

## VW CREDIT, INC.

### VW CREDIT, INC. REGULATORY COMPLIANCE POLICY

This VW Credit, Inc. Regulatory Compliance Policy (“**Policy**”) applies when a third party (“**Supplier**”) is providing products, materials, or services in connection with a consumer financial product (such services provided being “**Regulated Services**”) to VW Credit, Inc. (“**VCI**”) in connection with the agreement between VCI and Supplier (the “**Agreement**”). This Policy contains specific requirements relating to the Regulated Services that Supplier, its personnel, and any of its affiliates or subcontractors may provide in performance of the Agreement. This Policy is incorporated by reference into the Agreement.

- General Regulatory Compliance Requirements. Supplier will:
  - establish policies and procedures that comply with all applicable laws<sup>1</sup> and other federal and state laws, regulations, and guidelines relating to consumer financial protection applicable to VCI, the Supplier, or the Regulated Services (“**Consumer Financial Protection Laws**”);
  - upon request, provide VCI with copies of any policies, processes, documents, training materials, training logs, and other materials associated with the Regulated Services;
  - require and provide at least annual training to Supplier personnel to ensure that Supplier personnel maintain familiarity with, and abide by the appropriate Consumer Financial Protection Laws;
  - ensure its Vendor Risk Management Program (as defined in the VW Credit, Inc. Vendor Risk Management Policy) includes the obligation to conduct at least annual compliance management program review (including all regulatory compliance policies, procedures, training, and complaint management);
  - as part of the Vendor Risk Audit (as defined in the VW Credit, Inc. Vendor Risk Management Policy) permit auditors to ensure consistency with VCI’s policies and interpretation of Consumer Financial Protection Laws;
  - notify VCI in writing within forty-eight (48) hours if Supplier learns that there is a risk that it is not in compliance with Consumer Financial Protection Laws; and

---

<sup>1</sup> Including, but not limited to, the Gramm-Leach-Bliley Act of 1999 (GLBA) and the FCRA (as defined in Section 1.3 of the VW Credit, Inc. Privacy Requirements Policy), Equal Credit Opportunity Act and Regulation B, the Truth-in-Lending Act and Regulation Z, Consumer Leasing Act and Regulation M, the Federal Trade Commission rules and regulations (including, but not limited to, the Federal Trade Commission (“**FTC**”) Safeguards Act, the FTC Privacy Rule, the FTC Safeguards Rule, the FTC Holder in Due Course Rule, the FTC Red Flag Rules and Section 5(a)(1) of the FTC Safeguard Act prohibiting unfair or deceptive acts or practices), the Consumer Credit Protection Act, the Fair Debt Collection Practices Act, the Servicemembers Civil Relief Act, the Federal Arbitration Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

## VW CREDIT, INC.

- notify VCI in writing within forty-eight (48) hours if Supplier receives notice of a Regulatory Exam (as defined in the VW Credit, Inc. Vendor Risk Management Policy) relating to its performance of the Agreement.
- Consumer Complaint Management
  - **“Complaint”** means an expression of dissatisfaction or an allegation of abuse, misrepresentation, deception, discrimination, fraud, or failure to comply with a specific law or regulation (whether verbal, written, or electronic (including social media)) by or on behalf of a VCI consumer relating to Supplier’s performance of the Regulated Services. **“Formal Complaint”** means any communication, other than a Regulatory Action (whether verbal, written, or electronic (including social media)) received from a Regulator (as defined in the VW Credit, Inc. Vendor Risk Management Policy) relating to Supplier’s performance of the Regulated Services.
  - Supplier will:
    - establish and maintain a consumer complaint management system for tracking and, responding to all Complaints and Formal Complaints about VCI, Supplier, or VCI Data Handling Subcontractors (as defined in the VW Credit, Inc. Vendor Risk Management Policy) providing Regulated Services, including the following minimum fields: the date the Complaint was received, the source of the Complaint (phone, written, electronic), brief description of the nature of the Complaint, the date Supplier responded to the Complaint, and a brief description of the response;
    - provide VCI with a monthly report of all Complaints and Formal Complaints received during the previous month as they relate to the Regulated Services provided under the Agreement;
    - when Supplier and VCI receive the same Formal Complaint, allow VCI to review and comment on Supplier’s response at least five (5) business days before Supplier’s response to the Formal Complaint is due;
    - permit VCI to review and approve Supplier’s policies, procedures, and processes for handling and tracking Complaints and Formal Complaints prior to execution of the Agreement and implement any requested modifications based on VCI’s identification of deficiencies in such policies, procedures, and processes;
    - allow VCI to review Suppliers’ handling of Complaints and Formal Complaints and any applicable documentation, recorded telephone conversations, phone and correspondence logs, account notes, and other account information during and after the term of the Agreement and retain such information for access by VCI for ten (10) years after the period of the Complaint or Formal Complaint;
    - establish a written policy and procedure for tracking and responding to Formal Complaints within the deadlines set by Regulators;

