



VW 2-Liter Class Settlement

Preliminary Approval Hearing
Submission by Class Counsel
July 26, 2016

Summary of Benefits

- Consumer has Options
- The September 2015 Pre-Disclosure Value of car is FROZEN
- Condition of car is irrelevant (dents, upholstery, scratches, etc.)
- It must be OPERABLE (driven under car's own power)
- May continue to drive the vehicle with no reduction in Value for average use: 12,500 miles per year (+ or - value if - or + miles)

Summary of Benefits

Restitution for Consumer

- \$5,100 to \$10,000 for Eligible Owner in Possession
- 50% of that if purchased vehicle after disclosure (minimum)
- Same payment under Buyback or Modification
- Lessee - Average of \$3,500
- Release from Lease contract

Summary of Benefits

- Loan Forgiveness up to 30% of Vehicle Value + Restitution if secured debt on June 28th, 2016 was greater than Vehicle Value + Restitution
- Approved Emissions Modification
 - Performance Disclosures
 - Extended Warranty for Emissions Modification work
 - Lemon Law Type Protection

Summary of Benefits

- Statute of Limitations Protected
- Simple Claims Process with Independent Oversight and Court's Jurisdiction
- \$2.7 Billion invested in projects in every State to address Pollution
- \$2.0 Billion committed to Progression of Electric Automobile Availability and Use

Summary of Benefits

- No Car can be resold in US or removed from US unless and until Approved Emissions Modification applied (rendered inoperable) (branded title)
- VW Responsible for all Court-approved fees and costs
- Start the payments upon District Court Final Approval

Class Member

Anyone who on **September 18th, 2015** was a US-registered owner or lessee of a VW or Audi 2.0L TDI Eligible Vehicle

- or -

Who between **September 18th, 2015** and **December 30th, 2018** becomes a US-registered owner of an Eligible Vehicle

EXCLUDED:

- Owner who acquired after September 18th, 2015 and no longer in possession of Eligible Vehicle
- Lessee of Eligible Vehicle from 3rd party Lessor
- Owner who sells Eligible Vehicle after June 28th, 2016
- Owner of inoperable vehicle or vehicle with branded title

Funding Pool

Loan Forgiveness of Negative Equity	\$42,670,323
Remaining Future Lease Payment	\$26,000,000
Vehicle Value Plus Restitution	<u>\$9,964,329,277</u>
	\$10,033,000,000

Claims Program



COURT APPOINTED NEUTRAL

CLAIMS REVIEW COMMITTEE (CRC)

- VW Representative
- Class Counsel Representative
- Court Appointed Neutral

Dispute Resolution with Finality

CLAIM SUPERVISOR ANKURA CONSULTING GROUP

- Monitor implementation and compliance
- Report to court
- Respond to all parties



VW
CLAIMS CENTER

www.VWCourtSettlement.com
(Early August)

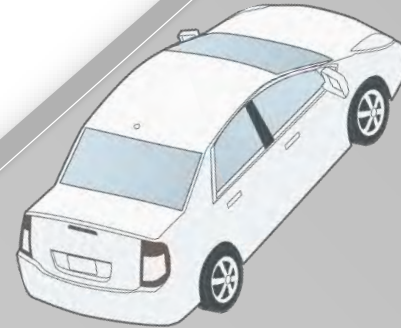
CHECK ELIGIBILITY/REGISTER



(Submission Deadline September 2018)

(Claim Resolution Deadline December 2018)

- Online Registration available early August 2016
- Provide Information/Upload Vehicle Documents
 - Vin Number
 - Contact Information
 - Vehicle Information
 - Clean Title
 - If Financed, claims process will coordinate resolution
 - Copy of Registration
- Review Options



Understand Your Options

Based on the information provided, below are the options available to you. In the coming weeks, you will be contacted about the option you select, including requests for any documentation required. You will also be notified if an emissions modification becomes available for your vehicle. Your election will not be considered a claim until the Court approves the final Settlement, which may occur in Fall 2016. All claims will be subject to verification of individual and vehicle eligibility.

