases, non-payment was due to an insufficiency of the borrower's bank account; in 15 % of the cases,

rejection occurred due to the closing of the borrower's bank account or to the use of incorrect account data. Close to 30 % of claims involving direct-debit reversals are ultimately settled by borrowers within 2 weeks. In the case of the remaining 70 % of those reversals, reminder notices are generally issued to the borrowers as of the 12th day following the original due date. In the event that payment continues to remain outstanding, a second reminder notice is generally issued to the borrowers as of the 24th day. In addition to issuing written reminder notices to such borrowers, collection operations are also executed by phone. Phone-aided collection is risk-based, whereby the assessment of such risk is system-managed. High-risk accounts are generally passed on for phone collection as of the 8th day, low-risk accounts as of the 28th day of payment in arrears. This procedure has produced a very high rate of success. Generally, as of the 36th day after the original due date for payment, a 3rd reminder notice is issued, subsequent to which, generally as of the 53rd day of payment in arrears, the contract may be terminated, provided the borrower is with two subsequent instalments partially or totally in delay and the delinquent amounts exceed (i) 10% of the original outstanding amount of the loan contract, or (ii) in case of loan contracts with an original duration in excess of three years 5% of the original outstanding amount of the loan contract.

Claims management also processes the refinancing of commitments as well as prolongations. Depending on their level of competency, claims-management staff may approve the deferment of a customer's payment if such deferment is deemed to be justifiable. These are the procedures which precede any termination of contract. A termination of contract is only resorted to once all reminder notices have been issued (see above) and the customer has failed to honor any standstill agreement previously negotiated.

In claims management, the final claims-processing step is the preparation, signing and issuance of contract termination. Once such termination has been executed, responsibility for the account is passed on to the collection centre.

Collection Centre

The main task of the collection centre is to process insolvent contracts from the centers for private customers, commercial customers and key accounts/fleets. The collection centre focuses on securing, as quickly as possible, the vehicles involved in terminated financing or leasing agreements or asserting the claims which arise as part of the dunning procedure.

Under German law, the borrower of a consumer loan contract is entitled to cancel a loan contract without giving reason by sending a letter, fax or email message, exercising such cancellation right within two weeks or receipt of a written notice informing him of such cancellation right.

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

1. if the other party has made untrue statements in connection with the loan contract or has failed to state relevant facts and the borrower cannot be reasonably expected to continue to honor the contract;
2. if the other party does not stop committing serious breaches of the contract in spite of written requests to this effect or if it fails to remedy immediately any effects of such breaches of contract;
3. if circumstances upon which the contract was based have materially changed after conclusion of the contract and if the parties would not have concluded the contract or would have done so only upon different terms if they had foreseen that change; adaptation of the contract may be claimed in so far as, having considered all circumstances of the specific case, in particular the contractual or statutory allocation of risk, it cannot reasonably be expected that a party should continue to be bound by the contract in its unaltered form; or
4. if there otherwise is good cause for doing so. A good cause exists if, after consideration of all circumstances of the specific case and balancing the interests of both parties, the terminating party cannot reasonably be expected to continue the contractual relationship until the agreed termination date or until the end of the notice period.

Six months after the receipt of the loan, the Borrower may terminate the Loan Contract upon observance of a notice period of three months.

The collection centre executes and manages the following specific processes:

- the securing of vehicles from terminated loan contracts, with the option of re-integrating contracts into the stocks of "normal" contract holdings

- the issuance of requests for dunning notices and the execution of measures involving levy upon property
- the negotiation of payment standstills
- the processing of company and consumer insolvencies
- the utilization of guarantees
- the writing off and processing of irrecoverable debts

Procedure:

Upon termination of a contract, the delinquent debtor has 14 days in which to render payment of the entire claim amount or, alternatively, to deliver the vehicle to the premises of a Volkswagen Group dealer if that borrower should not be able to satisfy his/her payment obligations. As a rule (i.e. in the event of contract termination occurs on the 53rd day after the date on which payment of the first unpaid installment was due), this deadline expires on the 70th day (mailing time is taken into account) after the date on which payment of the first unpaid installment was due. In the event of non-compliance, a vehicle-repossession request is issued to an experienced external repossession company (e.g. Excon and Wächter), who either put the vehicle at the disposal of the VW Bank or a Volkswagen Group dealer (generally by the 82nd day) – this is the most common procedure – or who pay the total arrears or total claim amount to VW Bank. This procedure (collection of receivables or vehicle repossession) has proved in the past to be successful in 95 % of all cases. Around 40% of the contracts which have been terminated are returned to normal “current” contract status after the timely payment of all installments in arrears as well as all related costs and interest on arrears shortly after the debtor’s receipt of the termination due to the fact, that the debtor realizes that loss of the vehicle is imminent. Of the remaining 60% approximately 40% pay as soon as the external repossession company directly contacts the customer for the same reason as stated above. In events of vehicle repossession, the matter is passed on to Volkswagen Financial Service’s used-vehicle centre, which initiates estimation of the vehicle. Based on this estimate the vehicle is then put on offer, by way of an email campaign, to around 1,000 Volkswagen Group and non-affiliated dealers around the country, with the vehicle ultimately sold to the highest bidder. The average sales performance recorded in 2003 was 16.2 % above the estimated price. Disposal of a repossessed vehicle via the Volkswagen Group used-vehicle centre takes on average 40 to 50 days. Thus, generally around 127 days pass between the date on which payment of the first unpaid installment is due and the date on which settlement of the debtor’s account is issued (in the case of a still outstanding residual-loan amount). The automated legal dunning procedure is run until the 143rd day; the execution of a levy on property is initiated on approx. the 173rd day. If such levy on property should prove unsuccessful, i.e. if a settlement of outstanding claims should not be achieved, the claim is written off as irrecoverable.

Audits

The internal audit department of Volkswagen Bank audits VW Bank. Its controlling procedures include audits of customer and dealer receivables with respect to their amounts and their punctual payment. In case of losses of receivables of €12,500 or more, special internal investigations are made by management. The internal audit department of the Volkswagen Group occasionally also carries out audits. Under German law the annual financial statements of a company must be audited by an independent audit company.

Auditors

PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hannover, (“PwC”) audits the annual financial statements of VW Bank.

**VW Bank market Germany
retail financing business**

	2003	2002	2001	2000	1999
– New Contracts (thou.)	376.970	381.097	347.067	358.184	378.075
– Contracts Outstanding (thou.)	1.075.722	1.049.208	1.010.893	990.935	936.400
– thereof new cars	444.805	409.217	367.580	366.065	355.401
– thereof used cars	630.917	639.991	643.313	624.870	580.999
– Total receivables (EUR m.) after provisions	8.822	8.112	7.037	6.735	6.180
– Loss of receivables from non-payment (EUR thousand)	64.960	62.749	51.818	30.631	35.453
– Loss of receivables from non-payment in % of total receivables	0,74	0,77	0,74	0,45	0,57

Data on VW Bank GmbH

Source: Annual Reports

	2003	2002	2001	2000	1999
			<i>in €Mio</i>		
Total assets	16,244,593	15,123,052	12,784,767	10,826,924	10,016,552
Receivables from customers	15,145,579	14,345,272	12,071,257	10,126,138	9,232,919
Liabilities to customers	8,781,510	7,345,151	6,152,532	4,988,709	4,143,909
Subordinated liabilities	704,388	598,388	568,388	456,775	406,775
Equity	896,125	804,325	804,325	674,554	419,153

VIII. ADMINISTRATION OF THE LOAN RECEIVABLES UNDER THE SERVICING AGREEMENT

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

- To collect the Loan Receivables.
- To administer the contracts underlying the Loan Receivables and in particular to terminate a Loan Contract.
- VW Bank may allow borrowers to defer payments within the scope of VW Bank's general business policies as they exist from time to time.
- To repossess the respective vehicle on behalf of Driver One upon termination of a Loan Contract and to realise such vehicles.
- To assert *vis-à-vis* the respective insurance companies, the claims to payment of other benefits under the vehicle insurance policies assigned to Driver One pursuant to the Purchase Agreement.

Administration of Funds Collected, Costs of Administration and of Replacing the Servicer

The Servicer will thus be receiving payments in respect of the Loan Receivables due each month, of overdue Loan Receivables, Settlement Amounts of the realisation of financed objects and of insurance on damaged vehicles.

Commingling

VW Bank, as the Servicer, is entitled to commingle funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period in accordance with the following procedure:

If the Monthly Remittance Condition (as defined in § 5(3) of the Servicing Agreement) is met (i.e. the Monthly Remittance Condition will be deemed to be satisfied if (i) VW Bank is the Servicer, (ii) VW Bank has a short-term rating for unsecured debt of at least "F1" from Fitch and "P-1" from Moody's and (iii) VW Bank remains a direct or indirect wholly-owned subsidiary of Volkswagen Financial Services AG), VW Bank as the Servicer, is entitled to commingle funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Object with own funds during each Monthly Period and will be required to make a single deposit to the Distribution Account on each Payment Date.

If VW Bank's rating from Moody's for long term unsecured debt is lower than "Baa3", VW Bank is bound to pay collections from the Loan Receivables at the subsequent business day to the Distribution Account. If the Monthly Remittance Condition is not met and provided that VW Bank's rating from Moody's for long term unsecured debt is at least "Baa3", VW Bank, as the Servicer, is entitled to commingle to a minor extent funds such as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period in accordance with the following procedure:

VW Bank as the Servicer, will determine the exact collections: (i) for the first fifteen calendar days of a Monthly Period on the first business day following the fifteenth calendar day of a Monthly Period (the "Monthly Collections Part 1") and (ii) for the period from (and including) the sixteenth calendar day of a Monthly Period until (and including) the last day of such Monthly Period (the "Monthly Collections Part 2") on the second business day of the subsequent Monthly Period. Furthermore, VW Bank as the Servicer will arrange for the following:

- (a) VW Bank as the Servicer will determine (A) if the fifteenth calendar day of a Monthly Period is a business day the expected collections for the period from the first through the fourteenth calendar day of each Monthly Period, or, alternatively, (B) if the fifteenth calendar day of a Monthly Period is not a business day, the expected collections for the period from the first through the day which is second business day before the fifteenth calendar day of each Monthly Period (the amounts according to (A) or (B), the "Monthly Collateral Part 1"). VW Bank as the Servicer shall transfer on the second business day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Monthly Collateral Part 1 for securing Driver One's claim with respect to the Monthly Collections Part 1 and will maintain the Monthly Collateral Part 1 as collateral on this account until the Monthly Collections Part 1 have been paid.

- (b) VW Bank as the Servicer will further determine the expected collections for the period from (and including) the sixteenth calendar day of a Monthly Period through (and including) the second last business day of such Monthly Period (the “Monthly Collateral Part 2”). VW Bank as the Servicer shall transfer on the second business day following the fifteenth calendar day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Monthly Collateral Part 2 for securing Driver One’s claim with respect to the Monthly Collections Part 2 and will maintain the Monthly Collateral Part 2 as collateral on this account until the Monthly Collections Part 2 have been paid.
- (c) If VW Bank receives the notification by Fitch that Fitch has determined that VW Bank’s capacity for timely payment of financial commitments would no longer equal a rating of at least F2 (the “Monthly Collateral Increase Event”), then VW Bank as the Servicer, is only entitled to commingle funds as collections from the Loan Receivables and proceeds from the disposition of any Financed Objects with its own funds during each Monthly Period by arranging the following mechanism within 30 days after the Monthly Collateral Increase Event (instead of maintaining the Monthly Collateral Part 1 and the Monthly Collateral Part 2 upon the implementation of such mechanism):
 - (i) VW Bank as the Servicer will determine the expected collections for the period from the first through the fifteenth calendar day of each Monthly Period (the amounts referred to as the “Increased Monthly Collateral Part 1”). VW Bank as the Servicer shall transfer on the second business day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Increased Monthly Collateral Part 1 for securing Driver One’s claim with respect to the Monthly Collections Part 1 and will maintain the Increased Monthly Collateral Part 1 as collateral on this account until the Monthly Collections Part 1 have been paid.
 - (ii) VW Bank as the Servicer will further determine the expected collections for the period from (and including) the sixteenth calendar day of a Monthly Period through (and including) the last business day of such Monthly Period (the “Increased Monthly Collateral Part 2”). VW Bank as the Servicer shall transfer on the second business day following the fifteenth calendar day of each Monthly Period to an account of VW Bank which is maintained with ABN AMRO Bank N.V., Niederlassung Deutschland and which has been pledged to Driver One, the Increased Monthly Collateral Part 2 for securing Driver One’s claim with respect to the Monthly Collections Part 2 and will maintain the Increased Monthly Collateral Part 2 as collateral on this account until the Monthly Collections Part 2 have been paid.

VW Bank, as the Servicer, will remit the following payments (each as a single deposit) to the Distribution Account:

- (i) on the second business day of each Monthly Period the Monthly Collections Part 2 for the previous Monthly Period; and
- (ii) on the second business day following the fifteenth calendar day of each Monthly Period the Monthly Collections Part 1.

Payment adjustments (i.e. payment adjustments resulting from prepayment of loan contracts (the “Loan Contracts”) or amendments of Loan Contracts) which became evident from the reporting duties of the Servicer under this Agreement for the previous Monthly Period will be remitted or debited to the Collection Account on the 4th business day of each Monthly Period.

Commingled funds may be used or invested by VW Bank at its own risk and for its own benefit until each Payment Date. If VW Bank were unable to remit those funds or were to become an insolvent debtor, losses or delays in distributions to investors may occur.

In the event of a premature settlement pursuant to § 5 of the Purchase Agreement, the Servicer shall collect the amount of settlement from VW Bank and transfer such amount in accordance with § 5 of the Servicing Agreement.

Unless this power is repealed, the Servicer is entitled and obligated to utilise the Cash Collateral Account to be opened by Driver One up to the balance of the Cash Collateral Amount:

- (i) to the extent, in the amounts and for the purposes described in § 24 of the Trust Agreement; or

- (ii) for costs as a result of the replacement of a Servicer, to the extent that they cannot be covered by income from the investment of the funds in the Distribution Account and the Cash Collateral Account.

The Servicer will be entitled to receive the Servicer Fee on each Payment Date for the preceding Monthly Period. As additional compensation, the Servicer will be entitled to retain all fees for cheques with insufficient funds, other administrative fees and any investment earnings from the Cash Collateral Account and the Distribution Account. The Servicer will pay all expenses incurred by it in connection with its collection activities and will not be entitled to reimbursement of those expenses. The Servicer will have no responsibility, however, to pay any credit losses with respect to the Loan Receivables. VW Bank is entitled to receive late collections on Loan Receivables which will be collected by the Servicer in case of a termination of a Loan Contract after the date of the final write-off of a Loan Contract made by the Servicer in accordance with its customary practices as applicable from time to time.

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

Servicing Report

Under the Servicing Agreement the Servicer has undertaken to report the following facts to Driver One, the Security Trustee, the Paying Agent and the Rating Agencies on each respective 17th day of a calendar month, or in the event this is not a banking day in Frankfurt am Main, then on the next succeeding banking day in Frankfurt am Main:

- (i) The aggregate amount to be distributed on each Class A1 Note, each Class A2 Note, each Class B Note and on the Subordinated Loan on the Payment Date immediately following,
- (ii) the repayment of the nominal amount attributed to each Class A1 Note, to each Class A2 Note, to each Class B Note and to the Subordinated Loan as distributed together with the interest payment,
- (iii) the nominal amount still outstanding on each Class A1 Note, on each Class A2 Note, on each Class B Note and on the Subordinated Loan as of each respective Payment Date,
- (iv) the Note Factor (as defined in § 6 of each of the Terms and Conditions of the Notes) of the Class A1 Notes, of the Class A2 Notes, and of the Class B Notes,
- (v) the amounts still available in the Cash Collateral Amount on the Payment Date immediately following the Payment Date,
- (vi) the sums corresponding to the administration fees,
- (vii) the Cumulative Net Loss Ratio and whether a Credit Enhancement Increase Condition is in effect,
- (viii) the current Class A Overcollateralisation Percentage and the current Class B Overcollateralisation Percentage,
- (ix) the applicable targeted Class A Overcollateralisation Percentage and the applicable targeted Class B Overcollateralisation Percentage,
- (x) delinquency information for delinquency periods of up to one month, up to two months, up to three months, up to seven months and more than seven months with respect to the number of delinquent Loan Contracts, the amount of delinquent Loan Receivables and the total outstanding Discounted Principal Balance of delinquent Loan Contracts,
- (xi) in the event of the final Payment Date, the fact that such date is the final payment date, and
- (xii) the sum of the credit balances (deposits) at the previous Payment Date of the Borrowers of the Loan Receivables at bank accounts maintained with VW Bank.

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

To a certain extent some of the above information will be included in the reports of Driver One. Such information will be, among other things, accessible on the website of True Sale International GmbH (www.true-sale-international.de).

Distribution Duties of the Servicer

The 21st day of each month or, if this day is not a TARGET business day, then the next following TARGET business day (unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day), is a Payment Date. No later than the Payment Date of each month, the Servicer will have made available to Driver One in the Distribution Account in the manner stated below under “Distribution Procedure” (see below) the amount due and received from borrowers and other sources during the prior month.

Distribution Procedure

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

Administration of Insurance Benefits and Realisation of Security

The Servicer is authorised and obligated to assert in accordance with its customary practices as they exist from time to time in relation to the respective insurance companies, the claims to payment or other benefits under the vehicle insurance policies assigned to Driver One pursuant to the Purchase Agreement. VW Bank will have no requirement to monitor the compliance by the borrowers with these provisions and VW Bank will have no liability for any failure by a borrower to comply with these provisions.

Upon the termination of a Loan Contract, the Servicer is authorised and obligated in accordance with its customary practices as they exist from time to time to appropriate the respective vehicles on behalf of the Security Trustee or upon the occurrence of an event described in the Security Agreement and to realise such vehicles on behalf of the Security Trustee by private sale or by another measure chosen by the Servicer, upon due assessment of the circumstances.

Amendments to the Servicing Agreement

VW Bank will be entitled to unilaterally amend any term or provision of the Servicing Agreement without the consent of Driver One, the Security Trustee, any Noteholder, any Swap Counterparty, the Subordinated Lender or any other Person; provided that such amendment shall not, as evidenced by a legal opinion of counsel from an international law firm of recognised standing whose headquarters is in London, Chicago or New York appointed by VW Bank delivered to the Security Trustee, materially and adversely affect the interests of Driver One, the Security Trustee, the Noteholders, the Swap Counterparties or the Subordinated Lender, and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by VW Bank under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, then the consent of the Swap Counterparty will be required. Any amendment which materially and adversely affects the interests of Driver One, the Security Trustee, the Swap Counterparty or the Subordinated Lender shall require the consent of the parties that are materially and adversely affected.

VW Bank may unilaterally amend any term or provision of the Servicing Agreement without the consent of Driver One, the Security Trustee, any Noteholder, or the Subordinated Lender or any other Person, to add, modify or eliminate any provisions as may be necessary or advisable as evidenced by a legal opinion of counsel from an international law firm of recognised standing whose headquarters is in London, Chicago or New York appointed by VW Bank delivered to the Security Trustee in order to enable the Servicer, Driver One, the Security Trustee, the Subordinated Lender or any of their Affiliates to comply with or obtain more favorable treatment under any law or regulation or any accounting rule or principle, it being a condition to any such amendment that the Rating Agency Condition shall have been satisfied, and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by VW Bank under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparty then the consent of the Swap Counterparty will be required.

The Servicing Agreement may also be amended from time to time by VW Bank with the consent of the Noteholders evidencing not less than a majority of the aggregate outstanding principal amount of the outstanding Notes, voting as a single class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Servicing Agreement or of modifying in any manner the rights of the Noteholders; *provided* that no such amendment shall (i) reduce the interest rate or principal amount of any Note or delay the Final Scheduled Payment Date, or Final Maturity Date of any Note without the consent of the Holder of such Note, or (ii) reduce the percentage of the aggregate outstanding principal amount of the outstanding Notes, the holders of which are required to consent to any matter without the consent of the holders of at least the percentage of the aggregate outstanding principal amount of the outstanding Notes which were required to consent to such matter before giving effect to such amendment and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by VW Bank under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparty then the consent of the Swap Counterparty will be required. It will not be necessary for the consent of Noteholders to approve the particular form of any proposed amendment or consent, but it will be sufficient if such consent approves the substance thereof. The manner of obtaining such consents (and any other consents of Noteholders provided for in the Servicing Agreement) and of evidencing the authorisation of the execution thereof by Noteholders will be subject to such reasonable requirements as the Security Trustee may prescribe, including the establishment of record dates.

Prior to the execution of any amendment to the Servicing Agreement, the Security Trustee shall be entitled to receive and conclusively rely upon an legal opinion of counsel addressed to the Security Trustee stating that the execution of such amendment is authorised or permitted by the Servicing Agreement that the rights and duties of the Security Trustee will not be materially affected and that all conditions precedent to the execution and delivery of such amendment have been satisfied.

Collection Right of the Servicer

VW Bank's authorization and power to collect the Loan Receivables as servicer ceases automatically (i) when insolvency proceedings over the assets of the Servicer are commenced, or (ii) when VW Bank loses its banking licence caused by the non-compliance of VW Bank duties against its creditors

pursuant to § 35 (2) Nr. 4 of the German Banking Act (*Kreditwesengesetz*), or (iii) if the German Supervisory Authority for Banking Business (*Bundesanstalt für Finanzdienstleistungsaufsicht*) conducts measures against VW Bank because of the risk of pending insolvency pursuant to § 46a para. 1 (1) of the German Banking Act, or (iv) if any proceedings for the appointment of a new servicer have been initiated caused by a violation of material duties under the Servicing Agreement by VW Bank.

VW Bank is obliged under the servicing agreement in the case of withdrawal of such power of collection to refrain from further collection of Loan Receivables and to refrain from the utilisation of direct debit (*Lastschriftverfahren*). Further VW Bank is obliged to inform all borrowers about the assignment of the Loan Receivables to Driver One and to instruct such borrowers to make their money transfer not any more to the account of VW Bank, but to the Distribution Account of Driver One.

