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15 UNITED STATES DISTRICT COURT
16 NORTHERN DISTRICT OF CALIFORNIA
17 SAN FRANCISCO DIVISION

19 IN RE: VOLKSWAGEN "CLEAN DIESEL"
20 MARKETING, SALES PRACTICES AND
21 PRODUCTS LIABILITY LITIGATION

22 This Documents Relates to:

23 ALL CONSUMER AND RESELLER
24 ACTIONS

MDL 2672 CRB (JSC)

**CONSUMER AND RESELLER
DEALERSHIP 3.0-LITER CLASS
ACTION SETTLEMENT AGREEMENT
AND RELEASE (AMENDED)**

Hearing: February 14, 2017
Time: 8:00 a.m.
Courtroom: 6, 17th floor

The Honorable Charles R. Breyer

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1 **1. THE PROPOSED SETTLEMENT**

2 In the fall of 2015, the U.S. Environmental Protection Agency (“EPA”) and the California
3 Air Resources Board (“CARB”) issued notices of violation to Volkswagen AG, Audi AG,
4 Porsche AG, Volkswagen Group of America, Inc., and Porsche Cars North America, Inc.
5 (collectively “Defendants”), alleging that certain 2.0-liter and 3.0-liter Volkswagen, Audi, and
6 Porsche branded turbocharged direct-injection (“TDI”) diesel vehicles in the United States were
7 equipped with “defeat device” software designed to reduce the effectiveness of the vehicles’
8 emissions control systems with respect to nitrogen oxides (“NOx”). Starting in September 2015,
9 owners, lessees, and dealers filed hundreds of lawsuits against Defendants in federal courts across
10 the United States, which were consolidated in the United States District Court for the Northern
11 District of California before the Honorable Charles R. Breyer (the “Action”). Judge Breyer
12 appointed Lead Plaintiffs’ Counsel, as well as a committee of plaintiffs’ lawyers from law firms
13 across the United States (referred to collectively as the Plaintiffs’ Steering Committee (“PSC”)),
14 to oversee the litigation on behalf of affected owners, lessees, and dealers.

15 After months of negotiations facilitated by Court-appointed Settlement Master Robert
16 Mueller III, former director of the Federal Bureau of Investigation, Volkswagen and the 2.0-liter
17 class representatives reached an agreement to settle the claims of certain current and former
18 owners and lessees of certain Volkswagen and Audi branded vehicles with 2.0-liter TDI engines,
19 which received final court approval on October 25, 2016.

20 Thereafter, several more months of negotiations ensued, again facilitated by Settlement
21 Master Mueller, and the Parties reached this agreement to resolve consumers’ claims arising from
22 the approximately 80,000 3.0-liter TDI vehicles on the road in the United States (the “3.0-liter
23 Class Action Agreement” or “Agreement”).

24 In addition to this Agreement, Defendants entered into a proposed 3.0-liter Consent
25 Decree with the Department of Justice (“DOJ”), acting on behalf of the EPA, CARB, and the
26 California Attorney General (“CA AG”). Defendants will also enter into a separate Stipulated
27 Order with the FTC. All three agreements will become final only if approved by the Court.
28

1 As discussed in greater detail below, the 3.0-liter Class Action Agreement, if approved by
2 the Court, provides substantial compensation to all 3.0-liter Class Members. Not all Class
3 Members have the same options, however. There are two “Generations” of engines in the 3.0-
4 liter vehicles. For Generation Two vehicles, it is anticipated that Defendants will develop an
5 engine modification that brings the emissions from Generation Two vehicles into compliance
6 with the emissions standards to which the vehicles were originally certified. This is called an
7 Emissions Compliant Repair. In contrast, any Emissions Modification approved for Generation
8 One vehicles will reduce the vehicles’ emissions, but will likely not lower them to the levels of
9 their original certification. This is called a Reduced Emissions Modification.

10 Because Generation One vehicles will not be returned to compliance with the emissions
11 standards to which they were originally certified, a Buyback, Trade-In, and Lease Termination
12 Option will become available to those holding Generation One Eligible Vehicles shortly after
13 Final Approval, in addition to any Reduced Emissions Modification that later becomes available.
14 The Buyback, Trade-In, and Lease Termination Options will become available to owners and
15 lessees of Generation Two Eligible Vehicles (or some subset thereof) only if an Emissions
16 Compliant Repair does not timely become available. Regardless of which options are available to
17 them, all Eligible Owners and Eligible Lessees who do not opt out of the Class will be entitled to
18 substantial cash compensation and many additional benefits described in detail in Exhibits 1A
19 (Generation One vehicles) and 1B (Generation Two vehicles) and on the Settlement Website,
20 www.VWCourtSettlement.com.

21 This is a claims-made settlement. The amount Volkswagen will pay under this 3.0-liter
22 Class Action Settlement depends on how many Class Members timely file valid and complete
23 claims. If the Emissions Compliant Repair is timely available for all Generation Two vehicles
24 and 100% of Class Members with Generation One and Generation Two vehicles participate in the
25 Settlement, Volkswagen has agreed to pay up to approximately \$1.2 billion in combined
26 compensation. If the Emissions Compliant Repair is *not* timely available for the Generation Two
27 vehicles and 100% of Class Members with Generation One and Generation Two vehicles
28 participate in the Settlement, Volkswagen has agreed to pay up to approximately \$4.04 billion in

1 combined compensation. In addition, under the related DOJ 3.0-liter Consent Decree,
2 Volkswagen will pay a further \$225,000,000 to mitigate the environmental effects of excess NOx
3 emissions. The ultimate goal of this Agreement is to compensate owners or lessees of 3.0-liter
4 Eligible Vehicles for any harm they suffered as a result of the emissions issues and to ensure that
5 any excess NOx emissions from Defendants' 3.0-liter TDI vehicles are mitigated and minimized.

6 **2. DEFINITIONS**

7 As used in this 3.0-liter Class Action Agreement, including the attached Exhibits, the
8 terms defined herein have the following meanings, unless this 3.0-liter Class Action Agreement
9 specifically provides otherwise.

10 2.1. "3.0-liter Class Action Agreement" means this Settlement Agreement and the
11 exhibits attached hereto, including any subsequent amendments or any exhibits to such
12 amendments. The 3.0-liter Class Action Agreement may alternatively be referred to as the
13 "Agreement" or the "3.0-liter Class Action Settlement."

14 2.2. "3.0-liter Class Action Settlement Program" means the Buyback, Trade-In, Lease
15 Termination, Reduced Emissions Modification, Emissions Compliant Repair, Restitution
16 Payment, and Repair Payment programs offered during the Settlement Benefit Period pursuant to
17 this 3.0-liter Class Action Agreement.

18 2.3. "3.0-liter Class Notice Program" means the program for distributing information
19 about the 3.0-liter Class Action Settlement to 3.0-liter Class Members.