In some cases, vehicle mileage may affect the dollar amounts associated with available options. If you have a mileage dependent option, a calculator will be provided below to adjust your current mileage, estimated miles per month, and return or modification date. You can enter in different figures to evaluate the impact that those factors will have on your estimated payment amounts.

VIN: 3VWLL7AJ*****



Vehicle Buyback

Estimated Total

Your Current Mileage

Your Current Mileage: 48552

Estimated Mileage

Your Estimated Monthly Mileage: 1042

\$25,336.73

Vehicle Return Amount \$18,625.00

Additional Restitution \$6,711.73

Tentative Return Date:

11/1/2016

Amount Paid to Your Lender: **-\$7,500.00**

Amount Paid to You **\$17,836.73**

Projected Mileage at Return 50001 - 55000

Buybacks are available to Eligible Owners who choose to **return their vehicles** for payment. The total offer compensates you for your vehicle and the cost of purchasing another vehicle, and it includes two components: 1) your vehicle return amount derived from the September 2015 NADA Used Car Guide Clean Trade including manufacturer-installed options; plus 2) additional restitution, which is the sum of a set percentage of the vehicle return amount and a flat dollar amount.

I am interested in the Buyback option. (You may change this selection later).

EMISSIONS MODIFICATION



Vehicle Buyback

Estimated Total

\$25,336.73

Vehicle Return Amount

\$18,625.00



Emissions Modification & Extended Emissions Warranty (if approved by EPA & CARB)

Estimated Total

\$6,711.73

Tentative Modification Date:

11/8/2016

Projected Mileage at Modification

50001 - 55000

Current Owners and Lessees who choose to **keep their vehicles** and receive an Approved Emissions Modification free of charge will receive an additional restitution payment, calculated using two components: 1) a percentage of the September 2015 NADA Used Car Guide Clean Trade including manufacturer-installed options; and 2) a flat dollar amount.

Vehicles receiving the approved emissions modification will also receive an **extended emissions warranty** covering the emissions system of the eligible vehicle.

I am interested in the Emissions Modification option, if approved. (You may change this selection later).

Current Owners and Lessees who choose to **keep their vehicles** and receive an Approved Emissions Modification free of charge will receive an additional restitution payment, calculated using two components: 1) a percentage of the September 2015 NADA Used Car Guide Clean Trade including manufacturer-installed options; and 2) a flat dollar amount.

Vehicles receiving the approved emissions modification will also receive an **extended warranty** covering the emissions system of the eligible vehicle.

I am interested in the Emissions Modification option, if approved. (You may change this selection later).

BACK

CONTINUE

EMISSIONS MODIFICATION & EARLY LEASE TERMINATION

Understand Your Options

VIN: 3VWLL7AJ*****



Emissions Modification & Extended Warranty
(if approved by EPA & CARB)

Estimated Total

\$3,454.00

Current Owners and Lessees who choose to **keep their vehicles** and receive an Approved Emissions Modification free of charge will receive an additional restitution payment, calculated using two components: 1) a percentage of the September 2015 NADA Used Car Guide Clean Trade including manufacturer-installed options; and 2) a flat dollar amount.

Vehicles receiving the approved emissions modification will also receive an **extended warranty** covering the emissions system of the eligible vehicle.

I am interested in the Emissions Modification option, if approved. (You may change this selection later).



Early lease termination

Estimated Total

\$3,454.00

Current Lessees who choose to **terminate their leases early** will receive a restitution payment, calculated using two components: 1) a percentage of the September 2015 NADA Used Car Guide Clean Trade including manufacturer-installed options; and 2) a flat dollar amount.

Lessees electing this option will be required to have an end of term inspection conducted on their vehicles and will be responsible for all excess mileage, wear and tear, late payments other charges (**except early termination fee**) per the terms of the Lease Agreement.

I am interested in the early lease termination, if approved. Please keep me informed.