If VW Bank does not comply with these obligations, the Data Protection Trustee is obliged under the Data Protection Trust Agreement to instruct the new servicer upon its appointment to inform all borrowers about the assignment of the Loan Receivables to Driver One and to instruct such borrowers to make their money transfer not any more to the account of VW Bank, but to the Distribution Account of Driver One.

Should VW Bank become insolvent, Driver One may under certain circumstances be able to claim under the prerequisites of Sec. 48 of the German Insolvency Code (*Insolvenzordnung*) Driver One under the right to substitutional segregation (*Ersatzaussonderungsrecht*) from the assets involved in the insolvency proceedings, collections VW Bank's insolvency administrator received for the Loan Receivables, if subsequent to the opening of insolvency proceedings against VW Bank Loan Receivables have been collected by the insolvency administrator without authorization, as long as the consideration continues to exist in a distinct form among the assets involved in the insolvency proceedings of VW Bank. If payments on the Loan Receivables have been credited to an account of VW Bank, a right to substitutional segregation (*Ersatzaussonderungsrecht*) could be reduced by subsequent drawings from such account and would only exist to the extent of the remaining credit balance on such account (after taking subsequent account drawings into consideration). Where a right for substitutional segregation would not exist or be available for Driver One, Driver One would rank as unsecured creditor in relation to amounts standing on credit on VW Bank's accounts unless such accounts have been pledged to Driver One.

Dismissal and Replacement of the Servicer

After a Servicer Replacement Event (as defined in the below), Driver One is entitled to dismiss the Servicer by written notification and to appoint a new Servicer. The dismissal and the appointment of a new Servicer shall only become effective after the new Servicer has (i) taken over all the rights and obligations of the Servicer hereunder and (ii) agreed to indemnify and hold harmless the dismissed Servicer.

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

“Servicer Replacement Event” means, *inter alia*, (i) an unremedied failure (and such failure is not remedied within three business days of notice of such failure being given) by the Servicer to deliver or cause to be delivered any required payment to Driver One for distribution to the Noteholders, to the Swap Counterparties and to the Subordinated Lender, (ii) any unremedied failure (and such failure is not remedied within three business days of notice of such failure being given) to duly observe or perform in any material respect any other of its covenants or agreements, which failure materially and adversely affects the rights of Driver One or the Noteholders, (iii) the Servicer suffering an insolvency event (which means for the Servicer that the Servicer declares its inability to effect payments (*Zahlungsunfähigkeit*) or overindebtedness (*Überschuldung*) or that insolvency proceedings under the Insolvency Code (*Insolvenzordnung*) are instituted by the insolvency court against the Servicer), (iv) the withdrawal of the banking licence of the Servicer in the sense of § 32 of the German Banking Act due to breach or non-performance of its obligations in the meaning of § 35 (2) No. 4 of the German

Banking Act or (v) the German Banking Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) initiating measures against the Servicer pursuant to § 46a para. 1 (1) of the German Banking Act (*Kreditwesengesetz*) caused by the pending insolvency risk of the Servicer; provided, however, that failure of performance referred to under clauses (i) or (ii) above for a period of 150 days will not constitute a Servicer Replacement Event if such delay or failure was caused by an event beyond the reasonable control of the Servicer, an act of god or other similar occurrence.

Audit of Activities of the Servicer

The activities of the Servicer under the Servicing Agreement are to be audited annually by chartered accountants to be appointed by Driver One. The costs of such audit are to be borne by the Servicer.

IX. SECURITY TRUSTEE

Driver One has entered into a Trust Agreement with the Security Trustee and VW Bank. Under this agreement Driver One has authorised the Security Trustee to act as fiduciary agent for the Transaction Creditors.

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

As collateral for the Trustee Claim, Driver One has assigned and pledged to the Security Trustee the Purchased Rights (as defined in the Recital of the Trust Agreement) (herein collectively referred to as “Collateral Rights”) under the Transaction Agreements and has further assigned for security purposes (*Sicherungseigentum*) and pledged the ownership interest in the Financed Objects (including title to newly fitted parts and accessories) which it acquired from VW Bank, whereby the act of delivery has been substituted by the assignment of its surrender claims and has assigned to the Security Trustee its claims for payment of its share in the proceeds resulting from a realisation of the Financed Objects by the Security Trustee.

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

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

Except as expressly provided for otherwise in the Trust Agreement, the Security Trustee is not required to monitor the fulfilment of Driver One’s obligations under the Notes, the Terms and Conditions or any other agreement to which Driver One is a party.

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

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

- (i) insolvency proceedings or other proceedings are instituted against the assets of Driver One, which affect or prejudice the performance of the obligations arising from the Notes, the Subordinated Loan or the Transaction Agreements or the Security, or the institution of such proceedings is refused due to insufficient assets;
- (ii) Driver One defaults in the payment of any interest on any Note when the same becomes due and payable, and such default shall continue for a period of five days; or
- (iii) Driver One defaults in the payment of principal of any Note on the Final Maturity Date.

Amounts generally will not be due and payable on any Note on any Payment Date prior to the Final Maturity Date of that Note except to the extent there are sufficient funds in the Available Distribution Amount and the Cash Collateral Amount to pay such amounts in accordance with the Order of Priority of distributions described above.

VW Bank will be entitled to amend the Trust Agreement as provided for in § 43 of the Trust Agreement.

The complete text of the Trust Agreement is shown below on pages 98 *et seq.* of this Offering Circular.

X. RATINGS

The Class A1 Notes are expected to be rated AAA by Fitch and Aaa by Moody's.

The Class A2 Notes are expected to be rated AAA by Fitch and Aaa by Moody's.

The Class B Notes are expected to be rated A+ by Fitch and A1 by Moody's.

The rating of "AAA" is the highest rating that Fitch assigns to long term debts, and "Aaa" is the highest rating that Moody's assigns to long term debts.

The rating of each Class of the Notes addresses the ultimate payment of principal and timely payment of interest. The rating takes into consideration the characteristics of the Loan Receivables and the structural, legal, tax and Issuer-related aspects associated with the Notes. The Moody's rating addresses the expected loss posed to investors until the legal final maturity. Moody's believes that the structure allows for timely payment of interest.

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

Driver One has not requested a rating of the Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency will rate the Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

References to ratings of Fitch and Moody's in this Offering Circular shall have the following meaning:

RATINGS DEFINITIONS FITCH:

Long-Term Issuer Credit Ratings

AAA The rating "AAA" denotes the lowest expectation of credit risk. It is assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

A The rating "A" denotes a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may nevertheless be more vulnerable to changes in circumstances or in economic conditions than it is the case for higher ratings.

Plus (+) or minus (-) "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffix is not added to the "AAA" category.

Short-Term Issuer Credit Ratings

F1 The rating "F1" indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2 A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.

F3 The capacity for timely payment of financial commitments is adequate, however, near-term adverse changes could result in a reduction to non-investment grade.

MOODY’S LONG-TERM RATING DEFINITIONS:

Aaa Obligations rated “Aaa” are judged to be of the highest quality, with minimal credit risk.

A Obligations rated “A” are considered upper-medium grade and are subject to low credit risk.

Moody’s appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a midrange ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

MOODY’S SHORT-TERM RATINGS

Moody’s short-term ratings are opinions of the ability of issuers to honor short-term financial obligations. Ratings may be assigned to issuers, short-term programs or to individual shortterm debt instruments. Such obligations generally have an original maturity not exceeding thirteen months, unless explicitly noted.

Moody’s employs the following designations to indicate the relative repayment ability of rated issuers:

P-1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

XI. DRIVER ONE GMBH

Issuer of the Notes

Establishment, Duration, Domicile

Driver One was established on October 20, 2004 under the Act on Companies with Limited Liability of the Federal Republic of Germany with legal domicile in 60599 Frankfurt am Main, Hainer Weg 13-15, Federal Republic of Germany and is registered with the commercial register at the Municipal Court Frankfurt am Main under registration No. HRB 73643.

According to Clause 2.1 of the articles of incorporation of Driver One, the purpose of Driver One is to act as special purpose vehicle for asset-backed transactions of a German credit institution (“asset pool supplier”) and in particular to perform the following activities:

- (a) purchase of receivables and further assets from the asset pool supplier and collateralisation of receivables and other assets through Driver One,
- (b) financing of the purchase and/or of the collateralisation of the assets addressed under subparagraph (a) above through the issuance of notes and other financial instruments, through loans and/or other suitable actions, and
- (c) conclusion of agreements (including the conclusion of interest rate and/or currency swaps) in connection with and/or as ancillary transaction for the activities listed under subparagraph (a) and (b) above.

Driver One must not engage in businesses which may require a licence under the German Banking Act (*Kreditwesengesetz*) and must not acquire real estate.

Driver One will perform no active management of the acquired assets under profit aspects neither by itself nor through third parties.

Notwithstanding the foregoing, the objects of Driver One and the powers of the managing directors are not limited thereby and Driver One has unrestricted corporate capacity.

Driver One has obligated itself under § 5 of the Terms and Conditions of the Notes (see pages 79, 86 and 93 below) to limit its business activities in certain ways.

Capital

The registered share capital of Driver One amounts to EUR 25,050 and consists of a fully paid-in share of EUR 25,050. The foundation shareholder of Driver One was Stichting Berijder, Amsterdam, The Netherlands, a Dutch foundation (*stichting*).

The foundation shareholder of Driver One was Stichting Berijder donated fully paid-in registered shares of EUR 8,350 each to three charitable foundations (*Stiftungen*) which have been established under the laws of the Federal Republic of Germany. Each of the following Stiftungen owns one registered share of EUR 8,350 in Driver One:

- (a) Stiftung Kapitalmarktrecht für den Finanzstandort Deutschland, Frankfurt am Main,
- (b) Stiftung Kapitalmarktforschung für den Finanzstandort Deutschland, Frankfurt am Main,
- (c) Stiftung Unternehmensfinanzierung und Kapitalmärkte für den Finanzstandort Deutschland, Frankfurt am Main.

Capitalization of Driver One

The table below sets out the opening balance sheet of Driver One as of September 29, 2004 dated November 25, 2004.

	<i>Assets</i>		<i>Equity and liabilities</i>
<i>Current Assets</i>	<i>EUR</i>	<i>Equity</i>	<i>EUR</i>
Cash in Banks	25,050.00	Subscribed share capital	25,050.00
	<u>EUR 25,050.00</u>		<u>EUR 25,050.00</u>

Beside these assets and the Notes to be issued, Driver One has no long-term debt since September 27, 2004 other than the activities described in this Offering Circular, there has been no

material change in the capitalization of Driver One compared with the information presented in the table above.

Managing Directors

Driver One is managed by at least two managing directors. The managing directors are to be appointed by the shareholders' meeting of Driver One. Driver One is to be represented by two managing directors jointly. The following managing directors have been appointed:

Angela Bartl and Ursula Rutowitz with offices at TMF Deutschland AG, Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany.

Annual Statements

At the beginning of its commercial business and for the end of each fiscal year Driver One is obliged to prepare a statement reflecting the relationship between its assets and its liabilities (opening balances, balance sheet), along with a comparative analysis of the expenditure and revenues of the fiscal year (profit-and-loss account). The balance sheet and the profit-and-loss-account, together with the so-called appendix (*Lagebericht*), form the annual statement of Driver One. The annual statements must be prepared in accordance with the German GAAP and must be adopted together with the appropriation of profits by the annual shareholders' meeting. Since its formation, Driver One made no financial statements other than its opening balance sheet.

Auditors

PwC Deutsche Revision Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Fuhrberger Straße 5, 30625 Hannover act and have been appointed as auditors of Driver One. Audits occur according to generally accepted auditing standards of the Federal Republic of Germany.

Fiscal Year

The fiscal year of Driver One is the calendar year. The first fiscal year is a short fiscal year ending on December 31, 2004.

Distribution of Profits

For the distribution of profits Section 29 of the Act on Companies with Limited Liability apply.

Interim Reports

Driver One does not publish interim reports.

Administrator of Driver One

The managing directors are in charge for the current operations of Driver One. TMF Deutschland AG will perform administration, accounting, secretarial and office services according to a service, housing and administration agreement as well as to the applicable provisions of the laws of the Federal Republic of Germany.

Litigation

Driver One has not been engaged in any litigation or arbitration proceedings which may have a significant effect on its financial position since its incorporation, nor, as far as Driver One is aware, are any such litigation or arbitration proceedings pending or threatened.

Material Change

Except as may be set out in this Offering Circular, there has been no material adverse change in the financial position of Driver One since its incorporation.

AUDITORS' REPORT

Auditors' Report

We have audited the accompanying opening balance sheet of Driver One GmbH, Frankfurt am Main/Germany, as of September 29, 2004. The preparation of the opening balance sheet in accordance with German commercial law is the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit of the opening balance sheet in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the opening balance sheet are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the opening balance sheet are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the opening balance sheet. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

Hanover, November 26, 2004

Yours faithfully

PwC Deutsche Revision

Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft

CORPORATE ADMINISTRATION AND ACCOUNTS

Corporate Administration

Pursuant to an agreement (the “Administration Agreement”), Driver One has appointed TMF Deutschland AG, Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany, (“TMF” or the “Administrator”) to provide management, secretarial and administrative services to Driver One including the provision of managing directors (*Geschäftsführer*) of Driver One. It is not in any manner associated with the Issuer or with the Volkswagen Group. TMF will *inter alia* provide the following services:

- provide Driver One with a registered office and make available telecommunication facilities and premises for the purposes of the transaction,
- convene meetings of shareholders,
- prepare and maintain all necessary books and records,
- give orders to effectuate the payment of moneys payable under the transaction agreements,
- procure that the annual accounts and tax returns of Driver One are prepared, audited and filed,
- deal with correspondence relating to the transaction,
- carry on the administration of Driver One.

TMF will, furthermore, fulfil or cause to be fulfilled all the obligations of Driver One under the contracts to which it is a party and which are mentioned in this Offering Circular, which are as follows:

- Purchase Agreement
- Servicing Agreement
- Trust Agreement
- Data Protection Trust Agreement
- Administration Agreement
- Swap Agreements
- Paying Agency Agreement
- Subordinated Loan Agreement
- Cash Collateral Account Agreement
- Distribution Account Agreement

As consideration for the performance of its services and functions under the Administration Agreement, Driver One will pay the Administrator a fee as separately agreed. Recourse of the Administrator against the Issuer is limited accordingly. See “Terms and Conditions of the Notes”.

XII. TERMS AND CONDITIONS OF THE CLASS A1 NOTES

The following is the text of the Terms and Conditions applicable to the Class A1 Notes. In case of any overlap or inconsistency in the definition of a term or expression in the Terms and Conditions and elsewhere in this Offering Circular, the definition contained in the Trust Agreement will prevail. For Annex A referred to under the Terms and Conditions see “XV. Trust Agreement”.

§ 1

(Form and Nominal Amount)

- (1) The issue by Driver One GmbH (the “Issuer”) in an aggregate nominal amount of €400,000,000 (the “Nominal Amount”) is divided into
 - 40,000 Class A1 Notes payable to bearer,
(the “Class A1 Notes”)
each having a nominal amount of €10,000
- (2) The Class A1 Notes are initially represented by a temporary global bearer note (the “Temporary Global Note”) without coupons. The Temporary Global Note will be exchangeable for Notes represented by a permanent global note (the “Permanent Global Note”) without coupons. The Temporary Global Note and the Permanent Global Note shall together be referred to as the “Global Note”. The Temporary Global Note and the Permanent Global Note shall be deposited with a common depository, at Clearstream Banking société anonyme, Luxembourg (“Clearstream”) and Euroclear Bank S.A./N.V. as operator of the Euroclear system (“Euroclear”). The Temporary Global Note and the Permanent Global Note bear the personal signatures of two managing directors of the Issuer and will be authenticated by an employee of the Paying Agent.
- (3) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the “Exchange Date”) not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a United States person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this § 1(3). Certifications may be issued after receipt of certifications by beneficial owners or owners of the Notes. Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States and its possessions. “United States” means the United States of America (including the States thereof and the District of Columbia); and its “possessions” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.
- (4) The interests in the Class A1 Notes are transferable according to applicable rules and regulations of Clearstream and Euroclear. The Global Note will not be exchangeable for definitive Class A1 Notes.
- (5) Simultaneously with the Class A1 Notes the Issuer has issued €760,000,000 Class A2 Floating Rate Notes 2004/2010 (the “Class A2 Notes” and €40,000,000 Class B Floating Rate Notes 2004/2010 (the “Class B Notes” and together with the Class A1 Notes and Class A2 Notes, the “Notes”). The Class A1 Notes rank senior to the Class B Notes with respect to payment of interest and principal as described in § 23 of the Trust Agreement (the “Order of Priority”). With respect to payment of interest, the Class A1 Notes rank *pari passu* to the Class A2 Notes. With respect to payment of principal, the Class A1 Notes will be repaid sequentially in priority to the Class A2 Notes as long as no Foreclosure Event (as defined in § 18 of the Trust Agreement) has occurred. Upon the occurrence of a Foreclosure Event, principal on the Class A1 Notes and on the Class A2 Notes will be repaid *pari passu* on a pro-rata basis.
- (6) Driver One will borrow from the Subordinated Lender a subordinated loan in the nominal amount of €50,659,801 (the “Subordinated Loan” and together with the Notes, the “Funding”), which will rank junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.

- (7) The Notes are subject to the provisions of the Trust Agreement. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Terms and Conditions. The Trust Agreement is available for inspection at the specified offices of the Paying Agent (as defined in § 8(4)) during normal business hours.

§ 2

(Status and Ranking)

- (1) The Class A1 Notes constitute direct, unconditional and unsubordinated obligations of the Issuer. The Class A1 Notes rank *pari passu* among themselves.
- (2) The claims of the holders of the Class A1 Notes under the Class A1 Notes are ranked against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

§ 3

(The Issuer)

The Issuer is a company incorporated with limited liability under the laws of the Federal Republic of Germany and which has been founded solely for the purpose of issuing the Notes and raising the Subordinated Loan and concluding and executing various agreements in connection with the issue of the Notes and the raising of the Subordinated Loan. All its issued shares are held by three charitable foundations (“*Gemeinnützige Stiftungen*”) which have been founded under the laws of the Federal Republic of Germany. The articles of the foundations provide, *inter alia*, that subject to mandatory provisions of law no shares in the Issuer may be disposed of during the duration of the foundation.

§ 4

(Assets of the Issuer for the Purpose of Payments on the Notes and on the Subordinated Loan, Provision of Security; Limited Payment Obligation)

- (1) The Issuer has used the proceeds of the issue of the Notes and of the Subordinated Loan essentially to acquire from VW Bank (a) pursuant to a German language Purchase Agreement (Annex A, Recitals) (i) Loan Receivables and ancillary rights arising from Loan Contracts which VW Bank has concluded with private individual and commercial borrowers and (ii) claims against the insurer pursuant to loss insurance policies covering the respective financed objects, damage claims arising from a breach of contract or in tort against a respective borrower or any interest due and claims against third parties due to damage to or loss of the financed objects and the right to require VW Bank to repurchase the Loan Receivables in case of breach of warranties and (b) pursuant to the Trust Agreement the collateral ownership interest in the financed objects. The Issuer has transferred the collateral ownership interest in the financed objects to the Security Trustee and, in exchange thereof, it has obtained the right to receive a defined share of the realisation proceeds, if any. The collection and administration of the Purchased Rights (as defined in the Recitals to the Trust Agreement), to which VW Bank has reserved itself the right and assumed the duty in the Purchase Agreement, shall be carried out on the basis of a servicing and management agreement between the Issuer, VW Bank (in this capacity, the “Servicer”) and the Security Trustee (see Annex A, Preamble) (the “Servicing Agreement”). In addition, subject to revocation by the Security Trustee, VW Bank is entitled and obligated according to the provisions of the Trust Agreement to realise the financed objects on behalf of the Security Trustee as necessary. Furthermore, the Issuer has entered into additional agreements, described in Annex A (Recitals), in connection with the acquisition of the Purchased Rights and the issue of the Notes and the raising of the Subordinated Loan, in particular, a subordinated loan agreement with an affiliate of Volkswagen AG (the “Subordinated Loan Agreement”), a Data Protection Trust Agreement with Beiten Burkhardt Rechtsanwalts-gesellschaft mbH, an Administration Agreement with TMF Deutschland AG, three Interest Rate Swap Agreements (the “Swap Agreements”) with Banque AIG, London Branch, a Paying Agency Agreement with BNP PARIBAS Securities Services, Luxembourg Branch and VW Bank, and two Account Agreements with ABN AMRO Bank N.V., Niederlassung Deutschland and, if required, Swap Termination Payment Accounts. The agreements and documents referred to in this paragraph (1) are collectively referred to as the “Transaction Agreements” and the creditors of the Issuer under these Transaction Agreements are referred to as “Transaction Creditors”.
- (2) The Issuer has transferred or pledged the Purchased Rights, the right to receive a defined share of the realisation proceeds of the financed objects and all of its claims arising under the Transaction Agreements to the Security Trustee as collateral for its obligations under the Notes

and the Subordinated Loan Agreement and other obligations specified in the Trust Agreement. As to the form and contents of such provision of security, reference is made to the provisions of the Trust Agreement (see Annex A).