20 2.4. "3.0-liter TDI Matter" means (1) the installation or presence of any Defeat Device
21 or other auxiliary emission control device in any Eligible Vehicle; (2) the design, manufacture,
22 assembly, testing, or development of any Defeat Device or other auxiliary emission control
23 device used or for use in an Eligible Vehicle; (3) the marketing or advertisement of any Eligible
24 Vehicle as green, environmentally friendly, and/or compliant with state or federal emissions
25 standards; (4) the actual or alleged noncompliance of any Eligible Vehicle with state or federal
26 emissions standards; and/or (5) the subject matter of the Action, as well as any related events or
27 allegations, with respect to Eligible Vehicles.

28 2.5. "Action" means the coordinated class, mass, and individual actions, however

1 named, that are coordinated pursuant to 28 U.S.C. § 1407 in the United States District Court for
2 the Northern District of California in *In re: Volkswagen “Clean Diesel” Marketing, Sales*
3 *Practices, and Products Liability Litigation*, No. 3:15-md-02672-CRB (N.D. Cal.) (MDL 2672)
4 (the “MDL”), except that the Action does not include actions in the MDL brought under the
5 securities laws; for physical injury; on behalf of Volkswagen Authorized Dealers; on behalf of
6 competitor dealerships not related to such competitor dealerships’ purchase, sale, or lease of
7 Eligible Vehicles; or by or on behalf of states, municipalities, or state or municipal agencies under
8 state or local environmental or consumer-protection laws or regulations.

9 2.6. “Approved Emissions Modification” means a change to the emissions system of an
10 Eligible Vehicle that is designed to reduce emissions, including an Emissions Compliant Repair
11 or a Reduced Emissions Modification, and that is proposed by Volkswagen and/or Porsche and
12 approved by the EPA and CARB, as set forth in the DOJ 3.0-liter Consent Decree. The term
13 “Emissions Modification” means a change to the emissions system of an Eligible Vehicle that is
14 proposed by Volkswagen and/or Porsche, but has not yet been approved by the EPA and CARB.

15 2.7. “Authorized Dealer” means any authorized Volkswagen, Audi, or Porsche dealer
16 located in the United States and Puerto Rico as evidenced by a current and valid Dealer Sales and
17 Service Agreement. Authorized Dealers that are Volkswagen, Audi, or Porsche dealers are
18 referred to separately as “Volkswagen Authorized Dealers,” “Audi Authorized Dealers,” and
19 “Porsche Authorized Dealers,” respectively, depending on brand. “Non-Authorized Dealer”
20 means any automobile dealer that is not an Authorized Dealer, that is in business as of January
21 31, 2017, and that is located in the United States and Puerto Rico.

22 2.8. “Base Clean Retail Value” means the Clean Retail value for the NADA Vehicle
23 Identification Code (“VIC”) corresponding to a specific Eligible Vehicle in the September 2015
24 NADA Used Car Guide published in or around August 2015, based on the NADA Region that
25 includes the state of the Eligible Vehicle’s last known vehicle registration as of November 2015.
26 For certain model year 2015 and 2016 Generation Two vehicles for which no values are included
27 in the September 2015 NADA Used Car Guide, the Parties have agreed upon estimated values.
28 Base Clean Retail Value for Generation One vehicles is further defined in Exhibit 1A, and Base

1 Clean Retail Value for Generation Two vehicles is further defined in Exhibit 1B.

2 2.9. “Base Clean Trade Value” means the Clean Trade value for the NADA VIC
3 corresponding to each Eligible Vehicle in the September 2015 NADA Used Car Guide published
4 in or around August 2015, based on the NADA Region that includes the state of the Eligible
5 Vehicle’s last known vehicle registration as of November 2015. For certain model year 2015 and
6 2016 Generation Two vehicles for which no values are included in the September 2015 NADA
7 Used Car Guide, the Parties have agreed upon reasonable, estimated values. Base Clean Trade
8 Value for Generation One vehicles is further defined in Exhibit 1A, and Base Clean Trade Value
9 for Generation Two vehicles is further defined in Exhibit 1B.

10 2.10. “Buyback” means the buyback process available to certain Class Members under
11 this 3.0-liter Class Action Agreement by which an Eligible Owner may sell an Eligible Vehicle
12 back to Volkswagen in exchange for certain compensation, as set forth in Sections 4-6 herein and
13 Exhibits 1A, 1B, 4A, and 4B.

14 2.11. “Buyback Amount” means the total of the Vehicle Value and Owner Restitution
15 that Eligible Owners shall receive in a Buyback.

16 2.12. “Buyback Option” means the option of certain Eligible Owners under this 3.0-liter
17 Class Action Agreement to have their Eligible Vehicle bought back by Volkswagen through the
18 Buyback. As set forth in Sections 4-5 and Exhibits 1A and 4A, the Buyback Option will be
19 available upon Final 3.0-liter Approval for Eligible Owners of Generation One vehicles. As set
20 forth in Section 4 and 6 and Exhibits 1B and 4B, the Buyback Option will be available to Eligible
21 Owners of vehicles belonging to a particular Sub-Generation of Generation Two vehicles or any
22 subset thereof only if Volkswagen or Porsche does not timely obtain approval of an Emissions
23 Compliant Repair for that Sub-Generation or subset thereof.

24 2.13. “CARB” means the California Air Resources Board.

25 2.14. “Certified Exhaust Emissions Standards” or “CEES” means, for Generation Two
26 vehicles, emissions standards that correspond to Tier 2, Bin 5 and LEV2/ULEV standards as set
27 forth in Appendix A and B of the DOJ 3.0-liter Consent Decree.

28 2.15. “Claim” means the claim of any Class Member or his, her, or its representative

1 submitted on a Claim Form as provided in this 3.0-liter Class Action Agreement.

2 2.16. “Claim Form” means the paper or online form used to submit a Claim under this
3 3.0-liter Class Action Agreement.

4 2.17. “Claim Submission Deadline for Eligible Owners and Eligible Lessees” means the
5 latest date by which an Eligible Owner or Eligible Lessee must submit a Claim in order to
6 participate in the Claims Program. The Claim Submission Deadline for Eligible Owners and
7 Eligible Lessees of Generation One vehicles is June 1, 2019. The Claim Submission Deadline for
8 Eligible Owners and Eligible Lessees of Generation Two vehicles is December 31, 2019.

9 2.18. “Claim Submission Deadline for Eligible Former Owners and Eligible Former
10 Lessees” means the latest date by which an Eligible Former Owner or Eligible Former Lessee
11 must submit a Claim in order to participate in the Claims Program. The Claim Submission
12 Deadline for Eligible Former Owners and Eligible Former Lessees is 60 days from Final 3.0-liter
13 Approval.