**VW CREDIT, INC.**

- unless VCI is a named party in a Complaint or a Formal Complaint, be responsible for handling its resolution and all costs and expenses relating to the Complaint or Formal Complaint incurred by Supplier or VCI Data Handling Subcontractors providing Regulated Services;
  - obtain the prior written approval of VCI before entering into any compromise or settlement (regardless of whether monetary or non-monetary relief is contemplated) of any Complaint or any Formal Complaint irrespective of any admission of any violation of any Consumer Financial Protection Laws or the rights of any consumer by VCI or any of its affiliates or imposing any financial obligations or other restrictions on VCI or any of its affiliates; and
  - cooperate fully with VCI and any Regulator in the resolution of any Complaint or any Formal Complaint.
- If VCI or any of its affiliates is a named party in a Complaint or a Formal Complaint, VCI may employ counsel, at VCI’s expense, to participate in its resolution.
- VCI may at any time, upon written notice to Supplier, and at VCI’s expense, assume sole and exclusive control of the resolution of the Complaint or Formal Complaint, including finalizing any settlement or compromise, without waiving any right to indemnification or payment under the Agreement.
- Regulatory Action Management.
  - “**Regulatory Action**” means a claim, demand, lawsuit, investigation, request for information, or enforcement action by Regulators related to Supplier’s performance of the Regulated Services.
  - Supplier will:
    - establish and maintain a Regulatory Action tracking system to record and monitor the resolution of all Regulatory Actions received and Supplier will provide VCI with timely updates as permitted by the Regulator with the current status and description of each Regulatory Action;
    - provide VCI with a monthly report of all Regulatory Action received during the previous month as they relate to the Regulated Services provided under the Agreement;
    - as permitted by the Regulator, notify VCI in writing of any Regulatory Action, pending, or filed against Supplier or VCI Data Handling Subcontractors related to the Regulated Services or is likely to impair its ability to perform under the Agreement, within three (3) business days following the discovery of the Regulatory Action;
    - allow VCI to review its handling of Regulatory Actions which may include a review of the applicable documentation, phone logs, conversations, and

**VW CREDIT, INC.**

correspondence logs during and after the term of the Agreement and retain such information for access by VCI for ten (10) years after the period of the Regulatory Action;

- will provide VCI the results of any Regulatory Exam in writing within forty-eight (48) hours of receiving such results from a Regulator;
  - unless VCI is a named party in a Regulatory Action, be responsible for handling its resolution and all costs and expenses relating to the Regulatory Action incurred by Supplier or VCI Data Handling Subcontractors providing Regulated Services;
  - obtain the prior written approval of VCI before entering into any compromise or settlement of any Regulatory Action irrespective of any admission of any violation of any Consumer Financial Protection Laws or the rights of any consumer by VCI or any of its affiliates or imposing any financial obligations or other restrictions on VCI or any of its affiliates ; and
  - cooperate fully with VCI and any Regulator in the resolution of any Regulatory Action.
- If VCI or any of its affiliates is a named party in a Regulatory Action, VCI may employ counsel, at VCI’s expense, to participate in its resolution.
  - VCI may at any time, upon written notice to Supplier, and at VCI’s expense, assume sole and exclusive control of the resolution of the Regulatory Action, including finalizing any settlement or compromise, without waiving any right to indemnification or payment under the Agreement.
- Private Action Management.
    - “**Private Action**” means a threatened or actual legal claim, legal demand, or lawsuit brought forward by a VCI consumer against Supplier, VCI Data Handling Subcontractors providing Regulated Services, or VCI related to Supplier’s performance of the Regulated Services.
    - Supplier will:
      - establish and maintain a Private Action management system for tracking and, responding to Private Actions, including the following minimum fields: the date the Private Action was received, the manner in which it was received (phone, written, electronic), brief description of the nature of the Private Action, the date a response is due, the date Supplier responded to the Private Action, the manner of the response, and a brief description of the response;
      - provide VCI with a monthly report of all Private Actions received during the previous month as they relate to the Regulated Services provided under the Agreement;
      - notify VCI in writing of any Private Action, pending, or filed against Supplier or VCI Data Handling Subcontractors related to the Regulated Services that is

## VW CREDIT, INC.

- likely to impair its ability to perform under the Agreement, within three (3) business days following the discovery of the Private Action;
- when Supplier and VCI both receive notice of the same Private Action, allow VCI to review and comment on Supplier's response at least five (5) business days before Supplier's response to the Private Action is due;
  - permit VCI to review Supplier's process for handling Private Actions;
  - allow VCI to review Supplier's handling of Private Actions which may include a review of the applicable documentation, phone and correspondence logs, account notes, and other account information during and after the term of the Agreement and retain such information for access by VCI for ten (10) years after the period of the Private Action;
  - unless VCI is a named party in a Private Action, be responsible for handling its resolution and all costs and expenses relating to the Private Action incurred by Supplier or VCI Data Handling Subcontractors;
  - obtain the prior written approval of VCI before entering into any compromise or settlement (regardless of whether monetary or non-monetary relief is contemplated) of any Private Action irrespective of any admission of any violation of any Consumer Financial Protection Laws or the rights of any consumer by VCI or any of its affiliates or imposing any financial obligations or other restrictions on VCI or any of its affiliates; and
  - cooperate fully with VCI in the resolution of any Private Action.
- If VCI or any of its affiliates is a named party in a Private Action, VCI may employ counsel, at VCI's expense, to participate in its resolution.
  - VCI may at any time, upon written notice to Supplier, and at VCI's expense, assume sole and exclusive control of the resolution of the Private Action, including finalizing any settlement or compromise, without waiving any right to indemnification or payment under the Agreement.