- (3) All payment obligations of the Issuer under the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount (§ 23(4) of the Trust Agreement) as generated, *inter alia*, by payments to the Issuer by the borrowers and by the Swap Counterparty under the Swap Agreement(s), as available on the respective Payment Dates (§ 6) according to the Order of Priority of distribution (see Annex A). The Class A1 Notes shall not give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it – save for certain investments permitted under § 23(2) of the Trust Agreement (see Annex A) – pursuant to § 22 of the Trust Agreement in the distribution account (the “Distribution Account”). Further, the Issuer will on the Issue Date (§ 7(1)) establish and thereafter maintain the Cash Collateral Account pursuant to § 24 of the Trust Agreement (see Annex A) to provide limited coverage for payments of interest and principal on the Notes and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Transaction Agreements with the due care of a prudent businessman such that obligations under the Class A1 Notes may, subject always to the provisions of these Terms and Conditions of the Class A1 Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Amount are insufficient to satisfy in full the claims of all Transaction Creditors any claims remaining unpaid shall be extinguished at the Class A1 Final Maturity Date which is 12 months after the Class A1 Final Scheduled Payment Date (as defined below in § 8 (3) para. 3) and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Class A1 Notes nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid.
- (4) The enforcement of the payment obligations under the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Swap Agreements and the Subordinated Loan Agreement pursuant to paragraph (3) shall only be effected by the Security Trustee for the benefit of all Class A1 Noteholders, Class A2 Noteholders, Class B Noteholders, the Swap Counterparties and the Subordinated Lender. The Security Trustee is required to foreclose on the Purchased Rights in case of a foreclosure event (“Foreclosure Event” as defined in § 18(1) of the Trust Agreement on the conditions and in accordance with the terms set forth in §§ 18 through 21 of the Trust Agreement (see Annex A).
- (5) The other parties to the Transaction Agreements shall not be liable for the obligations of the Issuer.
- (6) No shareholder, officer, director, employee or manager of the Issuer or Volkswagen AG or its affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Transaction Agreements. Any recourse against such a person is excluded accordingly.

§ 5

(Further Covenants of the Issuer)

- (1) As long as any of the Notes and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Security Trustee, to develop any activities described in § 40 of the Trust Agreement.
- (2) The counterparties of the Transaction Agreements are not liable for covenants of the Issuer.

§ 6

(Payment Date, Payment Related Information)

The Issuer shall inform the holders of the Class A1 Notes, not later than on the “Service Report Performance Date” which is the 17th day of each calendar month or in the event this day is not a TARGET business day, then on the next succeeding TARGET business day by means of the publication provided for under § 12, with reference to the Payment Date (as described below) of such month, as follows:

- (i) the repayment of the nominal amount payable on each of the Class A1 Notes and the amount of interest calculated and payable on the Class A1 Notes on the succeeding 21st day of such calendar month or, if this is not a TARGET business day, on the next following TARGET business day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day (each respectively a "Payment Date");
- (ii) the nominal amount remaining outstanding on each of the Class A1 Notes as per each respective Payment Date and the amount of interest remaining unpaid, if any, on the Class A1 Notes as from such Payment Date;
- (iii) the Class A1 Notes Factor, which shall be calculated as follows:

$$NF = \frac{400,000,000 - KR}{400,000,000}$$

whereby NF means the Class A1 Notes Factor which is calculated to six decimal places and KR means the total of all repayments of the nominal amount of all Class A1 Notes paid and contained respectively in each payment up to each respective Payment Date,

- (iv) the remaining Cash Collateral Amount; and
- (v) in the event of the final Payment Date with respect to the Class A1 Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Class A1 Notes, in its offices at Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany and at the specified offices of the Paying Agent and during normal business hours, the documents from which the figures reported to the holders of the Class A1 Notes are calculated.

"TARGET business day" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) or the TARGET successor system is open for business, provided that this day is also a business day in London.

§ 7

(Payments of Interest)

- (1) Subject to the limitations set forth in § 4(3) each outstanding principal amount in respect of the Class A1 Notes shall, subject to (2) below, bear interest from (and including) November 30, 2004 (the "Issue Date") until (and including) the day preceding the day on which the principal amount has been reduced to zero.
- (2) The amount of interest payable in respect of each Class A1 Note on any Payment Date shall be calculated not later than on the first day of the Interest Accrual Period (as defined in § 7(3)) by applying the Interest Rate (as defined in § 7(4)) for the relevant Interest Accrual Period to the principal amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 360 and rounding the result to the nearest full cent, all as determined by BNP PARIBAS Securities Services, Luxembourg Branch (the "Calculation Agent").
- (3) "Interest Accrual Period" means, in respect of the first Payment Date (as defined in § 8(3)), the period commencing on the Issue Date and ending on December 20, 2004 (both days inclusive) and in respect of any subsequent Payment Dates (as defined in § 6), the period commencing on the preceding Payment Date and ending on the calendar day preceding the relevant Payment Date (both days inclusive).
- (4) The interest rate calculated pursuant to paragraph (2) shall be the EURIBOR rate for one month Euro deposits plus 0.06 % (the "Class A1 Note Interest Rate"). "EURIBOR" is the reference rate shown on the second TARGET-business day prior to the first day of an Interest Accrual Period (the "Determination Date") at approximately 11.00 a.m. (Brussels time) on Reuters 3000 page EURIBOR 01. If the relevant screen page is not available or if the reference rate does not appear, BNP PARIBAS Securities Services, Luxembourg Branch (the "Interest Determination Agent") shall ask five reference banks selected by the Issuer for their reference rate (expressed as a percentage rate per annum) vis-à-vis leading banks in Europe on the Determination Date at approximately 11.00 a.m. (Brussels time). If two or more of the reference banks provide BNP PARIBAS Securities Services, Luxembourg Branch with such reference rates, EURIBOR shall be the arithmetic mean (rounded up or down, if necessary, to a hundred

thousandths of a %, 0.000005 shall be rounded up) of such reference rates, all as determined by the Interest Determination Agent. If EURIBOR cannot be determined in accordance with the foregoing provisions, the EURIBOR rate for the respective Interest Accrual Period shall equal the reference rate last shown prior to the Determination Date on the aforementioned screen page.

- (5) Accrued Interest not paid on a Class A1 Note on the Payment Date related to the Interest Accrual Period in which it accrued, will be an "Interest Shortfall" with respect to such Class A1 Note will be carried over to the next Payment Date and will not constitute a Foreclosure Event as defined in § 18(1) of the Trust Agreement.

§ 8

(Payment obligations; Agents)

- (1) On each Payment Date (as defined in § 6(i)) the Issuer shall, subject to § 4(3), pay to each holder of a Class A1 Note interest at the Class A1 Note Interest Rate (as defined in § 7(4)) on the nominal amount of the Class A1 Notes outstanding immediately prior to the respective Payment Date or, with respect to the first Payment Date €400,000,000, and redeem the nominal amount of the Class A1 Notes by applying the amount remaining thereafter in accordance with the Order of Priority (§ 23 of the Trust Agreement).
- (2) Sums which are to be paid to holders of a Class A1 Note shall be rounded to the nearest full cent amount for each of the Class A1 Notes. The Servicer shall be entitled to any amount resulting from rounding differences less than € 500 remaining on the Class A1 Final Maturity Date (as defined below).
- (3) Payments of principal shall be made only against presentation and notification on the reverse side of the Class A1 Notes and (provided that payment is made in full) surrender of the Class A1 Notes at the specified office of the Paying Agent (as defined in paragraph (4)) outside the United States by cheque drawn on, or by transfer to, an account to which Euro may be credited or transferred.

Payments of interest shall be made only against presentation and (provided that payment is made in full) surrender of the appropriate coupons, if any, at the specified office of the Paying Agent (as defined in paragraph (4)) outside the United States in the manner discussed in the paragraph above.

The first Payment Date shall be December 21, 2004. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date following the Monthly Period which includes the last day on which a loan payment on outstanding Loan Receivables becomes due, falling in May 2009 (the "Class A1 Final Scheduled Payment Date"). All payments of interest on and principal of the Class A1 Notes will be due and payable at the latest in full on the legal final maturity date of the Class A1 Notes, which shall be 12 months after the Class A1 Final Scheduled Payment Date and which shall be the Payment Date falling in May 2010 (the "Class A1 Final Maturity Date").

- (4) Payments shall be made from the Issuer's accounts with ABN AMRO Bank N.V., Niederlassung Deutschland (the "Account Bank" by BNP Paribas Securities Services, Luxembourg Branch (the "Paying Agent", which may also include a substitute or alternative paying agent pursuant to paragraph (5)) without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity. No interest shall be paid on the accounts held with the Account Bank.
- (5) In their capacity as such, the Paying Agent and the Interest Determination Agent, respectively, shall act solely as the agent of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class A1 Notes. The Issuer may appoint a new paying agent and/or an interest determination agent, or if there are grounds to do so, appoint an alternative paying agent and/or an alternative interest determination agent and revoke the appointment of the Paying Agent and/or the Interest Determination Agent. Appointments and revocations thereof shall be announced pursuant to § 12. The Issuer will ensure that during the term of the Notes

and as long as the Notes are listed at the Luxembourg Stock Exchange a paying agent and an interest determination agent located in Luxembourg will be appointed at all times and that they are released from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

§ 9
(Taxes)

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected (hereinafter collectively referred to as “taxes”) on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by statute. The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Class A1 Noteholder’s request, provide proof thereof. It is not obligated to pay any additional amounts to settle tax claims.

§ 10
(Replacement of Issuer)

- (1) The Issuer is at any time entitled to appoint another company (the “New Issuer”) in place of the Issuer as debtor for all obligations arising from and in connection with the Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Subordinated Loan, the Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Administration Agreement, the Data Protection Trust Agreement, the Swap Agreements and the Paying Agency Agreement by means of an agreement with the Issuer; provided further, the Collateral Rights are, upon the Issuer’s replacement, to be held by the Trustee for the purpose of securing the obligations of the New Issuer, (ii) no further expenses or legal disadvantages of any kind arise for the holders of the Class A1 Notes, the holders of the Class A2 Notes, the holders of the Class B Notes or the Subordinated Lender of the Subordinated Loan from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Class A1 Notes, the holders of the Class A2 Notes, the holders of the Class B Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Trustee considers necessary for the effectiveness of the replacement and (v) Fitch and Moody’s have agreed to the replacement and confirmed a rating of the Notes outstanding. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer vis-à-vis the holders of the Class A1 Notes under or in connection with the Class A1 Notes, the holders of the Class A2 Notes under or in connection with the Class A2 Notes, the holders of the Class B Notes under or in connection with the Class B Notes and the Subordinated Lender under or in connection with the Subordinated Loan.
- (2) Such replacement of the Issuer must be published in accordance with § 12.
- (3) In the event of such replacement of the Issuer, each reference to the Issuer in these Terms and Conditions of the Class A1 Notes shall be deemed to be a reference to the New Issuer.

§ 11
(Loss of Notes)

- (1) The period for presenting the Global Note prescribed in Sec. 801 para. 1 German Civil Code shall end 5 years after the final Payment Date.
- (2) Should the Global Note become lost, stolen, damaged or destroyed, then it may be replaced at the Issuer’s offices upon payment by the claimant of the costs arising in connection thereto. The Issuer may require proof of a declaration of exemption and/or adequate security prior to replacement. In the event of damage, the Global Note shall be surrendered before a replacement is issued. In the event of the loss or destruction of the Global Note, the possibility of invalidation under statutory provisions shall remain unaffected.

§ 12
(Notices)

All notices to the Noteholders regarding the Class A1 Notes shall be (i) published in a newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) as long as the Notes are listed at the Luxembourg Stock Exchange and the rules of such exchange so require and (ii) delivered to the applicable clearing systems for communication by them to the Noteholders. Any notice referred to under (ii) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was delivered to the respective clearing system.

Additionally, the servicing report with this information set forth in § 6 will be made available to the Noteholders via the website of True Sale International GmbH (www.true-sale-international.de).

§ 13
(Miscellaneous)

- (1) The form and content of the Class A1 Notes and all of the rights and obligations of the holders of the Class A1 Notes, the Issuer, the Paying Agent and the Servicer under these Class A1 Notes shall be subject in all respects to the laws of the Federal Republic of Germany.
- (2) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force. The invalid provision shall to the extent permitted by law, according to the intent and purpose of these Terms and Conditions, be replaced by the applicable valid provision of the laws of the Federal Republic of Germany which in its economic effect comes as close as legally possible to that of the invalid provision.
- (3) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

XIII. TERMS AND CONDITIONS OF THE CLASS A2 NOTES

The following is the text of the Terms and Conditions applicable to the Class A2 Notes. In case of any overlap or inconsistency in the definition of a term or expression in the Terms and Conditions and elsewhere in this Offering Circular, the definition contained in the Trust Agreement will prevail. For Annex A referred to under the Terms and Conditions see “XV. Trust Agreement”.

§ 1

(Form and Nominal Amount)

- (1) The issue by Driver One GmbH (the “Issuer”) in an aggregate nominal amount of €760,000,000 (the “Nominal Amount”) is divided into
 - 76,000 Class A2 Notes payable to bearer,
(the “Class A2 Notes”)
each having a nominal amount of €10,000
- (2) The Class A2 Notes are initially represented by a temporary global bearer note (the “Temporary Global Note”) without coupons. The Temporary Global Note will be exchangeable for Notes represented by a permanent global note (the “Permanent Global Note”) without coupons. The Temporary Global Note and the Permanent Global Note shall together be referred to as the “Global Note”. The Temporary Global Note and the Permanent Global Note shall be deposited with a common depository at Clearstream Banking société anonyme, Luxembourg (“Clearstream”) and Euroclear Bank, S.A./N.V. as operator of the Euroclear system (“Euroclear”). The Temporary Global Note and the Permanent Global Note bear the personal signatures of two managing directors of the Issuer and will be authenticated by an employee of the Paying Agent.
- (3) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the “Exchange Date”) not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a United States person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this § 1(3). Certifications may be issued after receipt of certifications by beneficial owners or owners of the Notes. Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States and its possessions. “United States” means the United States of America (including the States thereof and the District of Columbia); and its “possessions” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.
- (4) The interests in the Class A2 Notes are transferable according to applicable rules and regulations of Clearstream and Euroclear. The Global Note will not be exchangeable for definitive Class A2 Notes.
- (5) Simultaneously with the Class A2 Notes the Issuer has issued €400,000,000 Class A1 Floating Rate Notes 2004/2010 (the “Class A1 Notes”) and €40,000,000 Class B Floating Rate Notes 2004/2010 (the “Class B Notes” and together with the Class A1 Notes and the Class A2 Notes, the “Notes”). The Class A2 Notes rank senior to the Class B Notes as described in § 23 of the Trust Agreement (the “Order of Priority”) with respect to payment of interest and principal. With respect to payment of interest, the Class A1 Notes rank *pari passu* to the Class A2 Notes. With respect to payment of principal, the Class A1 Notes will be repaid sequentially in priority to the Class A2 Notes as long as no Foreclosure Event (as defined in § 18 of the Trust Agreement) has occurred. Upon the occurrence of a Foreclosure Event, principal on the Class A1 Notes and on the Class A2 Notes will be repaid *pari passu* on a pro-rata basis.
- (6) Driver One will borrow from the Subordinated Lender a subordinated loan in the nominal amount of €50,659,801 (the “Subordinated Loan” and together with the Notes, the “Funding”), which will rank junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.

- (7) The Notes are subject to the provisions of the Trust Agreement. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Terms and Conditions. The Trust Agreement is available for inspection at the specified offices of the Paying Agent (as defined in § 8(4)) during normal business hours.

§ 2

(Status and Ranking)

- (1) The Class A2 Notes constitute direct, unconditional and unsubordinated obligations of the Issuer. The Class A2 Notes rank *pari passu* among themselves.
- (2) The claims of the holders of the Class A2 Notes under the Class A2 Notes are ranked against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

§ 3

(The Issuer)

The Issuer is a company incorporated with limited liability under the laws of the Federal Republic of Germany and which has been founded solely for the purpose of issuing the Notes and raising the Subordinated Loan and concluding and executing various agreements in connection with the issue of the Notes and the raising of the Subordinated Loan. All its issued shares are held by three charitable foundations which have been founded under the laws of the Federal Republic of Germany. The charitable foundations provide, *inter alia*, that subject to mandatory provisions of law no shares in the Issuer may be disposed of during the duration of the foundation.

§ 4

(Assets of the Issuer for the Purpose of Payments on the Notes and on the Subordinated Loan, Provision of Security; Limited Payment Obligation)

- (1) The Issuer has used the proceeds of the issue of the Notes and of the Subordinated Loan essentially to acquire from VW Bank (a) pursuant to a German language Purchase Agreement (Annex A, Recitals) (i) Loan Receivables and ancillary rights arising from Loan Contracts which VW Bank has concluded with private individual and commercial borrowers and (ii) claims against the insurer pursuant to loss insurance policies covering the respective financed objects, damage claims arising from a breach of contract or in tort against a respective borrower or any interest due and claims against third parties due to damage to or loss of the financed objects and the right to require VW Bank to repurchase the Loan Receivables in case of breach of warranties and (b) pursuant to the Trust Agreement the collateral ownership interest in the financed objects. The Issuer has transferred the collateral ownership interest in the financed objects to the Security Trustee and, in exchange thereof, it has obtained the right to receive a defined share of the realisation proceeds, if any. The collection and administration of the Purchased Rights (as defined in the Recitals to the Trust Agreement), to which VW Bank has reserved itself the right and assumed the duty in the Purchase Agreement, shall be carried out on the basis of a servicing and management agreement between the Issuer, VW Bank (in this capacity, the “Servicer”) and the Security Trustee (see Annex A, Preamble) (the “Servicing Agreement”). In addition, subject to revocation by the Security Trustee, VW Bank is entitled and obligated according to the provisions of the Trust Agreement to realise the financed objects on behalf of the Security Trustee as necessary. Furthermore, the Issuer has entered into additional agreements, described in Annex A (Recitals), in connection with the acquisition of the Purchased Rights and the issue of the Notes and the raising of the Subordinated Loan, in particular, a subordinated loan agreement with an affiliate of Volkswagen AG (the “Subordinated Loan Agreement”), a Data Protection Trust Agreement with Beiten Burkhardt Rechtsanwalts-gesellschaft mbH, an Administration Agreement with TMF Deutschland AG, three Interest Rate Swap Agreements (the “Swap Agreements”) with Banque AIG, London Branch, a Paying Agency Agreement with BNP PARIBAS Securities Services, Luxembourg Branch and VW Bank, and two Account Agreements with ABN AMRO Bank N.V., Niederlassung Deutschland and, if required, Swap Termination Payment Accounts. The agreements and documents referred to in this paragraph (1) are collectively referred to as the “Transaction Agreements” and the creditors of the Issuer under these Transaction Agreements are referred to as “Transaction Creditors”.
- (2) The Issuer has transferred or pledged the Purchased Rights, the right to receive a defined share of the realisation proceeds of the financed objects and all of its claims arising under the Transaction Agreements to the Security Trustee as collateral for its obligations under the Notes

and the Subordinated Loan Agreement and other obligations specified in the Trust Agreement. As to the form and contents of such provision of security, reference is made to the provisions of the Trust Agreement (see Annex A).

- (3) All payment obligations of the Issuer under the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Subordinated Loan Agreement constitute solely obligations to distribute amounts out of the Available Distribution Amount (§ 23(4) of the Trust Agreement) as generated, *inter alia*, by payments to the Issuer by the borrowers and by the Swap Counterparty under the Swap Agreement(s), as available on the respective Payment Dates (§ 6) according to the Order of Priority of distribution (see Annex A). The Class A2 Notes shall not give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it – save for certain investments permitted under § 23(2) of the Trust Agreement (see Annex A) – pursuant to § 22 of the Trust Agreement in the distribution account (the “Distribution Account”). Further, the Issuer will on the Issue Date (§ 7(1)) establish and thereafter maintain the Cash Collateral Account pursuant to § 24 of the Trust Agreement (see Annex A) to provide limited coverage for payments of interest and principal on the Notes and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Transaction Agreements with the due care of a prudent businessman such that obligations under the Class A2 Notes may, subject always to the provisions of these Terms and Conditions of the Class A2 Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Amount are insufficient to satisfy in full the claims of all Transaction Creditors any claims remaining unpaid shall be extinguished at the Class A2 Final Maturity Date which is 12 months after the Class A2 Final Scheduled Payment Date (as defined below in § 8 (3) para. 3) and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Class A2 Notes nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid.
- (4) The enforcement of the payment obligations under the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Swap Agreements and the Subordinated Loan Agreement pursuant to paragraph (3) shall only be effected by the Security Trustee for the benefit of all Class A1 Noteholders, the Class A2 Noteholders, Class B Noteholders, the Swap Counterparties and the Subordinated Lender. The Security Trustee is required to foreclose on the Purchased Rights in case of a foreclosure event (“Foreclosure Event” as defined in § 18(1) of the Trust Agreement on the conditions and in accordance with the terms set forth in §§ 18 through 21 of the Trust Agreement (see Annex A)
- (5) The other parties to the Transaction Agreements shall not be liable for the obligations of the Issuer.
- (6) No shareholder, officer, director, employee or manager of the Issuer or Volkswagen AG or its affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Transaction Agreements. Any recourse against such a person is excluded accordingly.

§ 5

(Further Covenants of the Issuer)

- (1) As long as any of the Notes and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Security Trustee, to develop any activities described in § 40 of the Trust Agreement.
- (2) The counterparties of the Transaction Agreements are not liable for covenants of the Issuer.

§ 6

(Payment Date, Payment Related Information)

The Issuer shall inform the holders of the Class A2 Notes, not later than on the “Service Report Performance Date” which is the 17th day of each calendar month or in the event this day is not a TARGET business day, then on the next succeeding TARGET business day by means of the publication provided for under § 12, with reference to the Payment Date (as described below) of such month, as follows:

- (i) the repayment of the nominal amount payable on each of the Class A2 Notes and the amount of interest calculated and payable on the Class A2 Notes on the succeeding 21st day of such calendar month or, if this is not a TARGET business day, on the next following TARGET business day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day (each respectively a "Payment Date");
- (ii) the nominal amount remaining outstanding on each of the Class A2 Notes as per each respective Payment Date and the amount of interest remaining unpaid, if any, on the Class A2 Notes as from such Payment Date;
- (iii) the Class A2 Notes Factor, which shall be calculated as follows:

$$NF = \frac{760,000,000 - KR}{760,000,000}$$

whereby NF means the Class A2 Notes Factor which is calculated to six decimal places and KR means the total of all repayments of the nominal amount of all Class A2 Notes paid and contained respectively in each payment up to each respective Payment Date,

- (iv) the remaining Cash Collateral Amount; and
- (v) in the event of the final Payment Date with respect to the Class A2 Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Class A2 Notes, in its offices at Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany and at the specified offices of the Paying Agent and during normal business hours, the documents from which the figures reported to the holders of the Class A2 Notes are calculated.