14 2.19. “Claimant” means a Class Member who has completed and submitted a Claim
15 Form and all required documentation, and has been deemed Eligible by the Claims Supervisor, as
16 set forth in more detail in Exhibits 4A and 4B.

17 2.20. “Claims Program” means the program through which Class Members may file
18 Claims and, if eligible, obtain benefits under this 3.0-liter Class Action Agreement, as described
19 in Exhibits 4A and 4B.

20 2.21. “Claims Review Committee” or “CRC” means the committee approved by the
21 Court to resolve disputed Claims, as set forth in Section 8.4 below. The Claims Review
22 Committee will, among other things, evaluate compelling, factually supported Class Member
23 requests for an expedited Buyback based on unique circumstances, or to surrender physical
24 possession of an Eligible Vehicle prior to a Buyback. The Claims Review Committee also will
25 make final decisions regarding the Operability of vehicles, as defined herein.

26 2.22. “Claims Supervisor” means the third-party agent agreed to by the Parties and
27 appointed by the Court to oversee the Claims process described in Section 8. The Parties agree
28 that Ankura Consulting Group, LLC shall serve as Claims Supervisor, subject to approval by the

1 Court.

2 2.23. "Class" means, for purposes of this 3.0-liter Class Action Settlement only, a
3 nationwide class, including Puerto Rico, of all persons (this includes individuals who are United
4 States citizens, residents, United States military, diplomatic personnel and employees living or
5 stationed overseas, as well as entities) who, (1) at any time between September 18, 2015 and
6 November 2, 2015, inclusive, owned or leased a Volkswagen, Audi, or Porsche 3.0-liter TDI
7 vehicle in the United States or its territories (an "Eligible Vehicle," defined more fully in Section
8 2.40); or who (2) between November 3, 2015 and the Claim Submission Deadline for Eligible
9 Owners and Lessees, inclusive, become the owner of an Eligible Vehicle in the United States or
10 its territories; or who (3) own an Eligible Vehicle in the United States or its territories at the time
11 of participation in the 3.0-liter Class Action Settlement Program. The Class includes Non-
12 Authorized Dealers who otherwise meet the definition of the Class. The following entities and
13 individuals are excluded from the Class:

- 14 (a) Owners who acquired an Eligible Vehicle after September 18, 2015, and sold it
15 before November 2, 2015;
- 16 (b) Owners who acquired an Eligible Vehicle after November 2, 2015, and transferred
17 title on or before January 31, 2017;
- 18 (c) Lessees of a Generation One Eligible Vehicle leased from a leasing company other
19 than VW Credit, Inc., and lessees of a Generation Two Eligible Vehicle leased
20 from a leasing company other than VW Credit, Inc. or Porsche Financial Services,
21 Inc.;
- 22 (d) Owners whose Eligible Vehicle had a Branded Title of Assembled, Dismantled,
23 Flood, Junk, Rebuilt, Reconstructed, or Salvage on September 18, 2015, and was
24 acquired from a junkyard, salvage yard, or salvage dealer after September 18,
25 2015;
- 26 (e) Owners who sell or otherwise transfer ownership of their Eligible Vehicle after
27 January 31, 2017 but on or before the Opt-Out Deadline, unless the Eligible
28 Vehicle is (i) unintentionally damaged after January 31, 2017, in a manner that

1 renders it a total loss (*i.e.*, “totaled”) and (ii) transferred to an insurance company
2 or otherwise permanently removed from commerce;

3 (f) Defendants’ officers, directors and employees; Defendants’ affiliates and
4 affiliates’ officers, directors and employees; their distributors and distributors’
5 officers, directors and employees; participants in Volkswagen’s Internal Lease
6 Program and/or Porsche Associate Lease Program; and Authorized Dealers and
7 Authorized Dealers’ officers and directors;

8 (g) Judicial officers and their immediate family members and associated court staff
9 assigned to this case; and

10 (h) All those otherwise in the Class who or which timely and properly exclude
11 themselves from the Class as provided in this 3.0-liter Class Action Agreement.

12 2.24. “Class Counsel” means Lead Counsel and the PSC.

13 2.25. “Class Member” means a member of the 3.0-liter Class.

14 2.26. “Class Representative” or “3.0-liter Settlement Class Representative” means a
15 Plaintiff who own(ed) or leas(ed) a Volkswagen, Audi, or Porsche 3.0-liter TDI Eligible Vehicle,
16 who meets the Class definition set forth in Section 2.26 of this 3.0-liter Class Action Agreement,
17 and who has agreed to represent the Class for purposes of obtaining approval of, and effectuating,
18 this 3.0-liter Class Action Agreement, as listed in the moving papers submitted for preliminary
19 approval of this 3.0-liter Class Action Agreement.

20 2.27. “Complaints” means the Amended Consolidated Consumer Class Action
21 Complaint (Dkt. No. 1804) (the “Consumer Complaint”) and the Second Amended Reseller
22 Dealership Class Action Complaint (Dkt. No. 1805) (the “Reseller Dealer Complaint”) filed in
23 the Action on September 2, 2016.

24 2.28. “Court” means the United States District Court for the Northern District of
25 California, San Francisco Division.

26 2.29. “Decision Date” means, with respect to an Emissions Compliant Repair for a
27 particular Sub-Generation or part of a Sub-Generation of Generation Two Eligible Vehicles, the
28 date by which, if no Emissions Compliant Repair is available, Plaintiffs may move the Court to

1 require Defendants to offer the Buyback, Trade-In, and Lease Termination Options for that sub-
2 Generation or part of a sub-Generation of Eligible Vehicles. Volkswagen may elect to extend the
3 Decision Dates in exchange for Extension Payments to Class Members as set forth in Section 6.4
4 and Exhibit 1B.

5 2.30. “Defeat Device” has the same meaning as in 40 C.F.R. § 86.1803-01 or 42 U.S.C.
6 § 7522(a)(3)(B).

7 2.31. “Defendants” means Volkswagen and Porsche.

8 2.32. “DOJ” means the United States Department of Justice.

9 2.33. “DOJ 3.0-liter Consent Decree” means the second partial consent decree lodged
10 with the Court on or about December 20, 2016, as agreed by (1) the United States on behalf of the
11 Environmental Protection Agency; and (2) the People of the State of California, by and through
12 CARB and the Attorney General of California; and (3) Defendants, resolving certain aspects of
13 the disputes between those parties on the terms described therein. If the Court approves the
14 consent decree, “DOJ 3.0L Consent Decree” shall mean the decree as and in the form that it is
15 ultimately approved and entered by the Court

16 2.34. “Effective Date” means the date the Court enters the Final 3.0-liter Approval
17 Order, the FTC 3.0-liter Consent Order, or the DOJ 3.0-liter Consent Decree, whichever is latest.