ELIGIBLE SELLER RESTITUTION

Understand Your Options



Based on the information provided, below are the options available to you. In the coming weeks, you will be contacted about the option you select, including requests for any documentation required. You will also be notified if an emissions modification becomes available for your vehicle. Your election will not be considered a claim until the Court approves the final Settlement, which may occur in Fall 2016. All claims



Eligible Seller Restitution

Estimated Total

\$3,418.37

Payments are available to Eligible Sellers who choose to participate in the Settlements. The total offer compensates you for any potential loss associated with the sale of your vehicle, and includes two components: 1) a set percentage of the September 2015 NADA Used Car Guide Clean Trade value, including manufacturer-installed options; plus 2) additional restitution, which is a flat dollar amount.

You must register by September 16, 2016 to claim benefits under the Settlements. If you don't register by that date, you will lose your benefits.

By selecting this box and hitting submit, I am registering as an Eligible Seller.

FORMER LESSEE RESTITUTION

Understand Your Options



Based on the information provided, below are the options available to you. In the coming weeks, you will be contacted about the option you select, including requests for any documentation required. You will also be notified if an emissions modification becomes available for your vehicle. Your election will not be considered a claim until the Court approves the final Settlement, which may occur in Fall 2016. All claims



Former Lessee Restitution

Estimated Total

\$3,454.00

The total offer includes two components: 1) an amount derived from the September 2015 NADA Used Car Guide Clean Trade including manufacturer-installed options; plus 2) additional restitution, which is a fixed dollar amount.

Payments are available to former lessees who leased an affected vehicle through Volkswagen Credit, Inc. or Audi Financial Services and had an active lease on September 18, 2015 but returned their vehicle at the end of the lease term.

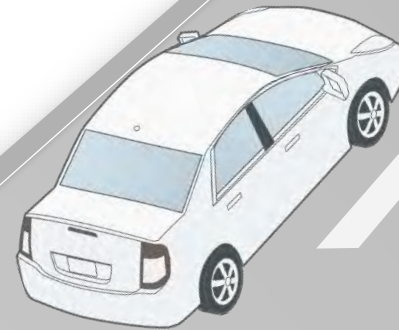
I am interested in accepting former lessee restitution. Please keep me informed.



SUBMIT CLAIM

May Elect Remedy

1. Buyback with Restitution
2. Eligible Seller Restitution
3. Lessee Restitution for Former Lessees
4. Lease Termination
5. Approved Emissions Modification with Restitution



UPON DISTRICT COURT FINAL APPROVAL



SUBMIT CLAIM

Delay Remedy Selection (Deadline September 1st, 2018)

SELECT BUYBACK AT ANYTIME

AWAIT MODIFICATION APPROVAL
PER SCHEDULE

IF MODIFICATION NOT APPROVED

VEHICLE BUYBACK OPTION

- OR -

YOU MAY CHOOSE TO WITHDRAW FROM THE
CLASS ACTION SETTLEMENT
ALTOGETHER, BETWEEN MAY 1, 2018 AND JUNE 1, 2018.

IF MODIFICATION APPROVED

SCHEDULE MODIFICATION /
REQUEST PAYMENT

- OR -

VEHICLE BUYBACK
OPTION

RECEIVE
MODIFICATION
AND
RESTITUTION PAYMENT



SURRENDER VEHICLE &
TITLE AND RECEIVE
RESTITUTION PAYMENT

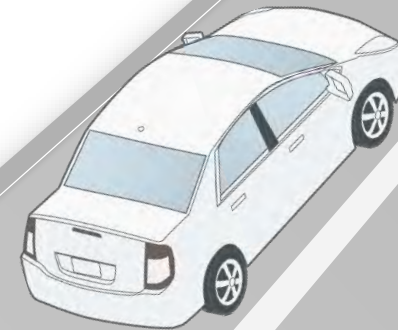


SUBMITTED CLAIM BUYBACK OR LEASE TERMINATION

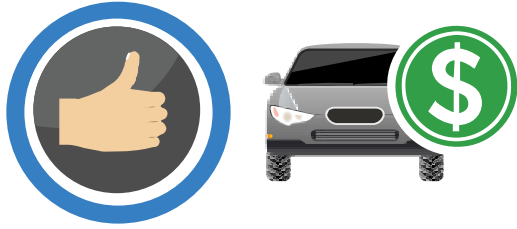


BUYBACK OR LEASE TERMINATION

- 10 business days for VW to accept or identify specific deficiency and how to cure it
- If and when Claim complete, VW has 10 business days to make offer