"TARGET business day" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) or the TARGET successor system is open for business, provided that this day is also a business day in London.

§ 7
(Payments of Interest)

- (1) Subject to the limitations set forth in § 4(3) each outstanding principal amount in respect of the Class A2 Notes shall, subject to (2) below, bear interest from (and including) November 30, 2004 (the "Issue Date") until (and including) the day preceding the day on which the principal amount has been reduced to zero.
- (2) The amount of interest payable in respect of each Class A2 Note on any Payment Date shall be calculated not later than on the first day of the Interest Accrual Period (as defined in § 7(3)) by applying the Interest Rate (as defined in § 7(4)) for the relevant Interest Accrual Period to the principal amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 360 and rounding the result to the nearest full cent, all as determined by BNP PARIBAS Securities Services, Luxembourg Branch (the "Calculation Agent").
- (3) "Interest Accrual Period" means, in respect of the first Payment Date (as defined in § 8(3)), the period commencing on the Issue Date and ending on December 20, 2004 (both days inclusive) and in respect of any subsequent Payment Dates (as defined in § 6), the period commencing on the preceding Payment Date and ending on the calendar day preceding the relevant Payment Date (both days inclusive).
- (4) The interest rate calculated pursuant to paragraph (2) shall be the EURIBOR rate for one month Euro deposits plus 0.09 % (the "Class A2 Note Interest Rate"). "EURIBOR" is the reference rate shown on the second TARGET-business day prior to the first day of an Interest Accrual Period (the "Determination Date") at approximately 11.00 a.m. (Brussels time) on Reuters 3000 page EURIBOR 01. If the relevant screen page is not available or if the reference rate does not appear, BNP PARIBAS Securities Services, Luxembourg Branch (the "Interest Determination Agent") shall ask five reference banks selected by the Issuer for their reference rate (expressed as a percentage rate per annum) vis-à-vis leading banks in Europe on the Determination Date at approximately 11.00 a.m. (Brussels time). If two or more of the reference banks provide BNP PARIBAS Securities Services, Luxembourg Branch with such reference rates, EURIBOR shall be the arithmetic mean (rounded up or down, if necessary, to a hundred

thousandths of a %, 0.000005 shall be rounded up) of such reference rates, all as determined by the Interest Determination Agent. If EURIBOR cannot be determined in accordance with the foregoing provisions, the EURIBOR rate for the respective Interest Accrual Period shall equal the reference rate last shown prior to the Determination Date on the aforementioned screen page.

- (5) Accrued Interest not paid on a Class A2 Note on the Payment Date related to the Interest Accrual Period in which it accrued, will be an "Interest Shortfall" with respect to such Class A2 Note will be carried over to the next Payment Date and will not constitute a Foreclosure Event as defined in § 18(1) of the Trust Agreement.

§ 8

(Payment obligations; Agents)

- (1) On each Payment Date (as defined in § 6(i)) the Issuer shall, subject to § 4(3), pay to each holder of a Class A2 Note interest at the Class A2 Note Interest Rate (as defined in § 7(4)) on the nominal amount of the Class A2 Notes outstanding immediately prior to the respective Payment Date or, with respect to the first Payment Date €760,000,000, and redeem the nominal amount of the Class A2 Notes by applying the amount remaining thereafter in accordance with the Order of Priority (§ 23 of the Trust Agreement).
- (2) Sums which are to be paid to holders of a Class A2 Note shall be rounded to the nearest full cent amount for each of the Class A2 Notes. The Servicer shall be entitled to any amount resulting from rounding differences less than € 500 remaining on the Class A2 Final Maturity Date (as defined below).
- (3) Payments of principal shall be made only against presentation and notification on the reverse side of the Class A2 Notes and (provided that payment is made in full) surrender of the Class A2 Notes at the specified office of the Paying Agent (as defined in paragraph (4)) outside the United States by cheque drawn on, or by transfer to, an account to which Euro may be credited or transferred.

Payments of interest shall be made only against presentation and (provided that payment is made in full) surrender of the appropriate coupons, if any, at the specified office of the Paying Agent (as defined in paragraph (4)) outside the United States in the manner discussed in the paragraph above.

The first Payment Date shall be December 21, 2004. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date following the Monthly Period which includes the last day on which a loan payment on outstanding Loan Receivables becomes due, falling in May 2009 (the "Class A2 Final Scheduled Payment Date"). All payments of interest on and principal of the Class A2 Notes will be due and payable at the latest in full on the legal final maturity date of the Class A2 Notes, which shall be 12 months after the Class A2 Final Scheduled Payment Date and which shall be the Payment Date falling in May 2010 (the "Class A2 Final Maturity Date").

- (4) Payments shall be made from the Issuer's accounts with ABN AMRO Bank N.V., Niederlassung Deutschland (the "Account Bank" by BNP Paribas Securities Services, Luxembourg Branch (the "Paying Agent", which may also include a substitute or alternative paying agent pursuant to paragraph (5)) without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity. No interest shall be paid on the accounts held with the Account Bank.
- (5) In their capacity as such, the Paying Agent and the Interest Determination Agent, respectively, shall act solely as the agent of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class A2 Notes. The Issuer may appoint a new paying agent and/or an interest determination agent, or if there are grounds to do so, appoint an alternative paying agent and/or an alternative interest determination agent and revoke the appointment of the Paying Agent and/or the Interest Determination Agent. Appointments and revocations thereof shall be announced pursuant to § 12. The Issuer will ensure that during the term of the Notes

and as long as the Notes are listed at the Luxembourg Stock Exchange a paying agent and an interest determination agent located in Luxembourg will be appointed at all times and that they are released from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

§ 9
(Taxes)

Payments shall only be made after the deduction and withholding of current or future taxes, levies or government charges, regardless of their nature, which are imposed, raised or collected (hereinafter collectively referred to as “taxes”) on the basis of the applicable laws of, or for the account of, an authority or government agency authorised to levy taxes or of any country which claims fiscal jurisdiction, to the extent that such a collection is prescribed by statute. The Issuer shall render an account of the deducted or withheld taxes accruing to the competent government agencies and shall, upon a Class A2 Noteholder’s request, provide proof thereof. It is not obligated to pay any additional amounts to settle tax claims.

§ 10
(Replacement of Issuer)

- (1) The Issuer is at any time entitled to appoint another company (the “New Issuer”) in place of the Issuer as debtor for all obligations arising from and in connection with the Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Subordinated Loan, the Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Administration Agreement, the Data Protection Trust Agreement, the Swap Agreements and the Paying Agency Agreement by means of an agreement with the Issuer; provided further, the Collateral Rights are, upon the Issuer’s replacement, to be held by the Trustee for the purpose of securing the obligations of the New Issuer, (ii) no further expenses or legal disadvantages of any kind arise for the holders of the Class A1 Notes, the holders of the Class A2 Notes, the holders of the Class B Notes or the Subordinated Lender of the Subordinated Loan from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Class A1 Notes, the holders of the Class A2 Notes, the holders of the Class B Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Trustee considers necessary for the effectiveness of the replacement and (v) Fitch and Moody’s have agreed to the replacement and confirmed a rating of the Notes outstanding. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer vis-à-vis the holders of the Class A1 Notes under or in connection with the Class A1 Notes, the holders of the Class A2 Notes under or in connection with the Class A2 Notes, the holders of the Class B Notes under or in connection with the Class B Notes and the Subordinated Lender under or in connection with the Subordinated Loan.
- (2) Such replacement of the Issuer must be published in accordance with § 12.
- (3) In the event of such replacement of the Issuer, each reference to the Issuer in these Terms and Conditions of the Class A2 Notes shall be deemed to be a reference to the New Issuer.

§ 11
(Loss of Notes)

- (1) The period for presenting the Global Note prescribed in Sec. 801 para. 1 German Civil Code shall end 5 years after the final Payment Date.
- (2) Should the Global Note become lost, stolen, damaged or destroyed, then it may be replaced at the Issuer’s offices upon payment by the claimant of the costs arising in connection thereto. The Issuer may require proof of a declaration of exemption and/or adequate security prior to replacement. In the event of damage, the Global Note shall be surrendered before a replacement is issued. In the event of the loss or destruction of the Global Note, the possibility of invalidation under statutory provisions shall remain unaffected.

§ 12
(Notices)

All notices to the Noteholders regarding the Class A2 Notes shall be (i) published in a newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) as long as the Notes are listed at the Luxembourg Stock Exchange and the rules of such exchange so require and (ii) delivered to the applicable clearing systems for communication by them to the Noteholders. Any notice referred to under (ii) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was delivered to the respective clearing system.

Additionally, the servicing report with the information set forth in § 6 will be made available to the Noteholders via the website of True Sale International GmbH (www.true-sale-international.de).

§ 13
(Miscellaneous)

- (1) The form and content of the Class A2 Notes and all of the rights and obligations of the holders of the Class A2 Notes, the Issuer, the Paying Agent and the Servicer under these Class A2 Notes shall be subject in all respects to the laws of the Federal Republic of Germany.
- (2) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force. The invalid provision shall to the extent permitted by law, according to the intent and purpose of these Terms and Conditions, be replaced by the applicable valid provision of the laws of the Federal Republic of Germany which in its economic effect comes as close as legally possible to that of the invalid provision.
- (3) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

XIV. TERMS AND CONDITIONS OF THE CLASS B NOTES

The following is the text of the Terms and Conditions applicable to the Class B Notes. In case of any overlap or inconsistency in the definition of a term or expression in the Terms and Conditions of the Class B Notes and elsewhere in this Offering Circular, the definition contained in the Trust Agreement will prevail. For Annex A referred to under the Terms and Conditions of the Class B Notes see “XV. Trust Agreement”.

§ 1

(Form and Nominal Amount)

- (1) The issue by Driver One GmbH (the “Issuer”) in an aggregate nominal amount of €40,000,000 (the “Nominal Amount”) is divided into
 - 4,000 Class B Notes payable to bearer,
(the “Class B Notes”)each having a nominal amount of €10,000.
- (2) The Class B Notes are initially represented by a temporary global bearer note (the “Temporary Global Note”) without coupons. The Temporary Global Note will be exchangeable for Notes represented by a permanent global note (the “Permanent Global Note”) without coupons. The Temporary Global Note and the Permanent Global Note shall together be referred to as the Global Note. The Temporary Global Note and the Permanent “Global Note” shall be deposited with a common depository at Clearstream Banking société anonyme, Luxembourg (“Clearstream”) and Euroclear Bank S.A./N.V. as operator of the Euroclear system (“Euroclear”). The Temporary Global Note and the Permanent Global Note bear the personal signatures of two managing directors of the Issuer and will be authenticated by an employee of the Paying Agent.
- (3) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the “Exchange Date”) not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a United States person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification hereto shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this § 1(3). Certifications may be issued after receipt of certifications by beneficial owners or owners of the Notes. Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States and its possessions. “United States” means the United States of America (including the States thereof and the District of Columbia); and its “possessions” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.
- (4) The interests in the Class B Notes are transferable according to applicable rules and regulations of Clearstream and Euroclear. The Global Note will not be exchangeable for definitive Class B Notes.
- (5) Simultaneously with the Class B Notes the Issuer has issued €400,000,000 Class A1 Floating Rate Notes 2004/2010 (the “Class A1 Notes”) and €760,000,000 Class A2 Floating Rate Notes 2004/2010 (the “Class A2 Notes” and together with the Class B Notes, the “Notes”). The Class A1 and the Class A2 Notes rank senior to the Class B Notes with respect to payment of interest and principal as described in § 23 of the Trust Agreement (the “Order of Priority”).
- (6) Driver One will borrow from the Subordinated Lender a subordinated loan in the nominal amount of €50,659,801 (the “Subordinated Loan” and together with the Notes, the “Funding”), which will rank junior to the Notes with respect to payment of interest and principal as described in the Order of Priority.
- (7) The Notes are subject to the provisions of a Trust Agreement. The provisions of the Trust Agreement are set out in Annex A. Annex A constitutes part of these Terms and Conditions. The Trust Agreement is available for inspection at the specified offices of the Paying Agent (as defined in § 8(4)) during normal business hours.

§ 2
(Status and Ranking)

- (1) The Class B Notes constitute direct and unconditional obligations of the Issuer. The Class B Notes rank *pari passu* among themselves.
- (2) The claims of the holders of the Class B Notes under the Class B Notes are ranked against the claims of all other creditors of the Issuer in accordance with the Order of Priority, unless mandatory provisions of law provide otherwise.

§ 3
(The Issuer)

The Issuer is a company incorporated with limited liability under the laws of the Federal Republic of Germany and which has been founded solely for the purpose of issuing the Notes and raising the Subordinated Loan and concluding and executing various agreements in connection with the issue of the Notes and the raising of the Subordinated Loan. All its issued shares are held by three charitable foundations which have been founded under the laws of the Federal Republic of Germany. The articles of the foundations provide, *inter alia*, that subject to mandatory provisions of law no shares in the Issuer may be disposed of during the duration of the foundation.

§ 4
(Assets of the Issuer for the Purpose of Payments on the Notes,
and on the Subordinated Loan, Provision of Security; Limited Payment Obligation)

- (1) The Issuer has used the proceeds of the issue of the Notes and of the Subordinated Loan essentially to acquire from VW Bank (a) pursuant to a German language Purchase Agreement (Annex A, Recitals) (i) Loan Receivables and ancillary rights arising from Loan Contracts which VW Bank has concluded with private individual and commercial borrowers and (ii) claims against the insurer pursuant to loss insurance policies covering the respective financed objects, damage claims arising from a breach of contract or in tort against a respective borrower or any interest due and claims against third parties due to damage to or loss of the financed objects and the right to require VW Bank to repurchase the Loan Receivables in case of breach of warranties and (b) pursuant to the Trust Agreement the collateral ownership interest in the financed objects. The Issuer has transferred the collateral ownership interest in the financed objects to the Security Trustee and in exchange thereof it has obtained the right to receive a defined share of the realisation proceeds, if any. The collection and administration of the Purchased Rights (as defined in the Recitals to the Trust Agreement), to which VW Bank has reserved itself the right and assumed the duty in the Purchase Agreement, shall be carried out on the basis of a servicing and management agreement between the Issuer, VW Bank (in this capacity, the “Servicer”) and the Security Trustee (see Annex A, Preamble) (the “Servicing Agreement”). In addition, subject to revocation by the Security Trustee VW Bank, is entitled and obligated according to the provisions of the Trust Agreement to realise the financed objects on behalf of the Security Trustee as necessary. Furthermore, the Issuer has entered into additional agreements, described in the Annex A (Recitals), in connection with the acquisition of the Purchased Rights and the issue of the Notes and the raising of the Subordinated Loan, in particular, a subordinated loan agreement with an affiliate of Volkswagen AG (the “Subordinated Loan Agreement”), a Data Protection Trust Agreement with Beiten Burkhardt Rechtsanwalts-gesellschaft mbH, an Administration Agreement with TMF Deutschland AG, three Interest Rate Swap Agreements (the “Swap Agreements”) with Banque AIG, London Branch, a Paying Agency Agreement with BNP PARIBAS Securities Services, Luxembourg Branch and VW Bank, and two Account Agreements with ABN AMRO Bank N.V., Niederlassung Deutschland and, if required, Swap Termination Payment Accounts. The agreements and documents referred to in this paragraph (1) are collectively referred to as the “Transaction Agreements” and the creditors of the Issuer under these Transaction Agreements are referred to as “Transaction Creditors”.
- (2) The Issuer has transferred or pledged the Purchased Rights, the right to receive a defined share of the realisation proceeds of the financed objects and all of its claims arising under the Transaction Agreements to the Security Trustee as collateral for its obligations under the Notes and the Subordinated Loan Agreement and other obligations specified in the Trust Agreement. As to the form and contents of such provision of security, reference is made to the provisions of the Trust Agreement (see Annex A).

- (3) All payment obligations of the Issuer under the Class B Notes constitute solely obligations to distribute amounts out of the Available Distribution Amount (§ 23(4) of the Trust Agreement) as generated, *inter alia*, by payments to the Issuer by the borrowers and by the Swap Counterparty under the Swap Agreement(s) as available on the respective Payment Dates (§ 6) according to the Order of Priority of distribution (see Annex A). The Class B Notes shall not give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly. The Issuer shall hold all moneys paid to it – save for certain investments permitted under § 23(2) of the Trust Agreement (see Annex A) – pursuant to § 22 of the Trust Agreement in the distribution account (the “Distribution Account”). Further, the Issuer will on the Issue Date (§ 7(1)) establish and thereafter maintain the Cash Collateral Account pursuant to § 24 of the Trust Agreement (see Annex A) to provide limited coverage for payments of interest and principal on the Notes and certain other amounts. Furthermore, the Issuer shall exercise all of its rights under the Transaction Agreements with the due care of a prudent businessman such that obligations under the Class B Notes may, subject always to the provisions of these Terms and Conditions of the Class B Notes as to the Order of Priority, be performed to the fullest extent possible. To the extent that upon the exercise of such rights funds in the Distribution Account and the Cash Collateral Amount are insufficient to satisfy in full the claims of all Transaction Creditors any claims remaining unpaid shall be extinguished at the Class B Final Maturity Date which is 12 months after the Class B Final Scheduled Payment Date (as defined below in § 8 (3) para. 3) and the Issuer shall have no further obligations thereto and, for the avoidance of doubt, neither the holders of the Class B Notes nor the Security Trustee shall have any further claims against the Issuer in respect of such claims remaining unpaid.
- (4) The enforcement of the payment obligations under the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Swap Agreements and the Subordinated Loan Agreement pursuant to paragraph (3) shall only be effected by the Security Trustee for the benefit of all Class A1 Noteholders, Class A2 Noteholders, Class B Noteholders, the Swap Counterparties and the Subordinated Lender. The Security Trustee is required to foreclose on the Purchased Rights in case of a foreclosure event (“Foreclosure Event” as defined in § 18(1) of the Trust Agreement, on the conditions and in accordance with the terms set forth in §§ 18 through 21 of the Trust Agreement (see Annex A)
- (5) The other parties to the Transaction Agreements shall not be liable for the obligations of the Issuer.
- (6) No shareholder, officer, director, employee, manager of the Issuer or Volkswagen AG or its affiliates shall incur any personal liability as a result of the performance or non-performance by the Issuer of its obligations under the Transaction Agreements. Any recourse against such a person is excluded accordingly.

§ 5

(Further Covenants of the Issuer)

- (1) As long as any of the Notes and/or the Subordinated Loan remains outstanding, the Issuer is not entitled, without the prior consent of the Security Trustee, to develop any activities described in § 40 of the Trust Agreement.
- (2) The counterparties of the Transaction Agreements are not liable for covenants of the Issuer.

§ 6

(Payment Date, Payment Related Information)

The Issuer shall inform the holders of the Class B Notes, not later than on the “Service Report Performance Date” which is the 17th day of each calendar month or in the event this day is not a TARGET business day, then on the next succeeding TARGET business day by means of the publication provided for under § 12, with reference to the Payment Date (as defined below) of such month, as follows:

- (i) the repayment of the nominal amount payable on each of the Class B Notes and the amount of interest calculated and payable on the Class B Notes on the succeeding 21st day of such calendar month or, if this is not a TARGET business day, on the next following TARGET business day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day (each respectively a “Payment Date”);

- (ii) the nominal amount remaining outstanding on each of the Class B Notes as per each respective Payment Date and the amount of interest remaining unpaid, if any, on the Class B Notes as from such Payment Date;
- (iii) the Class B Notes Factor, which shall be calculated as follows:

$$\text{NF} = \frac{40,000,000 - \text{KR}}{40,000,000}$$

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

- (iv) the remaining Cash Collateral Amount; and
- (v) in the event of the final Payment Date with respect to the Class B Notes, the fact that this is the last Payment Date.

The Issuer shall make available for inspection by the holders of the Class B Notes, in its offices at Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany and at the specified offices of the Paying Agent and during normal business hours, the documents from which the figures reported to the holders of the Class B Notes are calculated.

“TARGET business day” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET) or the TARGET successor system is open for business, provided that this day is also a business day in London.

§ 7
(Payments of Interest)

- (1) Subject to the limitations set forth in § 4(3) each outstanding principal amount in respect of the Class B Notes shall, subject to (2) below, bear interest from (and including) November 30, 2004 (the “Issue Date”) until (and including) the day preceding the day on which the principal amount has been reduced to zero.
- (2) The amount of interest payable in respect of each Class B Note on any Payment Date shall be calculated not later than on the first day of the Interest Accrual Period (as defined in § 7(3)) by applying the Interest Rate (as defined in § 7(4)) for the relevant Interest Accrual Period to the principal amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Accrual Period divided by 360 and rounding the result to the nearest full cent, all as determined by BNP PARIBAS Securities Services, Luxembourg Branch (the “Calculation Agent”).
- (3) “Interest Accrual Period” means, in respect of the first Payment Date (as defined in § 8(3)), the period commencing on the Issue Date and ending on December 20, 2004 (both days inclusive) and in respect of any subsequent Payment Dates (as defined in § 6), the period commencing on the preceding Payment Date and ending on the calendar day preceding the relevant Payment Date (both days inclusive).
- (4) The interest rate calculated pursuant to paragraph (2) shall be the EURIBOR rate for one month Euro deposits plus 0.23 % (the “Class B Note Interest Rate”). “EURIBOR” is the reference rate shown on the second TARGET-business day prior to the first day of an Interest Accrual Period (the “Determination Date”) at approximately 11.00 a.m. (Brussels time) on Reuters 3000 page EURIBOR 01. If the relevant screen page is not available or if the reference rate does not appear BNP PARIBAS Securities Services, Luxembourg Branch (the “Interest Determination Agent”) shall ask five reference banks selected by the Issuer for their reference rate (expressed as a percentage rate per annum) vis-à-vis leading banks in Europe on the Determination Date at approximately 11.00 a.m. (Brussels time). If two or more of the reference banks provide BNP PARIBAS Securities Services, Luxembourg Branch with such reference rates, EURIBOR shall be the arithmetic mean (rounded up or down, if necessary, to a hundred thousandths of a %, 0.000005 shall be rounded up) of such reference rates, all as determined by the Interest Determination Agent. If EURIBOR cannot be determined in accordance with the foregoing provisions, the EURIBOR rate for the respective Interest Accrual Period shall equal the reference rate last shown prior to the Determination Date on the aforementioned screen page.