18 2.35. “Eligible Former Lessee” means a lessee who leased an Eligible Vehicle from VW
19 Credit, Inc. (Generation One vehicles) or VW Credit, Inc. or Porsche Financial Services, Inc.
20 (Generation Two vehicles) as of September 18, 2015 and/or November 2, 2015, and who
21 surrendered the leased Eligible Vehicle under the terms of the lease on or before January 31,
22 2017.

23 2.36. “Eligible Former Owner” means a person who purchased or otherwise acquired
24 ownership of an Eligible Vehicle on or before September 18, 2015, and sold or otherwise
25 transferred ownership of such vehicle after September 18, 2015 but on or before January 31,
26 2017, or who acquired ownership of an Eligible Vehicle on or before November 2, 2015, and sold
27 or otherwise transferred ownership of such vehicle after November 2, 2015 but on or before
28 January 31, 2017. For avoidance of doubt, a sale or transfer of ownership under this definition

1 includes the transfer of ownership of an Eligible Vehicle to an insurance company.

2 2.37. “Eligible Former Owner Identification Deadline” means the last date by which
3 Eligible Former Owners must identify themselves by (1) electronic registration on the Settlement
4 Website or (2) submission of an identification form by mail or fax. The Eligible Former Owner
5 Identification Deadline is May 1, 2017. Eligible Former Owner identification forms and online
6 identifications must be received by Volkswagen by no later than May 1, 2017 to meet the Eligible
7 Former Owner Identification Deadline. Eligible Former Owners may submit an identification
8 form as soon as February 15, 2017, or the next business day after the Court enters a Preliminary
9 3.0-liter Approval Order, whichever is later.

10 2.38. “Eligible Lessee” means (1) the current lessee or lessees of an Eligible Vehicle
11 with a lease issued by VW Credit, Inc. (Generation One vehicles) or VW Credit, Inc. or Porsche
12 Financial Services, Inc. (Generation Two vehicles); (2) a former lessee or lessees of an Eligible
13 Vehicle who had an active lease issued by VW Credit, Inc. (Generation One vehicles) or VW
14 Credit, Inc. or Porsche Financial Services, Inc. (Generation Two vehicles) as of September 18,
15 2015 and/or November 2, 2015 and who surrendered or surrenders the leased Eligible Vehicle
16 under the terms of the lease after January 31, 2017, but before the Claim Submission Deadline; or
17 (3) the owner of an Eligible Vehicle who had an active lease issued by VW Credit, Inc.
18 (Generation One vehicles) or VW Credit, Inc. or Porsche Financial Services, Inc. (Generation
19 Two vehicles) as of September 18, 2015 and/or November 2, 2015, and acquired ownership of the
20 previously leased Eligible Vehicle at the conclusion of the lease after January 31, 2017. For
21 avoidance of doubt, no person shall be considered an Eligible Lessee by virtue of holding a lease
22 issued by a lessor other than VW Credit, Inc. or Porsche Financial Services, Inc.

23 2.39. “Eligible Owner” means the owner or owners of an Eligible Vehicle on September
24 18, 2015, or the owner or owners who acquire an Eligible Vehicle after September 18, 2015, but
25 before the end of the Settlement Benefit Period, except that the owner of an Eligible Vehicle who
26 had an active lease issued by VW Credit, Inc. (Generation One vehicles) or VW Credit, Inc. or
27 Porsche Financial Services, Inc. (Generation Two vehicles) as of September 18, 2015 and/or
28 November 2, 2015, and purchased that previously leased Eligible Vehicle off lease after January

1 31, 2017, shall be an Eligible Lessee. For avoidance of doubt, an Eligible Owner ceases to be an
2 Eligible Owner if he transfers ownership of the Eligible Vehicle to a third party. A third party
3 who acquires ownership of an Eligible Vehicle thereby becomes an Eligible Owner if that third
4 party otherwise meets the definition of an Eligible Owner, unless the third party acquired the
5 Eligible Vehicle from an Eligible Lessee, in which case that third party will be an Eligible Lessee.
6 An owner of an Eligible Vehicle will not qualify as an Eligible Owner while the Eligible Vehicle
7 is under lease to any third party, although any such owner, including any leasing company other
8 than VW Credit, Inc. or Porsche Financial Services, Inc., who otherwise meets the definition of
9 an Eligible Owner would become an Eligible Owner if such lease has been canceled or terminated
10 and the owner has taken possession of the vehicle. In exceptional cases, specific arrangements
11 may be made with the leasing company, in consultation with the Claims Supervisor, such that, (1)
12 without canceling or terminating the lease, the leasing company may be treated as an Eligible
13 Owner and obtain (a) an Emissions Compliant Repair plus Lessee Repair Payment or (b) a
14 Reduced Emissions Modification plus Owner Restitution, as appropriate, and (2) a lessor that
15 takes possession of a leased Eligible Vehicle after the Claim Submission Deadline (or the end
16 date of the Claim Program) may nonetheless be entitled to submit a Claim.

17 2.40. "Eligible Vehicle" means the Model Year 2009 through 2016 Volkswagen and
18 Audi and Model Year 2013 through 2016 Porsche light-duty vehicles equipped with 3.0-liter TDI
19 engines that (1) are covered, or purported to be covered, by the EPA Test Groups in the table
20 immediately below this paragraph; (2) are, at any point during the period September 18, 2015 to
21 January 31, 2017, registered with a state Department of Motor Vehicles or equivalent agency, or
22 owned by a Non-Authorized Dealer in the United States or its territories that (a) holds title to the
23 vehicle or (b) holds the vehicle by bill of sale; and (3) have not been modified pursuant to an
24 Approved Emissions Modification. Eligible Vehicle also excludes any Volkswagen, Audi, or
25 Porsche vehicle that was never sold or registered in the United States or its territories. A vehicle
26 must be Operable to be considered an Eligible Vehicle for the purpose of the Buyback, Trade-In,
27 Reduced Emissions Modification, or Emissions Compliant Repair.

28 **3.0-liter TDI Generation One and Generation Two Eligible Vehicles**

Model Year	EPA Test Group(s)	Vehicle Make and Model(s)	Sub-Generation
2009	9ADXT03.03LD	VW Touareg, Audi Q7	1.1
2010	AADXT03.03LD	VW Touareg, Audi Q7	1.1
2011	BADXT03.02UG BADXT03.03UG	VW Touareg Audi Q7	1.2
2012	CADXT03.02UG CADXT03.03UG	VW Touareg Audi Q7	1.2
2013	DADXT03.02UG DADXT03.03UG DPRXT03.0CDD	VW Touareg Audi Q7 Porsche Cayenne Diesel	2.1 SUV
2014	EADXT03.02UG EADXT03.03UG EPRXT03.0CDD	VW Touareg Audi Q7 Porsche Cayenne Diesel	2.1 SUV
2014	EADXJ03.04UG	Audi: A6 quattro, A7 quattro, A8, A8L, Q5	2 PC
2015	FVGAT03.0NU3	Audi: Q7, A6 quattro, A7 quattro, A8, A8L, Q5	2.1 SUV
2015	FVGAT03.0NU2 FPRXT03.0CDD	VW Touareg Porsche Cayenne Diesel	2.2 SUV
2015	FVGAJ03.0NU4	Audi: A6 quattro, A7 quattro, A8, A8L, Q5	2 PC
2016	GVGAT03.0NU2 GPRXT03.0CDD	VW Touareg Porsche Cayenne Diesel	2.2 SUV
2016	GVGAJ03.0NU4	Audi: A6 quattro, A7 quattro, A8, A8L, Q5	2 PC

2.41. “Emissions Compliant Repair” means an Approved Emissions Modification that brings an Eligible Vehicle into compliance with Certified Exhaust Emissions Standards, as set forth in Appendix B and Tables 4-7 of Appendix B-1 (but not the notes thereto) to the DOJ 3.0-liter Consent Decree, without amendment of any kind.