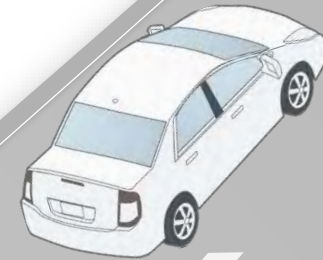
ACCEPTED BUYBACK OR LEASE TERMINATION OFFER



BUYBACK to occur within 90 days

LEASE TERMINATION within 45 days

- Turn car in
- Receive check on site unless mileage significantly exceeds estimations
- If adjustment, 3 banking days
- EFT Option: 3 banking days





Compensation Formulas for Owners

Buyback Compensation:

- September 2015 NADA Clean Trade value of car
- + 20% of September 2015 NADA Clean Trade + \$2,986.73 (\$5,100 min.)
- + Loan Forgiveness (If applicable)



Compensation Formulas for Owners

Buyback Compensation:

- September 2015 NADA Clean Trade value of car
- + 20% of Sept. 2015 NADA Clean Trade + \$2,986.73 (\$5,100 min.)
- + Loan Forgiveness (If applicable)

Assume Vehicle Value (NADA Clean Trade) of \$9,500

VARIABLE COMPONENT	+	FIXED COMPONENT	=	OWNER RESTITUTION
\$1,900 (i.e., 20% of \$9,500)	+	\$2,986.73 + \$213.27 (i.e., the amount necessary to raise the Owner Restitution to the \$5,100 minimum) = \$3,200	=	\$1,900 + \$3,200 = \$5,100

TOTAL PAYMENT: \$9,500 + \$5,100 = \$14,600

Compensation Formulas for Owners who Purchased after Disclosure

Purchased after disclosure and still in possession of Vehicle:

- 50% Owner Restitution (\$2,550 min.)
- + Share of unpaid Seller Restitution
- + Loan Forgiveness (If applicable)

Compensation Formulas for Owners who Purchased after Disclosure

Purchased after disclosure and still in possession of Vehicle:

- 50% Owner Restitution (\$2,550 min.)
- + Share of unpaid Seller Restitution
- + Loan Forgiveness (If applicable)

Assume Vehicle Value (NADA Clean Trade) of \$9,500

VARIABLE COMPONENT	+	FIXED COMPONENT	=	OWNER RESTITUTION
		\$1493.36 + \$106.63		
\$950 (i.e., 10% of \$9,500)	+	(i.e., the amount necessary to raise the Owner Restitution to the \$2,550 minimum) = \$1,600	=	\$950 + \$1,600 = \$2,550

TOTAL PAYMENT: \$9,500 + \$2,550 = \$12,050

Owner Restitution for “Totaled” Vehicle

Owner of Eligible Vehicle “Totaled” after opt-out date:

- Owner Restitution (\$5,100 min.), but not Vehicle Value

Assume Vehicle Value (NADA Clean Trade) of \$16,000

VARIABLE COMPONENT	+	FIXED COMPONENT	=	OWNER RESTITUTION
\$3,200 (i.e., 20% of \$16,000)	+	\$2,986.73	=	\$3,200 + \$2,986.73 = \$6,186.73

TOTAL PAYMENT = \$6,186.73
(on top of any insurance payout)

Compensation Formulas for Lessees

Compensation is the same whether lessee chooses Lease Termination or Approved Emissions Modification, or no longer has an active lease

10% of September 2015 NADA Clean Trade value of Vehicle plus A fixed Component for Lessees of \$1,529

Lessee Restitution

Assume Vehicle Value (NADA Clean Trade) of \$20,000.00
(No adjustment for mileage)

VARIABLE COMPONENT	+	FIXED COMPONENT	=	LESSEE RESTITUTION
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\$2,000 (i.e., 10% of \$20,000)	+	\$1,529	=	\$2,000 + \$1,529 = \$3,529
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Compensation Formula for Eligible Seller

Sold Vehicle After September 18th, 2015 but Before June 28th, 2016:

- 10% of September 2015 NADA Clean Trade Value of Vehicle plus a fixed Component of \$1,493.96
- Claim deadline is September 16th, 2016