- (5) Accrued Interest not paid on a Class B Note on the Payment Date related to the Interest Accrual Period in which it accrued, will be an “Interest Shortfall” with respect to such Class B Note will be carried over to the next Payment Date and will not constitute a Foreclosure Event as defined in § 18(1) of the Trust Agreement.

§ 8

(Payment obligations; Agents)

- (1) On each Payment Date (as defined in § 6(i)) the Issuer shall subject to § 4(3) pay to each holder of a Class B Note interest at the Class B Note Interest Rate (as defined in § 7(4)) on the nominal amount of the Class B Notes outstanding immediately prior to the respective Payment Date or, with respect to the first Payment Date €40,000,000, and redeem the nominal amount of the Class B Notes by applying the amount remaining thereafter in accordance with the Order of Priority (§ 23 of the Trust Agreement).
- (2) Sums which are to be paid to holders of a Class B Note shall be rounded to the nearest full cent amount for each of the Class B Notes. The Servicer shall be entitled to any amount resulting from rounding differences less than 500 remaining on the Class B Final Maturity Date (as defined below).
- (3) Payments of principal shall be made only against presentation and notification on the reverse side of the Class B Notes and (provided that payment is made in full) surrender of the Class B Notes at the specified office of the Paying Agent (as defined in paragraph (4)) outside the United States by cheque drawn on, or by transfer to, an account to which Euro may be credited or transferred.

Payments of interest shall be made only against presentation and (provided that payment is made in full) surrender of the appropriate coupons, if any, at the specified office of the Paying Agent (as defined in paragraph (4)) outside the United States in the manner discussed in the paragraph above.

The first Payment Date shall be December 21, 2004. The final payment of the then outstanding principal amount plus interest thereon is expected to take place on or before the Payment Date following the Monthly Period which includes the last day on which a loan payment on outstanding Loan Receivables becomes due, falling in May 2009 (the “Class B Final Scheduled Payment Date”). All payments of interest on and principal of the Class B Notes will be due and payable at the latest in full on the legal final maturity date of the Class B Notes, which shall be 12 months after the Class B Final Scheduled Payment Date and which shall be the Payment Date falling in May 2010 (the “Class B Final Maturity Date”).

- (4) Payments shall be made from the Issuer’s accounts with ABN AMRO Bank N.V., Niederlassung Deutschland (the “Account Bank” by BNP Paribas Securities Services, Luxembourg Branch (the “Paying Agent”, which may also include a substitute or alternative paying agent pursuant to paragraph (5)) without having to execute an affidavit or fulfil any formalities other than the compliance with tax, currency exchange or other regulations of the country where the payment takes place. The Issuer is entitled to transfer paid-in amounts to the Account Bank prior to the Payment Date and leave with the Account Bank any amounts not claimed by the Noteholders upon maturity. No interest shall be paid on the accounts held with the Account Bank.
- (5) In their capacity as such, the Paying Agent and the Interest Determination Agent, respectively, shall act solely as the agent of the Issuer and shall not maintain an agency or trust relationship with the holders of the Class B Notes. The Issuer may appoint a new paying agent and/or an interest determination agent, or if there are grounds to do so, appoint an alternative paying agent and/or an alternative interest determination agent and revoke the appointment of the Paying Agent and/or the Interest Determination Agent. Appointments and revocations thereof shall be announced pursuant to § 12. The Issuer will ensure that during the term of the Notes and as long as the Notes are listed at the Luxembourg Stock Exchange a paying agent and an interest determination agent located in Luxembourg will be appointed at all times and that they are released from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

§ 9
(Taxes)

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

§ 10
(Replacement of Issuer)

- (1) The Issuer is at any time entitled to appoint another company (the “New Issuer”) in place of the Issuer as debtor for all obligations arising from and in connection with the Notes insofar as (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Subordinated Loan, the Purchase Agreement, the Trust Agreement, the Servicing Agreement, the Administration Agreement, the Data Protection Trust Agreement, the Swap Agreements and the Paying Agency Agreement by means of an agreement with the Issuer; provided further, the Collateral Rights are, upon the Issuer’s replacement, to be held by the Trustee for the purpose of securing the obligations of the New Issuer, (ii) no further expenses or legal disadvantages of any kind arise for the holders of the Class A1 Notes, the holders of the Class A2 Notes, the holders of the Class B Notes or the Subordinated Lender of the Subordinated Loan from such an assumption of debt and this fact has been established in legal opinions which can be examined at the premises of the Paying Agent, (iii) the New Issuer provides proof that it has obtained all of the necessary governmental approvals in the country in which it has its corporate seat and that it may fulfil all of the duties arising out of or in connection with the Trust Agreement without discrimination against the holders of the Class A1 Notes, the holders of the Class A2 Notes, the holders of the Class B Notes or the Subordinated Lender of the Subordinated Loan as a whole, (iv) the Issuer and the New Issuer conclude such agreements and execute such documents which the Trustee considers necessary for the effectiveness of the replacement and (v) Fitch and Moody’s have agreed to the replacement and confirmed a rating of the Notes outstanding. Upon fulfilment of the aforementioned conditions the New Issuer shall in every respect replace the Issuer, and the Issuer shall be released from all obligations relating to the function of an issuer vis-à-vis the holders of the Class A1 Notes under or in connection with the Class A1 Notes, the holders of the Class A2 Notes under or in connection with the Class A2 Notes, the holders of the Class B Notes under or in connection with the Class B Notes and the Subordinated Lender under or in connection with the Subordinated Loan.
- (2) Such replacement of the Issuer must be published in accordance with § 12.
- (3) In the event of such replacement of the Issuer, each reference to the Issuer in these Terms and Conditions of the Class B Notes shall be deemed to be a reference to the New Issuer.

§ 11
(Loss of Notes)

- (1) The period for presenting the Global Note prescribed in Sec. 801 para. 1 German Civil Code shall end 5 years after the final Payment Date.
- (2) Should the Global Note become lost, stolen, damaged or destroyed, then it may be replaced at the Issuer’s offices upon payment by the claimant of the costs arising in connection thereto. The Issuer may require proof of a declaration of exemption and/or adequate security prior to replacement. In the event of damage, the Global Note shall be surrendered before a replacement is issued. In the event of the loss or destruction of the Global Note, the possibility of invalidation under statutory provisions shall remain unaffected.

§ 12
(Notices)

All notices to the Noteholders regarding the Class B Notes shall be (i) published in a newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) as long as the Notes are listed at the Luxembourg Stock Exchange and the rules of such exchange so require

and (ii) delivered to the applicable clearing systems for communication by them to the Noteholders. Any notice referred to under (ii) above shall be deemed to have been given to all Noteholders on the seventh day after the day on which the said notice was delivered to the respective clearing system.

Additionally, the servicing report with the information set forth in § 6 will be made available to the Noteholders via the website of True Sale International GmbH (www.true-sale-international.de).

§ 13

(Miscellaneous)

- (1) The form and content of the Class B Notes and all of the rights and obligations of the holders of the Class B Notes, the Issuer, the Paying Agent and the Servicer under these Class B Notes shall be subject in all respects to the laws of the Federal Republic of Germany.
- (2) Should any of the provisions hereof be or become invalid in whole or in part, the other provisions shall remain in force. The invalid provision shall to the extent permitted by law, according to the intent and purpose of these Terms and Conditions, be replaced by the applicable valid provision of the laws of the Federal Republic of Germany which in its economic effect comes as close as legally possible to that of the invalid provision.
- (3) The place of performance and venue is Frankfurt am Main. The German courts have jurisdiction for the annulment of the Global Note in the event of loss or destruction.

XV. TRUST AGREEMENT

The following is the text of the Trust Agreement between Driver One, the Security Trustee and VW Bank. In case of any overlap or inconsistency in the definition of a term or expression in the Trust Agreement and elsewhere in this Offering Circular, the definition contained in the Trust Agreement will prevail.

RECITALS

Driver One was established as a limited liability company under the German Law pertaining to Companies with Limited Liability on October 20, 2004. The registered office of Driver One is in Hainer Weg 13-15, 60599 Frankfurt am Main, Federal Republic of Germany. The sole shareholders of Driver One with shares in the nominal amount of €8,350 each are three charitable foundations established under the laws of the Federal Republic of Germany: (i) Stiftung Kapitalmarktrecht für den Finanzstandort Deutschland, Frankfurt am Main, (ii) Stiftung Kapitalmarktforschung für den Finanzstandort Deutschland, Frankfurt am Main and (iii) Stiftung Unternehmensfinanzierung und Kapitalmärkte für den Finanzstandort Deutschland, Frankfurt am Main.

VW Bank finances Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge as well as vehicles of other makes to private and commercial customers in the Federal Republic of Germany.

Driver One has acquired from VW Bank, as outlined in the agreement (the “Purchase Agreement”), the loan receivables as defined therein (the “Loan Receivables”) as well as the additional rights described therein connected to the Loan Receivables, including in particular claims against the insurer pursuant to loss insurance policies covering the respective financed objects (the “Financed Objects”), damage claims arising from a breach of contract or in tort against a respective borrower or any interest due and claims against third parties due to damage to or loss of the Financed Objects and the right to cause VW Bank to settle as contractual remedy Loan Receivables in case of noncompliance with representations or warranties (together with the Loan Receivables the “Purchased Rights”).

Driver One will fund the acquisition of the Loan Receivables through the issue of €400,000,000 Class A1 Floating Rate Notes 2004/2010 (the “Class A1 Notes”), €760,000,000 Class A2 Floating Rate Notes 2004/2010 (the “Class A2 Notes”) and €40,000,000 Class B Floating Rate Notes 2004/2010 (the “Class B Notes”) (together the “Notes”) in accordance with a note purchase agreement (the “Note Purchase Agreement”) between Driver One, VW Bank GmbH, ABN AMRO Bank N.V., London Branch, BNP PARIBAS, Bayerische Hypo- und Vereinsbank AG and The Royal Bank of Scotland plc. and a subordinated loan (the “Subordinated Loan”) in accordance with a subordinated loan agreement (the “Subordinated Loan Agreement”) in the amount of €50,659,801 granted by an affiliate of Volkswagen AG (the “Subordinated Lender”) (the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Subordinated Loan collectively the “Funding”).

In the context of the Funding Driver One shall conclude in addition to the Note Purchase Agreement and the Subordinated Loan Agreement the following additional agreements no later than the closing date (the “Closing Date”) (together with this Trust Agreement (this “Agreement”), the Subordinated Loan Agreement and the Note Purchase Agreements, hereinafter the “Transaction Agreements”):

- (1) a German-language servicing and management agreement (hereinafter the “Servicing Agreement”, which term shall include any other contract replacing such agreement) with VW Bank as Servicer (hereinafter “Servicer”, which term shall also include any replacement Servicer) and with the Security Trustee governing the management, collection and enforcement of the Purchased Rights by the Servicer for the account of Driver One and the transfer to Driver One of payments effected on the Loan Receivables and the collateral (the “Collateral”);
- (2) an English-language administration agreement (hereinafter the “Administration Agreement”) with TMF Deutschland AG, Hainer Weg 13-15, 60599 Frankfurt am Main, as administrator (hereinafter the “Administrator”, which term shall also include any replacement Administrator) pursuant to which the Administrator shall perform certain services for Driver One, particularly taking over the accounting for Driver One and supporting the managing directors of Driver One in any company law matters and pursuant to which the Administrator has undertaken to provide office space;
- (3) a German-language data protection trust agreement (hereinafter the “Data Protection Trust Agreement”) with Beiten Burkhardt Rechtsanwaltsgesellschaft mbH as data protection trustee (hereinafter the “Data Protection Trustee”, which term shall also include any replacement Data Protection Trustee) as well as with VW Bank and the Security Trustee, pursuant to which the

Data Protection Trustee shall keep sealed a decryption key that is required for the decoding of personal data on the borrowers (the “Borrowers”), which is made available to Driver One in anonymous form;

- (4) three English-language ISDA Master Agreements, each with an associated schedule and a confirm dated as of the date of such ISDA Master Agreement (each such set of documents collectively, an “Interest Rate Swap Agreement”) subject to English law with Banque AIG, London Branch;
- (5) an English-language paying agency agreement (hereinafter the “Paying Agency Agreement”) with BNP Paribas Securities Services, Luxembourg Branch as paying agent (the “Paying Agent”), the subject of which is the appointment of the Paying Agent, as well as the providing of various services in connection with the Notes;
- (6) two account-opening agreements providing for (i) an account for payments on the obligations of Driver One (such account hereinafter the “Distribution Account”) with ABN AMRO Bank N.V., Niederlassung Deutschland and (ii) an account to be used for cash collateral (the “Cash Collateral Account”) with ABN AMRO Bank N.V., Niederlassung Deutschland, the account-opening agreements referred to above are defined herein as the “Account Agreements” and the accounts referred to above together with any Swap Termination Payment Accounts (as defined in § 23(4)) are defined herein as the “Accounts”.

Driver One desires that the Security Trustee act for the creditors of the Funding (hereinafter the “Creditors of the Funding”) and the creditors (including, without limitation, the “Swap Counterparties”) of Driver One under the Transaction Agreements (hereinafter the “Creditors of the Agreements”) (the “Creditors of the Funding and the Creditors of the Agreements shall be referred to hereinafter collectively as the “Transaction Creditors”) pursuant to the terms of this Agreement; the Security Trustee agrees to act accordingly.

NOW THEREFORE, the parties agree as follows:

A.
DUTIES AND POSITION OF THE SECURITY TRUSTEE

§ 1
Duties of the Security Trustee

This Agreement establishes the rights and obligations of the Security Trustee to carry out the tasks assigned to it in this Agreement. Unless otherwise set forth in this Agreement, the Security Trustee is not obligated to supervise the discharge of the payment and other obligations of Driver One arising from the Funding and the Transaction Agreements or to carry out duties which are the responsibility of the management of Driver One.

§ 2
Position of the Security Trustee in Relation to the Transaction Creditors

- (1) The Security Trustee carries out the duties specified in this Agreement as a trustee for the benefit of the Transaction Creditors. The Security Trustee shall exercise its duties hereunder with particular regard to the interests of the Transaction Creditors, giving priority to the interests of each Transaction Creditor in accordance with the Order of Priority pursuant to § 23 to the interests of the holders of those Notes (each a “Noteholder”) which rank most senior at any time.
- (2) This Agreement grants the Transaction Creditors (other than the Swap Counterparties) the right to demand that the Security Trustee perform its duties under § 1 pursuant to this Agreement (contract for the benefit of a third party pursuant to § 328 of the German Civil Code (*Bürgerliches Gesetzbuch*) (*echter Vertrag zugunsten Dritter*)). The rights of Driver One pursuant to § 3(3) below shall not be affected.

§ 3
Position of the Security Trustee in Relation to Driver One

- (1) With respect to the Collateral, the Security Trustee is legally a secured party (*Sicherungsnehmer*) in relation to Driver One. Accordingly, to the extent that the Purchased Rights will be transferred by Driver One to the Security Trustee for collateral purposes in accordance with § 4, in insolvency proceedings on the Security Trustee’s estate, such rights would be segregated as assets of Driver One held in trust.

- (2) Driver One hereby grants the Security Trustee a separate claim (the “Trustee Claim”), entitling the Security Trustee to demand from Driver One:
 - (i) that any present or future obligation of Driver One in relation to a Creditor of the Funding be fulfilled;
 - (ii) that any present or future obligation of Driver One in relation to a Creditor of the Agreements under a Transaction Agreement (together with the duties of Driver One under the Funding, the “Transaction Obligations”) be fulfilled; and
 - (iii) (if Driver One is in default on any Transaction Obligation(s) and insolvency proceedings have not been instituted against the estate of the Security Trustee) that any payment owed under the respective Transaction Obligation will be made to the Security Trustee for on-payment to the Transaction Creditors and discharge Driver One’s obligation accordingly.

The right of Driver One to make payments to the respective Transaction Creditor shall remain unaffected. The Trustee Claim in whole or in part may be enforced separately from the relevant Transaction Creditor’s claim related thereto. In the case of a payment pursuant to § 3 paragraph (2)(iii), Driver One shall have a claim against the Security Trustee for on-payment to the respective Transaction Creditors.

- (3) The obligations of the Security Trustee under this Agreement are owed exclusively to the Transaction Creditors, except for the obligations and declarations of the Security Trustee to Driver One pursuant to § 3 paragraph (1), paragraph (2) fourth sentence, § 9, § 36 and §§ 41 through 46.

B. GRANTING OF COLLATERAL

§ 4

Assignment for Collateral Purposes; Transfer of Title for Collateral Purposes

- (1) Driver One hereby assigns the following rights to the Security Trustee for collateral purposes:
 - (a) all Purchased Rights which VW Bank transfers to Driver One pursuant to the provisions of the Purchase Agreement, and all present and future rights arising from the Purchased Rights;
 - (b) all its present and future claims and other rights arising from the Transaction Agreements (including the rights to alter the legal relationship (*Gestaltungsrechte*)) and from all present and future contracts Driver One has entered or may enter into in connection with the Notes, the Subordinated Loan, the Interest Rate Swap Agreements or the Purchased Rights; and
 - (c) all transferable present and future claims in respect of all bank accounts which will be opened under the Administration Agreement or this Agreement in the name of Driver One in the future.

The rights of the Security Trustee under § 402 of the German Civil Code (*Bürgerliches Gesetzbuch*) to demand from VW Bank information and/or documents is limited to the extent that such demand does not result in a violation of banking secrecy, otherwise, VW Bank shall deliver such information in a sealed containment or in decrypted form to the Data Protection Trustee who may release such information and/or documents only to a substitute Servicer.

The Security Trustee hereby accepts the assignment and, in particular, recognises the obligations of Driver One to release the Purchased Rights pursuant to the provisions of the Purchase Agreement and confirms to be bound by such obligations as if such obligations were directly owed by the Security Trustee to VW Bank.

- (2) The assignment for collateral purposes in accordance with paragraph (1)(a) is subject to the condition precedent that the transfer of the rights specified in paragraph (1)(a) from VW Bank to Driver One becomes effective.
- (3) If an express or implied current account relationship exists or is later established between Driver One and a third party, Driver One hereby assigns to the Security Trustee – without prejudice to the generality of the provisions in paragraph (1)(b) and (c) – the right to receive a periodic account statement and the right to payment of present or future balances (including a final net balance determined upon the institution of any insolvency proceedings regarding the estate of Driver One), as well as the right to terminate the current account relationship and to the determination and payment of the closing net balance upon termination.

- (4) Together with the rights assigned in accordance with this § 4, all of the collateral securing such rights, as well as the rights arising from the underlying contracts (including the rights to alter the legal relationship), are hereby transferred to the Security Trustee.
- (5) In order to safeguard the existence and fulfilment of the relevant Loan Receivables outstanding at any one time and in order to secure the fulfilment of all current and future claims of Driver One against VW Bank under the Purchase Agreement and the Servicing Agreement including, but not limited to, damage claims pursuant to § 280(1) in connection with § 280(3) German Civil Code (*Bürgerliches Gesetzbuch*) (*Schadensersatz statt der Leistung*) as well as the claims of Driver One in the event of ineffectiveness of the assignment of the Loan Receivables and the claims which Driver One may have against VW Bank for participation in any realisation proceeds in the event of premature termination of the respective loan contracts (the “Loan Contracts”), as well as any present or future claims arising from a rescission of the Purchase Agreement, VW Bank herewith transfers for security purposes (*Sicherungseigentum*) the ownership interest of the Financed Objects as described in detail in the Loan Contracts identified by means of contract numbers in data field 1 of Enclosure A to the Purchase Agreement to Driver One, as well as VW Bank’s security title to the respective Borrower’s wage and salary claims, if any, which VW Bank had acquired under the Loan Contracts, which in turn herewith transfers the ownership interest in the Collateral to the Security Trustee. As substitute for delivery of the Financed Objects, VW Bank herewith assigns to Driver One, subject to payment of the purchase price of the Loan Receivables according to § 2 paragraph (2) of the Purchase Agreement, the claims for delivery in respect of the Financed Objects, and Driver One in turn assigns these claims for delivery to the Security Trustee. In the event that VW Bank obtains direct possession of a Financed Object, it shall hold such financed object, until revoked, free of charge on behalf of the Security Trustee. In the event of revocation, such Financed Object shall without delay be delivered to the Security Trustee.

§ 5

Pledge

Driver One hereby pledges to the Security Trustee all its present and future claims against the Security Trustee arising under this Agreement as well as its present and future claims under the Distribution Account and the Cash Collateral Account. Driver One hereby gives notice to the Security Trustee of such pledge and the Security Trustee hereby confirms the receipt of such notice. Driver One informed ABN AMRO Bank N.V., Niederlassung Deutschland on the pledge and ABN AMRO Bank N.V., Niederlassung Deutschland confirmed receipt of such notification in the respective account agreements.

§ 6

Collateral Purpose

The assignment for collateral purposes pursuant to § 4 paragraphs (1) through (4) and the pledge pursuant to § 5 serve to secure the Trustee Claim. In addition, the assignment pursuant to § 4 paragraphs (1) through (4) is made for the purpose of collateralising the rights of the Transaction Creditors against Driver One arising under the Funding and the Transaction Agreements (the transfer and the pledge hereinafter together referred to as the “Collateral”).