2.42. “Emissions Compliant Repair Option” means the option available to an Eligible Owner or Eligible Lessee of a Generation Two 3.0-liter Eligible Vehicle to have the vehicle modified pursuant to an Emissions Compliant Repair, if approved, and to receive an Emissions

1 Compliant Repair Payment, as set forth in Sections 4-6 and Exhibit 1B.

2 2.43. “Emissions Compliant Repair Payment” means the monetary compensation, as
3 determined by the formula set forth in Exhibit 1B, that Volkswagen shall pay Class Members
4 who do not opt out of the Class and who timely file a valid and complete claim, in addition to an
5 Emissions Compliant Repair, on the conditions set forth in Section 6 and Exhibit 1B.

6 2.44. “EPA” means the United States Environmental Protection Agency.

7 2.45. “Escrow Account” means the escrow account managed by the Escrow Agent,
8 which shall be the sole escrow account for compensation of Class Members under the 3.0-liter
9 Class Action Agreement, FTC 3.0-liter Consent Order, and DOJ 3.0-liter Consent Decree.

10 2.46. “Escrow Agent” means the agreed-upon entity to address and hold for distribution
11 the funds identified in this 3.0-liter Class Action Agreement pursuant to the terms of the Escrow
12 Agreement. The Parties agree that Citi Private Bank shall serve as Escrow Agent, subject to
13 approval by the Court.

14 2.47. “Escrow Agreement” means the agreement by and among Class Counsel and
15 Volkswagen’s Lead Counsel with respect to the escrow of the funds to be deposited into the
16 Escrow Account pursuant to this 3.0-liter Class Action Agreement.

17 2.48. “Extension Payment” means the payment that Volkswagen shall make if it chooses
18 to extend the Decision Date for a particular sub-Generation or part of a sub-Generation of
19 Generation Two Eligible Vehicles in the event that the original Decision Date has passed and the
20 Court, on motion of the Plaintiffs, rules that no good cause exists to delay offering the Buyback,
21 Trade-In, and Lease Termination Options for that sub-Generation or part of a sub-Generation, as
22 set forth in Section 6 and Exhibit 1B. For each 30-day extension period from the date of the
23 Court’s ruling, the Extension Payment shall be \$500 for each Eligible Vehicle of that sub-
24 Generation or part thereof that is owned or leased when that 30-day extension period begins.
25 Unless the Court rules otherwise, Defendants will not be allowed to extend the Decision Date by
26 more than 90 days from the date of the Court’s ruling that no good cause exists to delay the
27 Buyback, Trade-In, and Lease Termination Options for a given sub-Generation or part of a sub-
28 Generation of Generation Two Eligible Vehicles.

1 2.49. “Fairness Hearing” means the hearing held by the Court for the purpose of
2 determining whether to approve this 3.0-liter Class Action Agreement as fair, reasonable, and
3 adequate.

4 2.50. “Final 3.0-liter Approval Order” or “Final Order and Judgment” means the order
5 that may, at the discretion of the Court, be entered by the Court granting final approval of the 3.0-
6 liter Class Action Settlement.

7 2.51. “Former Owner Repair Payment” means certain monetary compensation, as
8 determined by the formula set forth in Exhibit 1B, that Volkswagen will pay to Eligible Former
9 Owners of Generation Two vehicles who do not opt out of the Class and who timely identify
10 themselves and file a valid and complete Claim, on conditions set forth in Sections 5 and 6 and
11 Exhibit 1B.

12 2.52. “Former Owner Restitution” means certain monetary compensation, as
13 determined by the formula set forth in Exhibits 1A and 1B, that Volkswagen will pay to certain
14 Eligible Former Owners who do not opt out of the Class, and who timely identify themselves and
15 file a valid and complete Claim, on the conditions set forth in Exhibits 1A and 1B.

16 2.53. “FTC” means the Federal Trade Commission.

17 2.54. “FTC 3.0-liter Consent Order” means the order entered by this Court by the
18 consent of the FTC and Defendants resolving certain aspects of the disputes between those parties
19 on the terms described therein.

20 2.55. “Generation One” refers to vehicles of the following models and model years:
21 Volkswagen Touareg (2009-2012) and Audi Q7 (2009-2012) (“Generation One vehicles”).
22 Generation One includes the two Sub-Generations referred to in the DOJ 3.0-liter Consent Decree
23 as “Generation 1.1” and “Generation 1.2.”

24 2.56. “Generation Two” refers to vehicles of the following models and model years:
25 Volkswagen Touareg (2013-2016), Porsche Cayenne (2013-2016), Audi Q7 (2013-2015), Audi
26 A6 Quattro (2014-2016), Audi A7 Quattro (2014-2016), Audi A8 (2014-2016), Audi A8L (2014-
27 2016), and Audi Q5 (2014-2016) (“Generation Two vehicles”). Generation Two includes three
28 Sub-Generations referred to in the DOJ 3.0-liter Consent Decree as “Generation 2.1 SUV,”

1 “Generation 2.2 SUV,” and “Generation 2 PC.”

2 2.57. “Lead Plaintiffs’ Counsel” means Elizabeth Cabraser of Lieff, Cabraser, Heimann
3 & Bernstein, LLP, who was appointed by the Court on January 21, 2016.

4 2.58. “Lease Termination” means the process by which an Eligible Lessee may have the
5 lease for his, her, or its Eligible Vehicle terminated, without paying any early termination penalty,
6 as described in more detail in Sections 4-6 and Exhibits 1A and 1B.

7 2.59. “Lease Termination Option” means the option of an Eligible Lessee to have the
8 lease for his, her, or its Eligible Vehicle terminated through the Lease Termination, without
9 paying an early termination penalty, as described in more detail in Sections 4-6 and Exhibits 1A
10 and 1B.