Assume Vehicle Value (NADA Clean Trade) of \$16,000

VARIABLE COMPONENT	+ FIXED COMPONENT	=	ELIGIBLE SELLER RESTITUTION
\$1,600 (i.e., 10% of \$16,000)	+ \$1,493.36	=	\$1,600 + \$1,493.36 = \$3,093.36

TOTAL PAYMENT = \$3,093.36

Loan Forgiveness Protection

- Loan Secured by Eligible Vehicle, and the Vehicle Value plus Owner Restitution less than outstanding debt
- Up to 30% of the sum of the Vehicle Value and Owner Restitution payment as an additional payment
- Paid from loan forgiveness fund
- Does not apply for amounts that become delinquent after June 28th, 2016 or new funds borrowed after June 28th, 2016

Loan Forgiveness

Example 1:

Vehicle Value: \$15,000

Owner Restitution: \$5,986.73

(20% = \$3000.00 + \$2986.73)

Debt: \$24,000 pre-existing,
not lapsed after June 21, 2016

\$15,000.00

\$5,986.73

\$20,986.73 < debt \$24,000.00

Loan Forgiveness Payment
\$3,013.27

Example 2:

Same

Debt: \$28,000

(Capped at 30% of \$20,986.73)

Loan Forgiveness Payment
\$6,296.02

TOTAL PAYMENT = \$27,282.75

Delay Remedy Selection



SELECT BUYBACK AT ANYTIME

**AWAIT MODIFICATION APPROVAL
PER SCHEDULE**



IF MODIFICATION NOT APPROVED

IF MODIFICATION APPROVED



VEHICLE BUYBACK OPTION

**SCHEDULE MODIFICATION /
REQUEST PAYMENT**



- OR -

- OR -

**RECEIVED
MODIFICATION
AND
RESTITUTION PAYMENT**



**SURRENDER VEHICLE &
TITLE AND RECEIVE
RESTITUTION PAYMENT**



**YOU MAY CHOOSE TO WITHDRAW FROM THE
CLASS ACTION SETTLEMENT
ALTOGETHER, BETWEEN MAY 1, 2018 AND JUNE 1, 2018.**



Compensation Formulas for Owners

Approved Emissions Modification Compensation:

- 20% of Sept. 2015 NADA Clean Trade value of Vehicle plus fixed component of \$2,986.73 (\$5,100 min.)

Assume Vehicle Value (NADA Clean Trade) of \$22,000

VARIABLE COMPONENT	+	FIXED COMPONENT	=	OWNER RESTITUTION
\$4,400 (i.e., 20% of \$22,000)	+	\$2,986.73	=	\$4,400 + \$2,986.73 = \$7,386.73

TOTAL PAYMENT = \$7,386.73



Modification Schedule

1ST GENERATION ENGINE VEHICLES	VOLKSWAGEN'S EXPECTED SUBMITTAL DATE	VOLKSWAGEN'S FINAL SUBMITTAL DEADLINE
2009-2014 VW Jetta 2009-2014 VW Jetta SportWagen 2010-2013 VW Golf 2-Door 2010-2014 VW Golf 4-Door 2013-2014 VW Beetle 2013-2014 VW Beetle Convertible 2010-2013 Audi A3	November 11, 2016	January 27, 2017
2ND GENERATION ENGINE VEHICLES	VOLKSWAGEN'S EXPECTED SUBMITTAL DATE	VOLKSWAGEN'S FINAL SUBMITTAL DEADLINE
2012-2014 VW Passat	December 16, 2016	March 3, 2017
3RD GENERATION ENGINE VEHICLES	VOLKSWAGEN'S EXPECTED SUBMITTAL DATE	VOLKSWAGEN'S FINAL SUBMITTAL DEADLINE
2015 VW Jetta 2015 VW Golf 4-Door 2015 VW Golf SportWagen 2015 VW Beetle 2015 VW Beetle Convertible 2015 VW Passat 2015 Audi A3	Initial Modification: July 29, 2016 Subsequent Modification: August 15, 2017	Initial Modification: October 14, 2016 Subsequent Modification: October 30, 2017