§ 7

Authority to Collect; Assumption of Obligations; Further Assignment

- (1) Driver One is authorised to collect, to have collected, to realise and to have realised in the ordinary course of business or otherwise to use, the rights assigned for collateral purposes pursuant to § 4 and the rights pledged pursuant to § 5 (hereinafter referred to collectively as the “Collateral Rights”).
- (2) The authority provided in paragraph (1) above is deemed to be granted only to the extent that all obligations of Driver One are fulfilled in accordance with the order of priority prescribed by § 23 prior to a Foreclosure Event (as defined below) pursuant to § 18. The authority may be revoked by the Security Trustee if this is necessary in the opinion of the Security Trustee to avoid endangering the Collateral Rights or their value. The authority shall automatically terminate upon the occurrence of the Foreclosure Event pursuant to § 18.
- (3) The Security Trustee is obligated in its relationship to Driver One and to VW Bank to comply with the continuing duties of care of Driver One arising from the Purchase Agreement and the Servicing Agreement (including the treatment of the transfer to Driver One as silent assignment

and compliance with collateral agreements entered into between VW Bank and the Borrowers). Such continuing duties shall not include, in particular, the payment obligations of Driver One (i) pursuant to § 2 paragraph (2) of the Purchase Agreement (purchase price), or (ii) as compensation for damages.

- (4) (a) The Security Trustee is authorised to assign the Purchased Rights assigned in accordance with § 4 for collateral purposes:
- (i) in the event the Security Trustee is replaced and all Purchased Rights are assigned to a new security trustee (the “New Security Trustee”); or
 - (ii) upon occurrence of a Foreclosure Event pursuant to § 18; or
 - (iii) if the Foreclosure Event pursuant to § 18 threatens to occur because taxes are levied by the Federal Republic of Germany on payments under the Purchased Rights, or if such levy is to be introduced, and if the negative consequences thereof can be avoided in whole or in part through the transfer, or
 - (iv) if – as long as VW Bank is the Servicer – VW Bank has given its consent to such assignment or if it unreasonably withholds its consent; such a withholding of consent shall as a rule be considered unreasonable if a transfer does not affect the interests of VW Bank, the Borrowers or Driver One and the Transaction Creditors risk substantial disadvantages without such a transfer.
- (b) In the case of an assignment pursuant to (a), the Security Trustee shall be obligated to agree with the respective transferee that the transferee:
- (i) in the case of an assignment pursuant to (a)(i), shall assume the obligations of Security Trustee pursuant to paragraph (3) above, and
 - (ii) in all other cases under (a) with regard to the sold Purchased Rights, shall assume the rights and continuing obligations of Driver One under the Purchase Agreement and under the Servicing Agreement (within the meaning of paragraph (3) above).

§ 8

Representation of Driver One

- (1) Driver One represents to the Security Trustee that:
- (a) the Collateral Rights have not already been assigned or pledged to a third party; and
 - (b) Driver One has not established any third-party rights on or in connection with the Collateral Rights.
- (2) Driver One shall pay damages pursuant to § 280 (1) in connection with § 280 (3) German Civil Code (*Bürgerliches Gesetzbuch*) (*Schadensersatz statt der Leistung*) if the legal existence of the Collateral Rights transferred for collateral purposes in accordance with this Agreement is invalid as a consequence of an action by Driver One contrary to paragraph (1) of this Section.

§ 9

Representations of the Security Trustee

The Security Trustee represents to Driver One that it is legally competent and in a position to perform the duties assigned to it in this Agreement in accordance with the provisions of this Agreement, and that, as of the time of concluding this Agreement, a ground for termination pursuant to § 33 has neither occurred nor is foreseen.

§ 10

Obligations of the Security Trustee

The Security Trustee and, by virtue of the declaration of consent pursuant to Annex 1, the Creditors of the Transaction Agreements, promise Driver One until one year has passed after the last payment is effected on the Notes and the Subordinated Loan:

- (1) not to take or induce any action the subject of which is a dissolution, liquidation, or bankruptcy or other insolvency proceedings with respect to Driver One of any or all of its revenue or property or the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of Driver One; and
- (2) neither to assert judicially or extra-judicially claims for payment against Driver One to which the Security Trustee is entitled under or in connection with this Agreement and its performance, nor to permit third parties to assert such claims.

§ 11
Enforceability

Enforceability of the Collateral Rights shall ensue pursuant to § 18.

§ 12
Release of Collateral

As soon as Driver One has fully performed all obligations secured by this Agreement, the Security Trustee shall promptly retransfer the Collateral Rights transferred to it under this Agreement and that it still holds at such time to or to the order of Driver One. The Security Trustee undertakes to notify each shareholder of Driver One of the full satisfaction of all obligations secured hereunder and of the retransfer of the Collateral Rights. For the purpose of release, the Security Trustee may rely on an evidence which shows that all monies necessary for the satisfaction of the obligations secured by this Agreement have been transferred to the Paying Agent who forwarded the proceeds. A confirmation of the Paying Agent will be sufficient evidence.

C.
DUTIES OF THE SECURITY TRUSTEE PRIOR TO OCCURRENCE OF
THE FORECLOSURE EVENT

§ 13
Acceptance, Safekeeping, and Review of Documents; Notification of Driver One

- (1) The Security Trustee shall accept the documents which are delivered to it in connection with the reporting of VW Bank pursuant to § 1 paragraph (4) of the Purchase Agreement and § 9 of the Servicing Agreement and shall:
 - (a) keep such documents for one year after the termination of this Agreement and, at the discretion of Driver One, thereafter either destroy such documents or deliver the same to Driver One or to VW Bank; or
 - (b) forward the documents to the New Security Trustee if the Security Trustee is replaced in accordance with §§ 33 through 35.
- (2) The Security Trustee shall to an appropriate extent check the conformity of the documents provided to it in accordance with § 9 of the Servicing Agreement without being obligated to recalculate the figures. If this does not reveal any indication of a breach of duties or any risk for the Collateral Rights, the Security Trustee is not obliged to examine such documents any further. If, on the basis of such checks, the Security Trustee comes to the conclusion that a Creditor of the Agreements is not properly fulfilling its obligations under a Transaction Agreement, the Security Trustee shall promptly inform the directors of Driver One thereof. The right of the Security Trustee to obtain additional information from VW Bank shall not be affected hereby.

§ 14
Accounts

- (1) The terms of the Accounts are set out in the Account Agreements. Driver One shall terminate the Account Agreements within 30 days after receiving notice from either ABN AMRO Bank N.V., Niederlassung Deutschland, or the Successor Bank (defined below), as the case may be, that its rating has fallen below the minimum rating set out in paragraph (2). Driver One is bound to ensure that no more than 20 % of the amounts outstanding under the Notes are to be held in accounts with banks with a short term debt rating F1 (each as defined below), any amounts exceeding 20 % of the amounts outstanding under the Notes are to be held with banks of a short term rating of F1+ from Fitch (as defined below).
- (2) Should one of the Driver One accounts be terminated either by ABN AMRO Bank N.V., Niederlassung Deutschland, or by Driver One, Driver One shall promptly inform the Security Trustee of such termination. Driver One shall, together with the Security Trustee, open an account, on conditions as close as possible to those previously received, with another bank (hereinafter the "Successor Bank") specified by the Security Trustee in mutual agreement with Moody's Investors Service Limited ("Moody's") and Fitch Ratings Limited ("Fitch") (Moody's and Fitch are hereinafter together referred to as the "Rating Agencies"), which has at least an F1 (Fitch) and P-1 (Moody's) rating in respect of short-term unsecured obligations (hereinafter the "Minimum Rating") from the Rating Agencies. Driver One shall conclude a new Account

Agreement with the Successor Bank as counterparty and with the consent of the Security Trustee the new Account Agreement shall include a provision, in which the Successor Bank undertakes to promptly notify the other contract parties of any drop in its rating.

- (3) Should one of the Accounts be opened with a Successor Bank, and Driver One or the Security Trustee receives a notice pursuant to paragraph (1), then within 30 days after having received such notice, the Security Trustee shall open the relevant Driver One account with another Successor Bank in accordance with the procedure laid out in paragraph (2) on behalf of Driver One and terminate the relevant Driver One account with the previous Successor Bank.

§ 15

Actions of Driver One Requiring Consent

If Driver One requests that the Security Trustee grant its consent as required pursuant to § 40, the Security Trustee may grant or withhold the requested consent at its discretion, taking into account the reasonable interests of the Transaction Creditors.

§ 16

Breach of Obligations by Driver One

- (1) If the Security Trustee in the course of its activities becomes aware that the existence or the value of the Collateral Rights is at risk due to any failure of Driver One properly to comply its obligations under this Agreement, the Security Trustee shall, subject to the provisions in paragraph (2) below, deliver a notice to Driver One in reasonable detail of such failure (with a copy to the Servicer) and, if Driver One does not remedy such failure within 90 days after the delivery of such notice, the Security Trustee shall at its discretion take or induce all actions which in the opinion of the Security Trustee are warranted to avoid such threat. To the extent that Driver One does not comply with its obligations pursuant to § 38 in respect of the Collateral Rights and does not remedy such failure within the 90 day period after the notice set forth above, the Security Trustee is in particular authorised and obligated to exercise all rights arising under the Transaction Agreements on behalf of Driver One.
- (2) The Security Trustee shall only intervene in accordance with paragraph (1) above if and to the extent that it is assured that it will be indemnified to its satisfaction, at its discretion either by reimbursement of costs or in any other way it deems appropriate, against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors, or other experts as well as the expenses for retaining third parties to perform certain duties) and against all liability, obligations, and attempts to bring any action in or out of court. § 36 shall not be affected hereby.

§ 17

Power of Attorney

Driver One hereby grants by way of security power of attorney to the Security Trustee, waiving the restrictions set forth in § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*), and with the right to grant substitute power of attorney, to act in the name of Driver One with respect to all rights of Driver One arising under the Transaction Agreements (except for the rights vis-à-vis the Security Trustee). Such power of attorney is irrevocable. It shall expire as soon as a New Security Trustee has been appointed pursuant to §§ 33 through 35 and Driver One has issued a power of attorney to such New Security Trustee having the same contents as the above power of attorney. The Security Trustee shall only act under this Power of Attorney in the context of its rights and obligations pursuant to this Agreement.

D.

DUTIES OF THE SECURITY TRUSTEE AFTER OCCURRENCE OF A FORECLOSURE EVENT

§ 18

Foreclosure on the Collateral; Foreclosure Event

- (1) With the exception of the Financed Objects with respect to which § 19 shall apply, the Collateral Rights shall be subject to foreclosure upon the occurrence of a foreclosure event (hereinafter the “Foreclosure Event”). A Foreclosure Event shall occur the moment:
 - (i) the assets of Driver One become subject to an insolvency proceeding which affects or prejudices the performance of obligations under the Funding or the Transaction Agreements or the Collateral, or the refusal to institute such a proceeding for lack of assets;

- (ii) Driver One defaults in the payment of any interest on any Note of when the same becomes due and payable, and such default shall continue for a period of five TARGET business days; or
- (iii) Driver One defaults in the payment of principal of any Note on the Final Maturity Date (as defined in the Terms and Conditions of the Notes).

It is understood that interest and principal on the Notes other than interest on the Class A1 Notes and on the Class A2 Notes will not be due and payable on any Payment Date except to the extent there are sufficient funds in the Available Distribution Amount (as defined below) to pay such amounts in accordance with the Order of Priority (as defined below) of distributions described in § 23.

The Security Trustee shall promptly give notice to the Noteholders of the relevant Class and the Subordinated Lender pursuant to § 41 paragraph (3) and notify the Rating Agencies of the occurrence of a Foreclosure Event.

- (2) After the occurrence of a Foreclosure Event, the Security Trustee will at its reasonable discretion foreclose or cause foreclosure on the Collateral Rights. Unless compelling grounds to the contrary exist, the foreclosure shall be performed by collecting payments made into the Accounts on the Collateral Rights or, *inter alia*, by assignment pursuant to § 7 paragraph (4)(a)(ii). The provisions of the Administration Agreement shall be unaffected by the foreclosure on the Collateral Rights (subject to the provisions of § 7 paragraph (4)).
- (3) Within 15 days after the occurrence of a Foreclosure Event, the Security Trustee shall give notice to the Noteholders, each Swap Counterparty and the Subordinated Lender, specifying the manner in which it intends to foreclose on the Collateral Rights, in particular, whether it intends to sell the Collateral Rights, and apply the proceeds from such foreclosure to satisfy the obligations of Driver One, subject to the order of priority set forth in § 23 paragraph (3). If, within 60 days after the publication of such notice, the Security Trustee receives written notice from a Noteholder or Noteholders representing more than 50 % of the outstanding principal amount of the Notes, objecting to the action proposed in the Security Trustee's notice, the Security Trustee shall not undertake such action (other than the collection of payments on the accounts for the Collateral Rights).

§ 19

Realisation of the Financed Objects

The Financed Objects the ownership of which has been transferred for security purposes (Sicherungseigentum) to the Security Trustee will be realised by the Security Trustee or by agents of the Security Trustee (§ 26) upon the occurrence of an event described in § 4 paragraph (5) (irrespective of the occurrence of a Foreclosure Event as defined in § 18 paragraph (1)), as follows:

- (1) Any payments and proceeds VW Bank has (based on the authorisation as per § 7 of the Purchase Agreement) attained from the realisation with respect to the Financed Objects will be allocated to the Loan Contract for which the Financed Objects was foreclosed.
- (2) Proceeds from the realisation of the Financed Objects and collections on Loan Receivables which can be collected after the final write-off made by the Servicer shall be allocated to VW Bank.
- (3) Following full satisfaction of the respective secured Loan Receivables and any Settlement Amounts which may be payable under § 5 of the Purchase Agreement, the Security Trustee will retransfer ownership title to the respective Financed Object to the Borrower except where such Financed Object has been realised.

§ 20

Payments upon Occurrence of the Foreclosure Event

- (1) Upon the occurrence of a Foreclosure Event the Collateral Rights (except Purchased Rights which pursuant to § 18 paragraph (1) must be administered by the Servicer) may be claimed exclusively by the Security Trustee. Payments on these Collateral Rights from this moment on will have effect only if made to the Security Trustee. The Security Trustee shall invest the payments which it receives in this manner, as provided for in § 23, until they are paid out to the Transaction Creditors of Driver One.

- (2) As of the Foreclosure Event, payments on the obligations of Driver One may not be made as long as, in the opinion of the Security Trustee, such payment will jeopardise the fulfillment of any later maturing obligation of Driver One with higher rank.
- (3) In the case of payments on the Notes or the Subordinated Loan, the Security Trustee shall provide the Noteholders and the Subordinated Lender with advance notice of the payment date pursuant to the Terms and Conditions of the relevant Class of Notes or the Subordinated Loan. In the case of such payment, the Security Trustee is only responsible for making the relevant amount available to the Paying Agent.
- (4) After all Transaction Obligations have been fulfilled the Security Trustee shall pay out any remaining amounts to Driver One.

§ 21
Continuing Duties

Sections 13 through 16 shall continue to apply after the Foreclosure Event has occurred.

E.
ACCOUNTS; ORDER OF PRIORITY; PERMITTED INVESTMENTS

§ 22
Distribution Account; Swap Termination Payment Account; Interest Rate Swap Provisions

- (1) The Distribution Account shall be used for the fulfillment of the payment obligations of Driver One.
- (2) Driver One shall ensure that all payments made to Driver One shall be made by way of a bank transfer to or deposit or in any other way into the Distribution Account.
- (3) Driver One has entered into the Interest Rate Swap Agreements, in a form satisfactory to the Rating Agencies, to hedge the floating rate interest expense on the Class A1 Notes, the Class A2 Notes and the Class B Notes. Driver One may, from time to time, enter into one or more replacement Interest Rate Swap Agreements with one or more replacement Swap Counterparties in the event that an Interest Rate Swap Agreement is terminated prior to its scheduled expiration pursuant to an “event of default” or “termination event” under the Interest Rate Swap Agreement. The Class A1 Interest Rate Swap Agreement will have an initial notional amount equal to the aggregate principal amount of the Class A1 Notes on the Closing Date. The Class A2 Interest Rate Swap Agreement will have an initial notional amount equal to the aggregate principal amount of the Class A2 Notes on the Closing Date. The Class B Interest Rate Swap Agreement will have an initial notional amount equal to the aggregate principal amount of the Class B Notes on the Closing Date. The notional amount of each Interest Rate Swap Agreement will decrease by the amount of any principal payments on the applicable Class A1 Notes, Class A2 Notes, or Class B Notes.
- (4) In the event that a Swap Counterparty is required to collateralise its obligations pursuant to the terms of the applicable Interest Rate Swap Agreement, the Security Trustee, upon written request of the Servicer, shall establish on behalf of Driver One an individual collateral account pledged to the Security Trustee for such Interest Rate Swap Agreement and will supervise that Driver One invests any cash amounts in accordance with the provisions of the Interest Rate Swap Agreement.
- (5) The Servicer shall calculate and provide, by delivery of the monthly report, written notification to each Swap Counterparty and to the Security Trustee of the notional amount of each Interest Rate Swap Agreement as of each Payment Date on or before the reporting date in the month of the related Payment Date. The Interest Determination Agent (as defined in the Paying Agency Agreement) shall provide the Servicer with the calculation of EURIBOR, the Servicer shall provide the calculation of EURIBOR to the Security Trustee under this Trust Agreement and shall calculate the amount, for each Payment Date, of all Net Swap Payments, Net Swap Receipts and Swap Termination Payments payable in accordance with § 23 paragraph (3)(i) below on each Payment Date and shall provide written notification of such amounts to each Swap Counterparty and to the Security Trustee prior to such Payment Date. Any amendment or supplement to an Interest Rate Swap Agreement will be effective only after the Rating Agency Condition shall have been satisfied.

- (6) In the event of any early termination of any Interest Rate Swap Agreement (i) Driver One shall establish a Swap Termination Payment Account, which is pledged to the Security Trustee, in respect thereof, and (ii) any Swap Termination Payments received by Driver One or the Security Trustee on behalf of Driver One from the related Swap Counterparty will be remitted to such Swap Termination Payment Account.
- (7) Driver One shall promptly, following the early termination of any Interest Rate Swap Agreement due to an “event of default” or “termination event” (each as defined in the applicable initial Interest Rate Swap Agreement) and in accordance with the terms of such Interest Rate Swap Agreement, enter into a replacement Interest Rate Swap Agreement to the extent possible and practicable through application of funds available in the Swap Termination Payment Account unless entering into such replacement Interest Rate Swap Agreement will cause the Rating Agency Condition not to be satisfied.
- (8) Amounts on deposit in the Swap Termination Payment Account at any time shall be invested pursuant to § 23 paragraph (2) and on each Payment Date after the creation of a Swap Termination Payment Account, the funds therein shall be used to cover any shortfalls in the amounts payable under steps *first* through *twelfth* according to the Order of Priority as set forth in § 23 paragraph (3)(i) below, provided that in no event will the amount withdrawn from the Swap Termination Payment Account exceed the amount of Net Swap Receipts that would have been required to be paid under the terminated Interest Rate Swap Agreement had there been no termination of such Interest Rate Swap Agreement.
- (9) Any Swap Replacement Proceeds received by Driver One or the Security Trustee on behalf of Driver One from a replacement Swap Counterparty will be remitted directly to the Distribution Account, shall be treated as part of the Available Distribution Amount and shall be paid in accordance with the Order of Priority as set forth in § 23 paragraph (3)(i).
- (10) To the extent that (i) the funds available in a Swap Termination Payment Account exceed the costs of entering into a replacement Interest Rate Swap Agreement or (ii) Driver One determines not to replace the initial Interest Rate Swap Agreements and the Rating Agency Condition is met with respect to such determination, the amounts in the Swap Termination Payment Account shall be treated as part of the Available Distribution Amount and shall be paid in accordance with the Order of Priority as set forth in § 23 paragraph (3)(i).
- (11) Upon payment of all amounts payable under the Notes the sums remaining in the Swap Termination Payments Accounts shall be paid according to the following order of priority:
 - first*, amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);
 - second*, to the Subordinated Lender, until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
 - third*, to VW Bank, under the terms of the Servicing Agreement.

§ 23

Permitted Investment; Order of Priority

- (1) Prior to the full discharge of all obligations of Driver One to the Transaction Creditors, any credit in the Distribution Account (the “Credit”) and the Cash Collateral Account shall be employed exclusively in accordance with paragraphs (2) and (3) below and § 24.
- (2) To the extent that no obligations of Driver One are due and payable, Driver One is authorised and obliged to invest the Credit with the bank at which the Accounts are held in investments (hereinafter the “Permitted Investments”) selected by VW Bank which satisfy the following criteria:
 - (a) The investments must be denominated and payable in the currency of the Federal Republic of Germany;
 - (b) the investments may only be made:
 - (i) in securities which are short term rated F1 by Fitch and P-1 by Moody’s respectively;
 - (ii) deposits with a credit institution which is short term rated F1 by Fitch and P-1 by Moody’s respectively; or

- (iii) other obligations or securities that are acceptable to the Rating Agencies as a Permitted Investment and will not, pursuant to confirmation in writing by the Rating Agencies, result in a reduction or withdrawal of the then current rating of the Notes.
 - (c) the investments shall mature earlier than or on the next Payment Date (as defined below); and
 - (d) Driver One shall not purchase Notes from the Funding.
- (3) Distributions will be made on each Payment Date from the Available Distribution Amount according to the following order of priority (the “Order of Priority”):
- (i) (A) on each Payment Date prior to the occurrence of a Foreclosure Event (as defined in § 18):
 - first*, amounts payable in respect of taxes (if any) by Driver One;
 - second*, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to §§ 32 and 33 of the Trust Agreement or under any agreement replacing the Trust Agreement;
 - third*, of equal rank amounts payable (i) to the Administrator under the Administration Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iii) to the Servicer, the Servicer Fee, and (iv) to the Rating Agencies the fees for the monitoring;
 - fourth*, of equal rank amounts payable (i) to the directors of Driver One and (ii) in respect of other administration costs and expenses of Driver One including without limitation, any costs relating to the listing of the Notes, any auditors’ fees, any tax filing fees and any annual return or exempt company status fees;
 - fifth*, amounts payable to the bank maintaining the Accounts for account management fees due under the Account Agreement;
 - sixth*, amounts payable by Driver One to the Swap Counterparties in respect of any Net Swap Payments or any Swap Termination Payments under the Interest Rate Swap Agreements (if any and provided that the Swap Counterparty is not the defaulting party (as defined in the relevant Interest Rate Swap Agreement) and there has been no termination of the transaction under the Interest Rate Swap Agreement due to a termination event with the Swap Counterparty being the affected party); provided that if the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One’s payment obligations under the Interest Rate Swap Agreements, such payments by Driver One will be used pro rata for payments due under the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement;
 - seventh*, of equal rank amounts payable in respect of accrued and unpaid interest on the Class A1 Notes and on the Class A2 Notes (including, without limitation, overdue interest);
 - eighth*, amounts payable in respect of accrued and unpaid interest on the Class B Notes (including, without limitation, overdue interest);
 - ninth*, to the Cash Collateral Account (as defined below), until the amount of funds in the Cash Collateral Account is equal to the Specified Cash Collateral Account Balance;
 - tenth*, to the holders of the Class A1 Notes, an aggregate amount equal to the Class A1 Principal Payment Amount for such Payment Date, which is the lesser of the Class A Principal Payment Amount and the remaining principal balance of the Class A1 Notes;
 - eleventh*, to the holders of the Class A2 Notes, an aggregate amount equal to the “Class A2 Principal Payment Amount” for such Payment Date, which is equal to the excess (if any) of the Class A Principal Payment Amount over the Class A1 Principal Payment Amount;

twelfth, to the holders of the Class B Notes, an aggregate amount equal to the “Class B Principal Payment Amount” for such Payment Date, which is equal to the amount necessary to reduce the outstanding principal amount of the Class B Notes to the Targeted Class B Note Balance;

thirteenth, after a Cash Collateral Increase Event to the Cash Collateral Account (as defined below), until the Specified Cash Collateral Account Balance is increased by the Cash Collateral Increase Amount;

fourteenth, by Driver One to the Swap Counterparties, any payments under the Swap Agreements other than those made under clause *sixth* above; provided that if the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One’s payment obligations under the Swap Agreements, such payments by Driver One will be used pro rata for payments due under the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement;

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

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

seventeenth, to VW Bank, under the terms of the Servicing Agreement.