11 2.60. “Lessee Repair Payment” means certain monetary compensation, as determined by
12 the formula set forth in Exhibit 1B, that Volkswagen will pay to Eligible Lessees and Eligible
13 Former Lessees of Generation Two vehicles who do not opt out of the Class and who timely file a
14 valid and complete Claim, on conditions set forth in Section 6 and Exhibit 1B.

15 2.61. “Lessee Restitution” means monetary compensation, as determined by the formula
16 set forth in Exhibits 1A and 1B, that Volkswagen will pay to certain Eligible Lessees and Eligible
17 Former Lessees who do not opt out of the Class and who timely file a valid and complete Claim,
18 in addition to the Lease Termination or Reduced Emissions Modification, as applicable, on the
19 conditions forth in Sections 4-6 and Exhibits 1A and 1B.

20 2.62. “Loan Obligation” means any debt incurred by an Eligible Owner and secured by
21 an Eligible Vehicle, whether through VW Credit, Inc., Porsche Financial Services, Inc., or any
22 other lender, as described in more detail in Sections 4-6 and Exhibits 1A and 1B.

23 2.63. “Long Form Notice” means the Long Form Notice substantially in the form
24 attached hereto as Exhibit 3.

25 2.64. “Notice Administrator” means the third-party agent or administrator agreed to by
26 the Parties and appointed by the Court to implement and consult on Class Notice. The Parties
27 agree that Kinsella Media, LLC shall serve as Notice Administrator, subject to approval by the
28 Court.

1 2.65. “Operable” means that a vehicle can be driven under its own 3.0-liter TDI engine
2 power and is in reasonable condition such that it can be driven lawfully and safely on public
3 roads, even if it has a mechanical issue that can be repaired, under a common-sense understanding
4 of what is an acceptable condition for driving. A vehicle is not Operable if it had a Branded Title
5 of Assembled, Dismantled, Flood, Junk, Rebuilt, Reconstructed, or Salvaged on or before
6 September 18, 2015, and was acquired by any person or entity from a junkyard, salvage yard, or
7 salvage dealer after September 18, 2015. Vehicles that (i) have undergone intentional physical or
8 mechanical stripping or removal of any OEM equipment or parts accounted for in the Buyback
9 Amount, including, but not limited to, removal of lights, wheel covers, navigation systems, or
10 radios, or (ii) has been damaged, vandalized, or otherwise altered for no legitimate purpose in a
11 manner that reduces the vehicle’s value as calculated in the Buyback Amount, prior to
12 participation in the 3.0-liter Class Action Settlement Program, shall be deemed ineligible for the
13 Buyback or eligible for reduced compensation. For the avoidance of doubt, the following acts,
14 among others, by Class Members may prevent the owner or lessee of a vehicle from obtaining
15 some or all benefits under the Settlement: (a) removal of any OEM equipment or parts from a
16 vehicle, (b) permanent alteration of the vehicle’s appearance, such as by painting, keying, or
17 drawing, in a manner that negatively affects the vehicle’s resale value, and/or (c) modification of
18 the vehicle’s components in a way that alters or affects the vehicle’s performance. The Claims
19 Review Committee will be the final decision maker on whether (i) a vehicle is Operable, or (ii)
20 whether a vehicle is ineligible, or eligible only for reduced compensation, by virtue of part-
21 removal or other alteration.

22 2.66. “Opt-Out Deadline” means the last day a Class Member may opt out of the 3.0-
23 liter Class Action Agreement, which is April 14, 2017 for all Class Members who are Class
24 Members as of that date. Individuals and entities that purchase or acquire an Eligible Vehicle on
25 or after April 14, 2017, shall have all the rights, privileges, and responsibilities of Class Members,
26 and shall have 30 days from the date of their purchase or acquisition to opt out of the Class, as set
27 forth in Exhibit 1A and 1B. Additionally, if there is no Approved Emissions Modification
28 available for a Class Member’s Eligible Vehicle by August 1, 2018, that Eligible Owner or

1 Lessee shall have a second opportunity, from August 1, 2018, until September 1, 2018, to
2 withdraw from the 3.0-liter Class Action Settlement, as set forth in Exhibits 1A and 1B.

3 2.67. “Owner Repair Payment” means certain monetary compensation, as determined by
4 the formula set forth in Exhibit 1B, that Volkswagen will pay to Eligible Owners of Generation
5 Two vehicles who do not opt out of the Class and who timely file a valid and complete Claim, on
6 conditions set forth in Section 6 and Exhibit 1B.

7 2.68. “Owner Restitution” means certain monetary compensation, as determined by the
8 formula set forth in Exhibits 1A and 1B, that Volkswagen will pay to Eligible Owners who do not
9 opt out of the Class and who timely file a valid and complete Claim, in addition to the Vehicle
10 Value where available or Reduced Emissions Modification (or untimely Emissions Compliant
11 Repair), on conditions set forth in Sections 4-6 and Exhibits 1A and 1B.

12 2.69. “Parties” means the Class Representatives and Defendants, collectively, as each of
13 those terms is defined in this 3.0-liter Class Action Agreement.

14 2.70. “Plaintiffs’ Steering Committee” or “PSC” means those counsel appointed to the
15 Plaintiffs’ Steering Committee by the Court in this Action on January 21, 2016. Lead Counsel is
16 Chair of the PSC.

17 2.71. “Porsche” means Dr. Ing. h.c. F. Porsche AG and Porsche Cars North America,
18 Inc.

19 2.72. “Porsche Associate Lease Program” means the program through which employees
20 may lease vehicles from Porsche, for usage by themselves and/or their spouse. For purposes of
21 this agreement, “participants” in the Porsche Associate Lease Program shall include anyone who
22 leases or for whom a vehicle is leased under the program.

23 2.73. “Porsche’s Lead Counsel” means Cari K. Dawson of Alston & Bird LLP.

24 2.74. “Post-Appeal Date” means the latest date on which the Final 3.0-liter Approval
25 Order approving this 3.0-liter Class Action Agreement becomes final. For purposes of this 3.0-
26 liter Class Action Agreement:

27
28

1 2.74.1. if no appeal has been taken from the Final 3.0-liter Approval Order,
2 “Post-Appeal Date” means the date on which the time to appeal therefrom
3 has expired; or

4 2.74.2. if any appeal has been taken from the Final 3.0-liter Approval Order,
5 “Post-Appeal Date” means the date on which all appeals therefrom,
6 including petitions for rehearing or reargument, petitions for rehearing *en*
7 *banc* and petitions for a writ of *certiorari* or any other form of review,
8 have been fully disposed of in a manner that affirms the Final 3.0-liter
9 Approval Order; or

10 2.74.3. if Class Counsel and Defendants agree in writing, the “Post-Appeal Date”
11 can occur on any other earlier agreed date.

12 2.75. “Preliminary 3.0-liter Approval Order” means the order that may, at the discretion
13 of the Court, be entered by the Court preliminarily approving the Class Action Settlement as
14 outlined in Section 3 of this 3.0-liter Class Action Agreement.

15 2.76. “Reduced Emissions Modification” means an Approved Emissions Modification
16 that reduces the emissions of an Eligible Vehicle to the applicable, Sub-Generation-specific levels
17 set forth in Appendix B and Tables 1-7 of Appendix B-1 (including the notes thereto) to the DOJ
18 3.0-liter Consent Decree, without amendment of any kind. A Reduced Emissions Modification
19 for Generation One vehicles, as used in this Agreement, is referred to as an Approved Emissions
20 Modification or an Emissions Modification in the DOJ 3.0-liter Consent Decree, and is referred to
21 as an Approved Emissions Modification in the FTC 3.0-liter Consent Order.

22 2.77. “Reduced Emissions Modification Option” means the option available to an
23 Eligible Owner or Eligible Lessee to have their vehicle modified pursuant to a Reduced
24 Emissions Modification, if approved, and to receive a Restitution Payment, as set forth in
25 Sections 4-6 and Exhibits 1A and 1B. For Generation Two vehicles, this option may also be
26 referred to as the “Approved Emissions Modification Option,” because it is possible that the
27 Emissions Modification pursuant to this option may be an untimely Emissions Compliant Repair.

28 2.78. “Release” means the release and waiver described in Section 12 of this 3.0-liter

1 Class Action Agreement and in the Final 3.0-liter Approval Order. In addition, Class Members
2 who participate in the Buyback, Lease Termination, and Restitution Program, or the Reduced
3 Emissions Modification and Restitution Program, or otherwise receive a Restitution Payment
4 pursuant to this 3.0-liter Class Action Agreement, will execute a coextensive “Individual
5 Release” as described in Section 12 of the 3.0-liter Class Action Agreement, and that Individual
6 Release will remain valid even if the Final 3.0-liter Approval Order is later reversed and/or
7 vacated on appeal.

8 2.79. “Released Party” or “Released Parties” has the definition set forth in Section 12 of
9 this 3.0-liter Class Action Agreement.

10 2.80. “Repair Participation Payment” means an initial portion of the Emissions
11 Compliant Repair Payment, as determined by the formula set forth in Exhibit 1B, that
12 Volkswagen will pay to Eligible Owners and certain Eligible Lessees of Generation Two vehicles
13 prior to the availability of an Emissions Compliant Repair, on conditions set forth in Section 6
14 and Exhibit 1B.

15 2.81. “Repair Payment” or “Repair Payments” means an Emissions Compliant Repair
16 Payment, including the Owner, Lessee, and Former Owner Repair Payments, separately or
17 collectively.

18 2.82. “Restitution Payment” or “Restitution Payments” means the Owner Restitution,
19 Lessee Restitution, and Former Owner Restitution Payments, separately or collectively.

20 2.83. “Retail Replacement Value” has the definition set forth in Appendix A and A-1 of
21 the DOJ 3.0-liter Consent Decree.

22 2.84. “Settlement Benefit Period” means the time period during which 3.0-liter Class
23 Members may obtain benefits under the 3.0-liter Class Action Settlement. The Settlement Benefit
24 Period for each Class Member with a Generation One vehicle shall run from entry of the Final
25 3.0-liter Approval Order until September 30, 2019. The Settlement Benefit Period for each Class
26 Member with Generation Two vehicles shall run from entry of the Final 3.0-liter Approval Order
27 until April 30, 2020.

28 2.85. “Settlement Master” means Robert Mueller III, who was appointed by the Court

1 to serve as Settlement Master to administer, coordinate, and preside over settlement-related
2 proceedings.

3 2.86. “Settlement Website” means the public website that provides information and key
4 filings regarding the 3.0-liter Class Action Settlement, including FAQs. Class Members will be
5 able to access a “Claims Portal” on the Settlement Website which will allow a Class Member to
6 complete and submit an online Claim Form, and/or obtain a description of the remedies available
7 to the Class Member, including, as applicable: (1) an estimated range of the Vehicle Value for
8 the Class Member’s Eligible Vehicle; (2) at a practicable time, information for the Class Member
9 to assess the effect of mileage on the Vehicle Value; (3) details regarding the Buyback Option, if
10 applicable; (4) details regarding the Trade-In Option, if applicable; (5) details concerning the
11 Lease Termination, if applicable; and (6) details concerning the Reduced Emissions Modification
12 or Emissions Compliant Repair, if any, for the Eligible Vehicle, if applicable.

13 2.87. “Short Form Notice” means the Short Form Notice(s) substantially in the form as
14 attached hereto as Exhibits 2A (Generation One Short Form Mailed Notice to Consumers), 2B
15 (Generation Two Short Form Mailed Notice to Consumers), and 2C (Generation One & Two
16 Publication Notice).

17 2.88. “Sub-Generation” means a subdivision of Generation One or Generation Two
18 vehicles set forth in the chart identified in the definition of Eligible Vehicle.

19 2.89. “Trade-In” means the process by which certain Class Members can trade in their
20 Eligible Vehicles to a participating Volkswagen, Audi, or Porsche Authorized Dealer, as
21 applicable, as set forth in Sections 4-6 and Exhibits 1A, 1B, 4A, and 4B.

22 2.90. “Trade-In Credit” means the trade-in credit that certain Eligible Owners are
23 entitled to through the Trade-In Option, as set forth in Sections 4-6 and Exhibits 1A and 1B. The
24 Trade-In Credit will be equal to the Buyback Amount for that vehicle, and will include Loan
25 Forgiveness, if applicable. In the event that an Eligible Owner has received a Repair Participation
26 Payment prior to selecting the Trade-In Option, the Trade-In Credit will be reduced to account for
27 the Repair Participation Payment.

28 2.91. “Trade-In Option” means the option available to certain Eligible Owners to trade

1 in an Eligible Vehicle in a Trade-In, as set forth in Sections 4-6 and Exhibits 1A, 1B, 4A, and 4B.

2 2.92. "Vehicle Value" or "Vehicle Clean Trade Value" means an amount intended to
3 reflect the value in September 2015 of an Eligible Vehicle, accounting for factory-installed
4 options and, in the case of owned vehicles, for mileage. Vehicle Value is used to calculate
5 compensation under the 3.0-liter Class Action Agreement for certain Class Members. Vehicle
6 Value for Generation One vehicles is further defined in paragraph 15 of Exhibit 1A. Vehicle
7 Value for Generation Two vehicles is further defined in paragraph 20 of Exhibit 1B.

8 2.93. "Volkswagen," "VW," or "Volkswagen Entities" means Volkswagen AG, Audi
9 AG, and Volkswagen Group of America, Inc., (d/b/a Volkswagen of America, Inc. or Audi of
10 America, Inc.).