(B) on each Payment Date upon the occurrence of a Foreclosure Event (as defined in § 18):

first, amounts payable in respect of taxes (if any) by Driver One;

second, amounts (excluding any payments under the Trustee Claim) payable (i) to the Security Trustee under the Trust Agreement and (ii) *pari passu* to any successor of the Security Trustee (if applicable) appointed pursuant to §§ 32 and 33 of the Trust Agreement or under any agreement replacing the Trust Agreement;

third, of equal rank amounts payable (i) to the Administrator under the Administration Agreement, (ii) to the Data Protection Trustee under the Data Protection Trust Agreement; (iii) to the Servicer, the Servicer Fee, and (iv) to the Rating Agencies the fees for the monitoring;

fourth, of equal rank amounts payable (i) to the directors of Driver One and (ii) in respect of other administration costs and expenses of Driver One including without limitation, any costs relating to the listing of the Notes, any auditors’ fees, any tax filing fees and any annual return or exempt company status fees;

fifth, amounts payable to the bank maintaining the Accounts for account management fees due under the Account Agreement;

sixth, amounts payable by Driver One to the Swap Counterparties in respect of any Net Swap Payments or any Swap Termination Payments under the Interest Rate Swap Agreements (if any and provided that the Swap Counterparty is not the defaulting party (as defined in the relevant Interest Rate Swap Agreement) and there has been no termination of the transaction under the Interest Rate Swap Agreement due to a termination event with the Swap Counterparty being the affected party); provided that if the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One’s payment obligations under the Interest Rate Swap Agreements, such payments by Driver One will be used pro rata for payments due under the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement.

seventh, of equal rank amounts payable in respect of accrued and unpaid interest on the Class A1 Notes and on the Class A2 Notes (including, without limitation, overdue interest);

eighth, amounts payable in respect of accrued and unpaid interest on the Class B Notes (including, without limitation, overdue interest);

ninth, to the Cash Collateral Account (as defined below), until the amount of funds in the Cash Collateral Amount is equal to the Specified Cash Collateral Account Balance;

tenth, and of equal rank with amounts payable under the following step *eleventh*, to the holders of the Class A1 Notes, amounts payable in respect of the outstanding principal amount of the Class A1 Notes;

eleventh, to the holders of the Class A2 Notes, amounts payable in respect of the outstanding principal amount of the Class A2 Notes;

twelfth, to the holders of the Class B Notes, an aggregate amount equal to the “Class B Principal Payment Amount” for such Payment Date, which is equal to the amount necessary to reduce the outstanding principal amount of the Class B Notes to the Targeted Class B Note Balance;

thirteenth, after a Cash Collateral Increase Event to the Cash Collateral Account (as defined below), until the Specified Cash Collateral Account Balance is increased by the Cash Collateral Increase Amount;

fourteenth, by Driver One to the Swap Counterparties, any payments under the Swap Agreements other than those made under clause *sixth* above; provided that if the amounts paid by Driver One to the Swap Counterparties are insufficient to meet Driver One’s payment obligations under the Swap Agreements, such payments by Driver One will be used pro rata for payments due under the Class A1 Interest Rate Swap Agreement and the Class A2 Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement;

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

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

seventeenth, to VW Bank, under the terms of the Servicing Agreement.

- (ii) on any Payment Date on which the Cash Collateral Amount exceeds the Specified Cash Collateral Account Balance:

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

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

third, to VW Bank, under the terms of the Servicing Agreement.

- (4) As used herein, the following terms shall have the following meanings

“Aggregate Cutoff Date Discounted Principal Balance” means the Aggregate Discounted Principal Balances as of the Cutoff Date.

“Aggregate Discounted Principal Balance” means the sum of the Discounted Principal Balances for all Loan Contracts.

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

- (i) the Loan Receivables (including payments received in the event of termination of Loan Contracts and including the amounts payable by VW Bank in cases of a settlement pursuant to the Purchase Agreement) received or collected by the Servicer for the calendar month immediately prior to each Payment Date (the “Monthly Period”), plus
- (ii) drawings from the Cash Collateral Account as provided for in § 24(2) of the Trust Agreement, plus
- (iii) Driver One’s portion in the proceeds from the realisation of Financed Objects pursuant to § 7 of the Purchase Agreement, plus
- (iv) Net Swap Receipts and any other amounts included in the Available Distribution Amount pursuant to § 22.

“Cash Collateral Increase Amount” means the amount required to increase the Specified Cash Collateral Account Balance by 0.17% of the Discounted Principle Balance at the Payment Date immediately prior to the day of the occurrence of the Cash Collateral Increase Event which is exclusively reserved to cover any potential VAT burden in case a replacement Servicer is appointed.

“Cash Collateral Increase Event” means the day when VW Bank receives the notification by Fitch that Fitch has determined that VW Bank’s capacity for meeting its financial commitments would no longer equal a rating of at least F3 by Fitch.

“Class A1 Interest Rate Swap Agreement” shall have the meaning as used in § 22 paragraph (3).

“Class A2 Interest Rate Swap Agreement” shall have the meaning as used in § 22 paragraph (3).

“Class A Notes” mean the Class A1 Notes together with the Class A2 Notes;

“Class A Principal Payment Amount” means an aggregate amount for any Payment Date which is equal to the amount necessary to reduce the outstanding principal amount of the Class A Notes to the Targeted Class A Note Balance;

“Class A Overcollateralisation Percentage” means:

- (a) 12.5 % until a Credit Enhancement Increase Condition shall be in effect;
- (b) 13.0 % if a Level 1 Credit Enhancement Increase Condition is in effect; and
- (c) 100 % if a Level 2 Credit Enhancement Increase Condition is in effect.

“Class A Targeted Overcollateralisation Amount” means, on each Payment Date, the greater of (a) the Class A Overcollateralisation Percentage multiplied by the Aggregate Discounted Principal Balance as of the end of the preceding Monthly Period, and (b) the lesser of (i) €15,832,000 (i.e., 1.25 % of the Cutoff Date Aggregate Discounted Principal Balance), and (ii) the aggregate outstanding principal amount of the Class A Notes on such Payment Date (after giving effect to all payments and distributions on such date).

“Class B Interest Rate Swap Agreement” shall have the meaning as used in § 22 paragraph (3).

“Class B Overcollateralisation Percentage” means:

- (a) 9.0 % until a Credit Enhancement Increase Condition shall be in effect;
- (b) 9.5 % if a Level 1 Credit Enhancement Increase Condition is in effect; and
- (c) 100 % if a Level 2 Credit Enhancement Increase Condition is in effect.

“Class B Targeted Overcollateralisation Amount” means, on each Payment Date, the greater of (a) the Class B Overcollateralisation Percentage multiplied by the Aggregate Discounted Principal Balance as of the end of the preceding Monthly Period, and (b) the lesser of (i) €11,399,000 (i.e., 0.9 % of the Cutoff Date Aggregate Discounted Principal Balance), and (ii) the aggregate outstanding principal amount of the Class B Notes on such Payment Date (after giving effect to all payments and distributions on such date).

“Credit Enhancement Increase Condition” means either a Level 1 Credit Enhancement Increase Condition or a Level 2 Credit Enhancement Increase Condition.

“Cumulative Net Loss Ratio” means, for any Payment Date, a fraction, expressed as a percentage, the numerator of which is the sum of the Discounted Principal Balances of all Loan Receivables (including Loan Receivables which were not received on time and Loan Receivables remaining to be paid in the future) that were charged off by the Servicer in accordance with its customary practices from time to time in effect from the Cutoff Date through the end of the preceding Monthly Period and the denominator of which is the Aggregate Cutoff Date Discounted Principal Balance.

“Cutoff Date” means October 31, 2004.

“Discounted Principal Balance” means as of the end of any Monthly Period the present value of the Loan Receivables remaining to be paid in the future, calculated using a discount rate equal to the Discount Rate (and which will include for the avoidance of doubt) Loan Receivables or portions of Loan Receivables and which are still unpaid except the Discounted Principal Balance will be zero for Loan Receivables which have been finally written-off by the Servicer in accordance with its customary practices as applicable from time to time.

“Discount Rate” means 3.6563 % per annum.

“Level 1 Credit Enhancement Increase Condition” shall be deemed to be in effect if the Cumulative Net Loss Ratio exceeds (i) 0.75 % for any Payment Date before or during February 2006 or (ii) 1.75 % for any Payment Date thereafter.

“Level 2 Credit Enhancement Increase Condition” shall be deemed to be in effect if the Cumulative Net Loss Ratio exceeds 2.5 % for any Payment Date.

“Net Swap Payment” means for the Interest Rate Swap Agreements, the net amounts with respect to regularly scheduled payments owed by Driver One to a Swap Counterparty, if any, on any Payment Date, including any interest accrued thereon, under the Interest Rate Swap Agreements, excluding Swap Termination Payments or any other amounts payable to the Swap Counterparty under the Interest Rate Swap Agreements.

“Net Swap Receipts” means for the Interest Rate Swap Agreements, the net amounts owed by the Swap Counterparty to Driver One, if any, on any Payment Date, excluding any Swap Termination Payments. For further clarity, this term does not include amounts posted as collateral until they are required to be paid to Driver One.

“Payment Date” means December 21, 2004 and thereafter until the final payment the 21st day of each month or, in the event such day is not a TARGET business day, then the next following TARGET business day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a TARGET business day.

“Servicer Fee” means, for any Monthly Period, one-twelfth of the Servicer Fee Rate multiplied by the Aggregate Discounted Principal Balance as of the beginning of the preceding Monthly Period.

“Servicer Fee Rate” means 1.0 % per annum.

“Specified Cash Collateral Account Balance” means, on each Payment Date, the greater of (a) 1.5 % of the Aggregate Discounted Principal Balance as of the end of the preceding Monthly Period, and (b) the lesser of (i) €17,270,000 (i.e., 1.3636 % of the Aggregate Cutoff Date Discounted Principal Balance), and (ii) the aggregate outstanding principal amount of the Class A1 Notes, Class A2 Notes and Class B Notes on such Payment Date (after giving effect to all payments and distributions on such date).

“Swap Counterparty” means a bank party to the Class A1, Class A2 or Class B Interest Rate Swap Agreement. Each such bank shall have a long term rating of at least A+ by Fitch and A1 by Moody’s or will have taken measures agreed with the Rating Agencies for the rating of the Notes, provided that the failure of such bank to have such a rating or take such measures shall be without prejudice to its rights as a “Swap Counterparty” under this Agreement.

“Swap Replacement Proceeds” means any amounts received from a replacement Swap Counterparty in consideration for entering into a replacement Interest Rate Swap Agreement for a terminated Interest Rate Swap Agreement.

“Swap Termination Payment” means payment due to the Swap Counterparty by Driver One or to Driver One by the Swap Counterparty, including interest that may accrue thereon, under the Interest Rate Swap Agreements due to a termination of any Interest Rate Swap Agreement due to an “event of default” or “termination event” under that Interest Rate Swap Agreement.

“Swap Termination Payment Account” means a segregated account held for the benefit of the Noteholders pursuant to § 22 of the Trust Agreement.

“TARGET business day” means any day on which the Trans-European Automated Real-time Gross Settlement Express System (Target) or the Target successor system is open for business, provided that this day is also a business day in London.

“Targeted Class A Note Balance” means (a) except in the case of (b); the excess of the Aggregate Discounted Principal Balance as of the end of the preceding Monthly Period over the Class A Targeted Overcollateralisation Amount and (b) zero, if the Aggregate Discounted Principal Balance as of the end of the preceding Monthly Period is less than 10 % of the Cutoff Date Discounted Principal Balance.

“Targeted Class B Note Balance” means (a) except in the case of (b); the excess of the Aggregate Discounted Principal Balance as of the end of the preceding Monthly Period over the sum of the aggregate outstanding principal amount of the Class A1 Notes and of the Class A2

Notes (after giving effect to all payments and distributions on such date) and the Class B Targeted Overcollateralisation Amount and (b) zero, if the Aggregate Discounted Principal Balance as of the end of the preceding Monthly Period is less than 10 % of the Cutoff Date Discounted Principal Balance.

- (5) The order of priorities set forth in paragraph (3) shall also be applicable pursuant to § 25 paragraph (2) in any bankruptcy or other insolvency proceedings to which Driver One's assets are subject.
- (6) Notwithstanding the provisions of § 23 paragraph (3), any obligations referred to in § 23 paragraph (3)(i) under *first* through *fifth* may be satisfied on any date other than a Payment Date from any funds available on the Accounts in the order of priorities set forth in § 23 paragraph (3)(i).

§ 24

Cash Collateral

- (1) Driver One will on the date of this Agreement in accordance with § 11 of the Purchase Agreement establish an interest bearing investment account to be used for the cash collateral (the "Cash Collateral Account") in the initial amount of €18,998,000 (1.5 % of the initial Aggregate Cutoff Date Discounted Principal Balance) which serves as the initial Cash Collateral Amount. All funds in the Cash Collateral Account are referred to as the "Cash Collateral Amount".
- (2) On each Payment Date amounts payable under step *ninth* according to the Order of Priority as set forth in § 23 paragraph (3)(i) above will be paid until the amount of funds in the Cash Collateral Account is equal to the Specified Cash Collateral Account Balance. Amounts on deposit in the Cash Collateral Account at any time shall be invested pursuant to § 23 paragraph (2) and on each Payment Date the Cash Collateral Amount shall be used with respect to (a) to cover any shortfalls in the amounts payable under steps *first* through *eighth* according to the Order of Priority as set forth in § 23 paragraph (3)(i) above, (b) the amounts payable under § 23 paragraph (3)(ii) above and (c) on the Final Scheduled Payment Date (as defined in § 8 (3) of the Terms and Conditions of the Notes) or as soon as no more Loan Receivables are outstanding also for amounts payable under steps *tenth* through *twelfth* of the Order of Priority as set forth in § 23 paragraph (3)(i) above.
- (3) Upon payment of all amounts payable under the Notes and the Subordinated Loan and upon fulfilment of all claims of all Transaction Creditors VW Bank shall be entitled to the sums remaining in the Cash Collateral Account. The Cash Collateral Account shall be closed as soon as all Loan Receivables and rights to security have been realised after final payment in full of the Notes and the Subordinated Loan and liquidation of Driver One. After the closing of the Cash Collateral Account, VW Bank is entitled to any Loan Receivables still being collected.

§ 25

Consent by the Transaction Creditors and Security Trustee; Relation to Third Parties; Overpayment

- (1) Annex 1 contains the consents of all Transaction Creditors under the Agreements to the provisions of this Agreement, specifically to the order of priorities pursuant to § 23.
- (2) In respect of the Collateral Rights, the order of priority pursuant to § 23 shall be binding on all Transaction Creditors of Driver One. In respect of other assets of Driver One, such order of priority shall only be applicable internally between Transaction Creditors, the Security Trustee, and Driver One; in third party relationships, the rights of the Transaction Creditors and the Security Trustee shall have equal rank to those of the third-party creditors of Driver One.
- (3) The order of priority set forth in § 23 shall also be applicable if the claims are transferred to a third party by assignment, subrogation into a contract, or otherwise.
- (4) All payments to Transaction Creditors shall be subject to the condition that, if a payment is made to a creditor in breach of the order of priorities set forth in § 23, such creditor shall repay – with commercial effect to the relevant Payment Date – the received amount to the Security Trustee; the Security Trustee shall then pay – with commercial effect to the relevant Payment Date – out the moneys so received in the way that they were payable in accordance with the aforementioned order of priority on the relevant Payment Date. If such overpayment is not repaid by the Payment Date of the Funding following the overpayment or if the claim to repayment is not enforceable, the Security Trustee is authorised and obliged to adapt the

distribution provisions pursuant to § 23 in such a way that any over- or underpayments made in breach of § 23 are set off by correspondingly increased or decreased payments on such payment date (and, to the extent necessary, on all subsequent payment dates).

F.

RETAINING OF THIRD PARTIES

§ 26

Retaining of Third Parties

- (1) In individual instances, the Security Trustee may, at market prices (if appropriate, after obtaining several offers), retain the services of a suitable law firm or credit institution to assist it in performing the duties assigned to it under this Agreement, by delegating the entire or partial performance of the following duties:
 - (a) the undertaking of individual measures pursuant to § 16, specifically the enforcement of certain claims against Driver One or a Transaction Creditor;
 - (b) the foreclosure on Collateral Rights pursuant to § 18;
 - (c) the settlement of payments pursuant to § 20; and
 - (d) the settlement of overpayments pursuant to § 25 paragraph (4).
- (2) If third parties are retained pursuant to paragraph (1), the Security Trustee shall only be liable for the exercise of due care in the selection and supervision of the third party to a degree that the Security Trustee would exercise in its own affairs. The Security Trustee, however, shall not be liable for any negligence of the third party.
- (3) The Security Trustee shall promptly notify the Rating Agencies of every hiring pursuant to paragraph (1).

§ 27

Advisors

- (1) The Security Trustee is authorised, in connection with the performance of its duties under the Funding and the Transaction Agreements, at its own discretion, to seek information and advice from legal counsel, financial consultants, banks, and other experts in the Federal Republic of Germany or elsewhere (and irrespective of whether such persons are already retained by the Security Trustee, Driver One, a Transaction Creditor, or any other person involved in the transactions under the Notes, the Subordinated Loan or the Transaction Agreements), and this at market prices (if appropriate, after obtaining several offers).
- (2) The Security Trustee may rely on such information and such advice without having to make its own investigations. The Security Trustee shall not be liable for any damages or losses caused by its acting in reliance on the information or the advice of such persons. The Security Trustee shall not be liable for any negligence of such persons.

G.

FEES; REIMBURSEMENT OF EXPENSES; INDEMNIFICATION; TAXES

§ 28

Fees

Driver One will pay the Security Trustee a fee, the amount of which shall be separately agreed between Driver One and the Security Trustee.

§ 29

Reimbursement of Expenses; Advance

Driver One shall bear all reasonable costs and disbursements (including costs for legal advice and costs of other experts) incurred by the Security Trustee in connection with the performance of its duties under this Agreement, including the costs and disbursements in connection with the creation, holding, and foreclosure on the Collateral Rights.

§ 30

Right to Indemnification

Driver One shall indemnify the Security Trustee against all losses, liabilities, obligations (including any taxes), actions in and out of court, and costs and disbursements incurred by the Security Trustee in connection with this Agreement, unless such costs and expenses are incurred by the Security Trustee due to a breach of its standard of care pursuant to § 36.

§ 31
Taxes

- (1) Driver One shall bear all transfer taxes and other similar taxes or charges which are imposed in the Federal Republic of Germany on or in connection with (i) the creation, holding, or foreclosure on Collateral Rights, (ii) on any measure taken by the Security Trustee pursuant to the terms and conditions of the Notes, the Subordinated Loan or the Transaction Agreements, and (iii) the issue of the Notes, the conclusion of the Subordinated Loan Agreement or the conclusion of Transaction Agreements.
- (2) All payments of fees and reimbursements of reasonable expenses to the Security Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the Security Trustee's overall income or gains, which are imposed in the future on the services of the Security Trustee.

§ 32
Limited Obligation; No Lien or Set-off; No Petition

- (1) The rights of the Security Trustee under §§ 28 through 32 are limited to those funds which are found in the Accounts at any given time as payable to the Security Trustee pursuant to the order of priority set forth in § 23 paragraph (3) above; Driver One has no further obligations. To the extent that the funds in the Accounts are insufficient to satisfy in full the claims of all Transaction Creditors, any amounts remaining unpaid shall be extinguished and Driver One shall have no further obligations thereto.

No shareholder, officer or director of Driver One shall incur any personal liability as a result of the performance or non-performance by Driver One of its obligations hereunder. Any recourse against such a person is excluded accordingly.

- (2) The Security Trustee shall under no circumstances have any lien, right of retention, right of set-off or similar right in respect of any moneys paid or payable to it or assets delivered or deliverable into its custody under this Agreement vis-à-vis Driver One.
- (3) The Security Trustee shall not file a petition for the commencement of insolvency or other proceedings that could impair or threaten the performance of obligations under the Notes, the Subordinated Loan or the Transaction Agreements or that could jeopardise the Collateral.

H.
REPLACEMENT OF THE SECURITY TRUSTEE

§ 33
Termination by the Security Trustee for Good Cause

- (1) The Security Trustee may resign from its office as Security Trustee for good cause (*aus wichtigem Grund*) at any time provided that upon or prior to its resignation the Security Trustee, on behalf of Driver One, appoints a reputable bank in the Federal Republic of Germany or a reputable German auditing company and/or fiduciary company as successor and such appointee who needs to be experienced in the business of security trusteeship in the Federal Republic of Germany assumes all rights and obligations arising from this Agreement and has been furnished with all authorities and powers that have been granted to the Security Trustee.
- (2) Without prejudice to the obligation of the Security Trustee to appoint a successor in accordance with paragraph (1) above, Driver One shall be authorised to make such appointment in lieu of the Security Trustee.
- (3) The appointment of the new Security Trustee pursuant to paragraphs (1) or (2) above shall only take effect if (i) VW Bank consents to the appointment of the proposed New Security Trustee; and (ii) Driver One consents to the appointment of the proposed New Security Trustee or withholds such consent unreasonably. Consent pursuant to number (i) above shall be deemed granted if Driver One or the Security Trustee requests VW Bank in writing for consent to the appointment and consent is not refused by VW Bank within five banking days in Frankfurt am Main of having received the request. Consent pursuant to number (ii) shall be deemed granted if the Security Trustee requests Driver One in writing for consent to the appointment and consent or proof of reasonable cause for refusing to give consent is not provided within five banking days in Frankfurt am Main after Driver One receives the request.

- (4) A termination pursuant to paragraph (1) above notwithstanding, the rights and obligations of the Security Trustee shall continue until the appointment of the New Security Trustee has become effective and the rights pursuant to § 35 have been assigned to it.

§ 34

Replacement of the Security Trustee

Driver One shall be authorised and obligated to replace the Security Trustee with a reputable bank or a reputable German auditing company and/or a fiduciary company who needs to be experienced in the business of security trusteeship in Germany, if Driver One has been so instructed in writing by a Noteholder or Noteholders owning at least 25 % of the outstanding principal amount of the Notes or by the Subordinated Lender. Driver One shall be obligated to notify VW Bank and the Rating Agencies within 30 days upon receipt of such request to replace the Security Trustee on the request to replace the Security Trustee.

§ 35

Transfer of Collateral Rights; Costs; Publication

- (1) In the case of a replacement of the Security Trustee pursuant to § 33 or § 34, the Security Trustee shall forthwith transfer the assets and other rights it holds as fiduciary under this Agreement, as well as its Trustee Claim under § 3 (including the pledge rights granted for the same pursuant to § 5) in its capacity as trustee to the New Security Trustee. Without prejudice to this obligation, Driver One is hereby irrevocably authorised to effect such transfer on behalf of the Security Trustee subject to the condition set forth in sentence 1.
- (2) The costs incurred in connection with replacing the Security Trustee pursuant to §§ 33 or 34 shall be borne by Driver One. If the replacement pursuant to § 33 or § 34 is caused by the Security Trustee, Driver One shall be entitled, without prejudice to any additional rights, to demand damages from the Security Trustee in the amount of such costs.
- (3) The appointment of a New Security Trustee in accordance with §§ 33 and 34 shall be published without delay in accordance with the terms and conditions of the Notes and the Subordinated Loan, or, if this is not possible, in any other appropriate way.
- (4) The Security Trustee shall provide the New Security Trustee with a report regarding its activities within the framework of this Agreement.

I.

LIABILITY OF THE SECURITY TRUSTEE

§ 36

Standard of Care for Liability

The Security Trustee shall be liable for breach of its obligations under this Agreement only if and to the extent that it fails to meet the standard of care which it would exercise in its own affairs (*Sorgfalt wie in eigenen Angelegenheiten*).

§ 37

Exclusion of Liability

The Security Trustee shall not be liable for: (i) any action or failure to act of Driver One or of other parties to the Transaction Agreements, (ii) the Notes, the Subordinated Loan, the Purchased Rights and the Transaction Agreements being legal, valid, binding, or enforceable, or for the fairness of the provisions set forth in the Notes, the Subordinated Loan or in the aforementioned Agreements, (iii) a loss of documents related to the Purchased Rights not attributable to the negligence of the Security Trustee, and (iv) – without prejudice to the provisions of § 16 (breach of Driver One's obligations) – VW Bank's failure to meet all or part of its contractual obligations to submit documents to the Security Trustee.

J.

UNDERTAKINGS OF DRIVER ONE

§ 38

Undertakings of Driver One in Respect of the Collateral Rights

Driver One undertakes vis-à-vis the Security Trustee:

- (1) not to sell the Collateral Rights and to refrain from all actions and failure to act (excluding the collection and enforcement of the Collateral Rights in the ordinary course of business) which may result in a significant (*wesentlichen*) decrease in the aggregate value or in a loss of the

Collateral Rights; to the extent that there are indications that a Transaction Creditor does not properly fulfill its obligations under a Transaction Agreement, Driver One will in particular exercise the care due from a merchant (*die Sorgfalt eines ordentlichen Kaufmanns*) to take all necessary action to prevent the Collateral Rights or their value from being jeopardised;

- (2) upon request of the Security Trustee, to mark in its accounting records the transfer for collateral purposes and the pledge to the Security Trustee and to disclose to third parties having a legal interest in becoming aware of the transfer for collateral purposes and the pledge that the transfer for collateral purposes and the pledge has taken place;
- (3) promptly to notify the Security Trustee if the rights of the Security Trustee in the Collateral Rights are impaired or jeopardised by way of an attachment or other actions of third parties, by sending a copy of the attachment or transfer order or of any other document on which the enforcement of the third party is based, as well as all further documents which are required or useful to enable the Security Trustee to file proceedings and take other actions in defence of its rights. In addition, Driver One shall promptly inform the attachment creditor and other third parties in writing of the rights of the Security Trustee in the Collateral Rights; and
- (4) to permit the Security Trustee or its representatives to inspect its books and records at any time during usual business hours for purposes of verifying and enforcing the Collateral Rights, to give any information necessary for such purpose, and to make the relevant records available for inspection.

§ 39

Other Undertakings of Driver One

Driver One undertakes to:

- (1) promptly notify the Security Trustee in writing if circumstances occur which constitute a Foreclosure Event pursuant to § 18;
- (2) submit to the Security Trustee at least once a year and in any event not later than one hundred and twenty days after the end of its fiscal year and at any time upon demand within five days a certificate signed by a director of Driver One in which such director, in good faith and to the best of his/her knowledge based on the information available represents that during the period between the date the preceding certificate was submitted (or, in the case of the first certificate, the date of this Agreement) and the date on which the relevant certificate is submitted, Driver One has fulfilled its obligations under the Notes, the Subordinated Loan and the Transaction Agreements or (if this is not the case) specifies the details of any breach;
- (3) give the Security Trustee at any time such other information it may reasonably demand for the purpose of performing its duties under this Agreement;
- (4) send to the Security Trustee one copy in the German or the English language of any balance sheet, any profit and loss accounts, any schedule on the origin and the allocation of funds, any report or notice, or any other memorandum sent out by Driver One to its shareholders either at the time of the mailing of those documents to the shareholders or as soon as possible thereafter;
- (5) send or have sent to the Security Trustee a copy of any notice given in accordance with the terms and conditions of the Notes and/or the Subordinated Loan immediately, or at the latest on the day of the publication of such notice;
- (6) ensure that the Paying Agent notifies the Security Trustee immediately if they do not receive the moneys needed to discharge in full any obligation to repay the full or partial principal amount due to the Noteholders and/or the Subordinated Lender on any Payment Date.

§ 40

Actions of Driver One Requiring Consent

As long as the Notes and the Subordinated Loan are outstanding, Driver One is not authorised without prior written consent of the Security Trustee to:

- (1) engage in any business or activities other than:
 - (i) the performance of the obligations under this Agreement, the Notes, the Subordinated Loan and the other Transaction Agreements and under any other agreements which have been entered into in connection with the Funding;
 - (ii) the enforcement of its rights;

- (iii) the performance of any acts which are necessary or useful in connection with (i) or (ii) above; and
 - (iv) the execution of all further documents and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Security Trustee, are necessary or warranted with respect to the reasonable interests of the Noteholders or the Subordinated Lender in order to ensure that the Terms and Conditions of the Notes or the Subordinated Loan Agreement are always valid;
- (2) hold subsidiaries (unless in the case of a substitution of Driver One pursuant to the Terms and Conditions of the Notes and the Subordinated Loan);
 - (3) dispose of any assets or any part thereof or interest therein, unless provided otherwise in paragraph (1) above;
 - (4) pay dividends or make any other distribution to its shareholders;
 - (5) incur further indebtedness;
 - (6) have any employees or own any real estate assets;
 - (7) create or permit to subsist any mortgages, or notwithstanding of its obligations under the Transaction Agreements – any liens pledges or similar rights;
 - (8) consolidate or merge;
 - (9) materially amend its articles of association;
 - (10) issue new shares and acquire shares;
 - (11) open new accounts (other than contemplated in the Transaction Agreements); or
 - (12) effect a substitution of debtors pursuant to the terms and conditions of the Notes and the Subordinated Loan.

K.
MISCELLANEOUS PROVISIONS

§ 41
Notices

- (1) Subject to paragraph (3), all notices under this Agreement shall be made in the German or English language by mail or by fax which shall be confirmed by mail. Notices to VW Bank shall be send separately to the attention of the individuals nominated by VW Bank in paragraph (2).
- (2) Subject to written notification of any change of address, all notices under this Agreement to the parties set forth below shall be directed to the following addresses:
 - (a) for Driver One:

Driver One GmbH
Attn.: Angela Bartl/Ursula Rutovitz
Hainer Weg 13-15
60599 Frankfurt am Main]
Federal Republic of Germany
Telefax No. (+49-69) 66 36 98 80
 - (b) for VW Bank – and to each of them individually –:

Volkswagen Bank GmbH
Attn.: Mr. Christian Heuer
Attn.: Mr. Roland Mai
Gifhorner Straße 57
D-38112 Braunschweig
Federal Republic of Germany
Telefax No. (+49-531) 212 2273 – (Roland Mai)
Telefax No. (+49-531) 212 3853 – (Christian Heuer)
 - (c) for the Security Trustee:

Beiten Burkhardt
Rechtsanwalts-gesellschaft mbH
Attn. Mr. Frank Primozi/Ms. Juliane Schöttler

Bockenheimer Anlage 15
D-60322 Frankfurt am Main
Federal Republic of Germany
Telefax No. (+49-69) 75 60 95 441

(d) for Fitch:

Fitch Ratings Limited
Attn.: Structured Finance Surveillance
4th Floor, 101 Finsbury Pavement
London EC2A 1RS
United Kingdom
Telefax No. (+44-20) 74176262
email: sf-surveillance@fitchratings.com

(e) for Moody's:

Moody's Investors Service Limited
Attn.: Monitoring
An der Welle 5
60322 Frankfurt am Main
Federal Republic of Germany
Telefax No. (+49-69) 707 30 831
Email: monitor.frankfurt@moodys.com

- (3) All notices that the Security Trustee must give to the Noteholders under this Agreement shall be published in a newspaper with nationwide circulation of the respective Stock Exchange to which the Notes are admitted for trading. Additionally, the servicing report will be published via the website of True Sale International GmbH (www.true-sale-international.de).

§ 42

Severability Clause; Coordination

- (1) If any provision of this Agreement is or becomes invalid in whole or in part, the remaining provisions shall remain unaffected thereby. Invalid provisions shall be replaced by such valid provisions which taking into consideration the purpose and intent of this Agreement have to the extent legally possible the same economic effect as the invalid provisions. The preceding provisions shall be applicable *mutatis mutandis* to any gaps in this Agreement.
- (2) The parties to this Agreement each undertake vis-à-vis the respective other party to take all actions that become necessary pursuant to paragraph (1) or for other reasons to implement this Agreement.

§ 43

Amendments

- (1) Any term or provision of this Agreement may (notwithstanding of the rights of the Noteholders under the Act referring to the Joint Rights of the Owner of Bonds (*Gesetz betreffend die gemeinsamen Rechte der Besitzer von Schuldverschreibungen*)) be amended unilaterally by VW Bank without the consent of Driver One, the Security Trustee, any Noteholder, any Swap Counterparty, the Subordinated Lender or any other person; provided that such amendment shall not, as evidenced by a legal opinion of counsel from an international law firm of recognised standing whose headquarters is in London, Chicago or New York appointed by VW Bank delivered to the Security Trustee, materially and adversely affect the interests of Driver One, the Security Trustee, the Noteholders, the Swap Counterparties or the Subordinated Lender and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by Driver One under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, then the consent of the Swap Counterparty will be required. In addition, any amendment which materially and adversely affects the interests of Driver One, the Security Trustee, the Swap Counterparty or the Subordinated Lender shall require the consent of the parties that are materially and adversely affected.
- (2) Any term or provision of this Agreement may be amended unilaterally by VW Bank without the consent of Driver One, the Security Trustee, any Noteholder, or the Subordinated Lender or any other person, to add, modify or eliminate any provisions as may be necessary or advisable in as evidenced by a legal opinion of counsel from an international law firm of recognised

standing whose headquarters is in London, Chicago or New York appointed by VW Bank delivered to the Security Trustee in order to enable VW Bank, Driver One, the Security Trustee, the Subordinated Lender or any of their Affiliates to comply with or obtain more favorable treatment under any law or regulation or any accounting rule or principle, it being a condition to any such amendment that the Rating Agency Condition shall have been satisfied and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by Driver One under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparty, then the consent of the Swap Counterparty will be required.

- (3) This Agreement may also be amended from time to time by VW Bank with the consent of the Noteholders evidencing not less than three quarters of the votes cast of the aggregate outstanding principal amount of the outstanding Notes, voting as a single class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Noteholders; provided that no such amendment shall (i) reduce the interest rate or principal amount of any Note or delay the Final Scheduled Payment Date or Final Maturity Date (as defined in the Terms and Conditions of the Notes) of any Note without the consent of the holder of such Note, or (ii) reduce the percentage of the aggregate outstanding principal amount of the outstanding Notes, the holders of which are required to consent to any matter, without the consent of the holders of at least the percentage of the aggregate outstanding principal amount of the outstanding Notes which were required to consent to such matter before giving effect to such amendment, and provided further that if any of the amendments relate to the amount, the currency or the timing of the cashflow received by VW Bank under the Loan Receivables, the application of such cashflow by Driver One, or the ranking of the Swap Counterparty in the Order of Priority, or materially and adversely affects the interests of the Swap Counterparty, then the consent of the Swap Counterparty will be required. It will not be necessary for the consent of Noteholders to approve the particular form of any proposed amendment or consent, but it will be sufficient if such consent approves the substance thereof. The manner of obtaining such consents (and any other consents of Noteholders provided for in this Agreement) and of evidencing the authorisation of the execution thereof by Noteholders will be subject to such reasonable requirements as the Security Trustee may prescribe, including the establishment of record dates.
- (4) Prior to the execution of any amendment to this Agreement, the Security Trustee shall be entitled to receive and conclusively rely upon an opinion of counsel addressed to the Security Trustee stating that the execution of such amendment is authorised or permitted by this Agreement, that the rights and duties of the Security Trustee will not be materially affected and that all conditions precedent to the execution and delivery of such amendment have been satisfied.
- (5) "Rating Agency Condition" means, with respect to any event or circumstance and each Rating Agency, either (a) written confirmation by such Rating Agency that the occurrence of such event or circumstance will not cause it to downgrade, qualify or withdraw its rating assigned to any of the Notes or (b) that such Rating Agency shall have been given notice of such event or circumstance at least ten days prior to the occurrence of such event or circumstance (or, if ten days' advance notice is impracticable, as much advance notice as is practicable) and such Rating Agency shall not have issued any written notice that the occurrence of such event or circumstance will cause it to downgrade, qualify or withdraw its rating assigned to the Notes. "Affiliates" shall be defined as in rule 501(B) of Regulation D under the US Securities Act of 1933.

§ 44

Applicable Law; Place of Performance; Jurisdiction, Miscellaneous

- (1) This Agreement shall be governed by the laws of the Federal Republic of Germany.
- (2) Place of performance for all obligations of all parties is Frankfurt am Main.
- (3) Frankfurt am Main is the forum with jurisdiction
- (4) Paragraph (3) does not preclude the right of the Security Trustee to bring proceedings against Driver One arising from or in connection with this Agreement in any other court of competent jurisdiction.

§ 45
Condition Precedent

This Agreement and the rights and obligations hereunder are subject to the condition precedent that the Note Purchase Agreement will be executed and that the Purchase Agreement will become effective.

§ 46
Counterparts

Three German language counterparts of this Agreement shall be signed. Annex 1 is binding in the German language. Each signed counterpart shall be deemed an original.

Frankfurt am Main, November 29, 2004

XVI. SUBSCRIPTION AND SALE

Subscription of the Notes

Subscription and Sale

The Class A1 Notes will be underwritten by a syndicate of financial institutions, headed by ABN AMRO Bank N.V., London Branch as Lead Manager and managed by BNP PARIBAS, London Branch, Bayerische Hypo- und Vereinsbank AG and The Royal Bank of Scotland plc (the “Managers”) at an issue price of 100% of their principal amounts. The payment date is November 30, 2004.

The Class A2 Notes will be underwritten by the Managers at an issue price of 100% of their principal amounts. The payment date is November 30, 2004.

The Class B Notes will be underwritten by the Managers at an issue price of 100% of their principal amount. The payment date is November 30, 2004.

Selling Restrictions

Each of the Managers will represent and agree in a subscription agreement that:

United States of America and its Territories

The Notes have not been and will not be registered under the Securities Act and include notes in bearer form and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. Person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Notes may not be offered, sold or delivered (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date, within the United States or to, or for the account or the benefit of, U.S. persons, and only in accordance with Rule 903 of Regulation S; accordingly, neither such Manager, its affiliates, as defined in rule 501(B) of Regulation D under the Securities Act (“Affiliates”) nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) or general solicitation or general advertising (within the meaning of Rule 502(c) under the Securities Act), with respect to the Notes, and such Manager, its Affiliates and any such persons have complied and will comply with the offering restrictions requirement of Regulation S.

At or prior to confirmation of sales of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect: The Securities covered hereby have not been and will not be registered under the Securities Act and may not be offered and sold within the United States or to, or for the account or benefit of, US Persons (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S.

Terms and Conditions used in this clause have the meaning given to them by Regulation S under the Securities Act.

United Kingdom

(a) it has not offered or sold and, prior to the expiry of a period of six months from the issued date of the Notes will not offer or sell any Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended); (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of

any Notes in circumstances in which section 21 (1) of the FSMA does not apply to the Issuer; and (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Germany

The Notes are subject to restrictions provided in the German Securities Sales Prospectus Act in the version of the publication of September 9, 1998 (as amended) (*Wertpapier-Verkaufsprospektgesetz*) or any other laws of the Federal Republic of Germany governing the issue, offering and sale of securities. The Managers have confirmed and agreed that, no German securities sales prospectus (*Wertpapier-Verkaufsprospekt*) within the meaning of the German Securities Sales Prospectus Act has been or will be published with respect to the Notes.

General

It will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Offering Circular or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will to the best of its knowledge and belief result in compliance with the applicable laws and regulations thereof.

Stabilisation

In connection with the issue of the Notes, the Lead Manager (in such capacity, the “Stabilising Manager”) (or any person acting for the Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Closing Date. However, there is no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

XVII. GENERAL INFORMATION

Note Issues

The Notes have been issued by the managing directors of Driver One on 29 November 2004.

Litigation

Neither Driver One is, or has been since its incorporation, nor VW Bank is, or has during the last 12 months been, engaged in any litigation or arbitration proceedings which may have or have had during such period a significant effect on its respective financial position, and, as far as Driver One, or VW Bank, respectively, are aware, no such litigation or arbitration proceedings are pending or threatened.

No Material Adverse Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial position of Driver One since its incorporation.

Payment Information

For as long as the Notes are listed on the Luxembourg Stock Exchange, Driver One will notify the Luxembourg Stock Exchange on the Service Report Performance Date of the Interest Amounts, Interest Accrual Periods and the Interest Rates and the payments of principal, in each case without delay after their determination pursuant to the Terms and Conditions.

All information to be given to the Noteholders pursuant to Section 6 of the Terms and Conditions, including monthly information on the development of the portfolio as set out in Section 6 of the Terms and Conditions, will be available and may be obtained (free of charge) at the specified office of the Paying Agent.

The Notes have been accepted for clearance through Clearstream Banking société anonyme, Luxembourg and Euroclear Bank S.A./N.V. as operator of the Euroclear system.

All notices concerning the Notes shall be published in a newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) insofar as required by the rules of the Luxembourg Stock Exchange and shall be delivered to the applicable clearing systems for communications by them to the Noteholders.

Additionally, the Issuer undertakes towards True Sale International GmbH to submit the servicing report for publication on True Sale International GmbH's website (www.true-sale-international.de). True Sale International GmbH has no obligation against the Noteholders to update or verify any information or publish it on its website.

Listing

Application has been made to list the Notes on the Luxembourg Stock Exchange.

Clearing Codes

Class A1 Notes
Security Code: AOC4VU
ISIN: XS0207067165
Common Code: 020706716

Class A2 Notes
Security Code: AOC4VV
ISIN: XS0207068486
Common Code: 020706848

Class B Notes
Security Code: AOC4VW
ISIN: XS0207069708
Common Code: 020706970

Availability of Documents

Copies of the following documents may be obtained during customary business hours on any working day from the date hereof (or the date of publication of such document, as relevant) as long as the Notes remain outstanding at the registered office of Driver One and the Paying Agent and as long as the Notes are listed on the Luxembourg Stock Exchange they will also be available and may be obtained (free of charge) at the specified offices of the Paying Agent, which are this Offering Circular, the Trust Agreement, the Paying Agency Agreement and all future financial reports of the Issuer.

Driver One GmbH
Hainer Weg 13-15
60599 Frankfurt am Main
Federal Republic of Germany

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