11 2.94. "Volkswagen's Internal Lease Program" means the program through which
12 employees and retirees may lease vehicles from Volkswagen for themselves and certain members
13 of their families. For purposes of this agreement, "participants" in Volkswagen's Internal Lease
14 Program shall include anyone for whom a vehicle is leased under the program.

15 2.95. "Volkswagen's Lead Counsel" means Robert J. Giuffra, Jr. and Sharon L. Nelles
16 of Sullivan & Cromwell LLP.

17 2.96. "VW Class Update" means the notice that will be provided by Volkswagen (1)
18 when an Approved Emissions Modification becomes available for any make, model, and model
19 year of an Eligible Vehicle or (2) it is determined that an Approved Emissions Modification,
20 including an Emissions Compliant Repair or Reduced Emissions Modification, will not become
21 available for any particular make, model, or model year of an Eligible Vehicle. Volkswagen will
22 provide the VW Class Updates, including any attachments, to Class Counsel for comment prior to
23 releasing them. Once final, the VW Class Update(s) will be distributed by First-Class U.S. Mail,
24 postage paid or by electronic mail (email) to all Class members for whom email addresses are
25 available.

26 2.97. "VW Credit, Inc." means VW Credit, Inc., including d/b/a Audi Financial
27 Services.

28 2.98. Other capitalized terms used in this 3.0-liter Class Action Agreement but not

1 defined in this Section shall have the meanings ascribed to them elsewhere in this 3.0-liter Class
2 Action Agreement.

3 2.99. The term “he or she” and “his or her” include “it” or “its” where applicable.

4 **3. PRELIMINARY APPROVAL BY THE COURT AND CLASS CERTIFICATION**

5 3.1. Promptly after this Agreement is signed, but by no later than January 31, 2017, the
6 Parties shall file the Agreement with the Court, together with a Motion for Preliminary Approval
7 of the 3.0-liter Class Action Agreement and Approval of Class Notice. Simultaneously, the Class
8 Representatives shall move for certification of the Class for settlement purposes only, pursuant to
9 Federal Rule of Civil Procedure (“Fed. R. Civ. P.”) 23(a), 23(b)(3), and 23(e). It is expressly
10 agreed that any certification of the Class shall be for settlement purposes only, and Defendants do
11 not waive any arguments that they may have that class certification for any other purpose would
12 be improper.

13 3.2. The Parties agree to take all actions and steps reasonably necessary to obtain a
14 Preliminary 3.0-liter Approval Order from the Court.

15 **4. OVERVIEW OF CONSUMER COMPENSATION AND REMEDIES**

16 4.1. Except as otherwise provided in this 3.0-liter Class Action Agreement, Eligible
17 Owners and Eligible Lessees who do not opt out of the Class have different options under the 3.0-
18 liter Class Action Agreement depending on Generation of their Eligible Vehicle and the type of
19 repair or modification approved, if any. At present, Volkswagen believes that there are no
20 practical engineering solutions that would, without negative impact to vehicle functions and
21 unacceptable delay, bring Generation One vehicles to compliance with the emissions standards to
22 which they were originally certified. By contrast, Defendants expect that Generation Two
23 vehicles can be repaired to compliance with the original emissions standards (the Certified
24 Exhaust Emissions Standards) without materially reducing vehicle performance. For that reason,
25 the options available for Generation One and Generation Two vehicles are different. The
26 Agreement provides substantial compensation to owners and lessees of both generations of
27 vehicles, as detailed below and in Exhibits 1A (Generation One Benefits) and 1B (Generation
28 Two Benefits). Generation One vehicles are all model year 2009-2012 Volkswagens and Audis.

1 Generation Two vehicles are model year 2013-2016 Volkswagens, Audis, and Porsches.

2 **5. GENERATION ONE COMPENSATION AND REMEDIES**

3 5.1. **Overview of Generation One Benefits.** The compensation and remedies in this
4 section are available only to Class Members who do not opt out. Eligible Owners of Generation
5 One vehicles will be offered a restitution payment (Owner Restitution) and a choice between a
6 Buyback, a Trade-In, or, if approved by the EPA and CARB, a Reduced Emissions Modification.
7 Eligible Lessees and Eligible Former Lessees will be offered Lessee Restitution. Eligible Lessees
8 also will be offered a choice between a Lease Termination (if they hold an active lease), or, if
9 approved by the EPA and CARB, a Reduced Emissions Modification (if they hold an active lease
10 or own the Eligible Vehicle). Eligible Former Owners will be offered Former Owner Restitution.
11 More details on Generation One benefits are available in Exhibit 1A.

12 5.2. **Buyback Option.** Eligible Owners of Generation One vehicles can choose to sell
13 their vehicles to Volkswagen in a Buyback and receive a Buyback payment that consists of
14 Vehicle Value plus Owner Restitution (together, the “Buyback Amount”), as described in Exhibit
15 1A. As permitted under Section 3.1 of Appendix A-1 to the DOJ 3.0-liter Consent Decree, the
16 Parties agree that Volkswagen will not buy back any vehicle under the 3.0-liter Class Action
17 Agreement or FTC 3.0-liter Consent Order without paying the Buyback Amount and receiving a
18 Release, as described in Section 9 of the 3.0-liter Class Action Agreement.

19 5.3. **Trade-In Option.** Eligible Owners of Generation One vehicles can choose to
20 trade in their vehicle at a participating Volkswagen or Audi Authorized Dealer in a Trade-In and
21 receive a Trade-In Credit at that Authorized Dealer. The Trade-In Credit will be equal to the
22 Buyback Amount to which that Eligible Owner would be entitled in a Buyback. All Trade-Ins of
23 a Volkswagen must be at a Volkswagen Authorized Dealer and all Trade-Ins of an Audi must be
24 at an Audi Authorized Dealer. Owners selecting the Trade-In Option will be required to submit a
25 valid and complete claim and, upon receiving an offer, schedule an appointment to trade in their
26 vehicles. In the event that the Trade-In Credit exceeds the value of the vehicle acquired through
27 the Trade-In, the Eligible Owner will be entitled to the difference between the transaction price
28 and the Trade-In Credit, in whatever form is negotiated between the Class Member and the

1 Authorized Dealer, including, but not limited to, a check for the remaining amount. Class
2 Members should consult a tax professional to assess the specific tax implications of choosing the
3 Trade-In Option. Neither the PSC nor Defendants and their counsel are providing any opinion or
4 advice as to the tax consequences or liabilities of Class Members as a result of any payments or
5 benefits under this Settlement. More details on the Generation One Trade-In Option can be found
6 in Exhibit 1A.

7 **5.4. Lease Termination Option.** Eligible Lessees who have an active lease of a
8 Generation One Eligible Vehicle can terminate their leases with no penalty for early termination
9 and receive Lessee Restitution. More details on the Generation One Lease Termination Option
10 can be found in Exhibit 1A.

11 **5.5. Reduced Emissions Modification Option.** As set forth more fully in Appendix B
12 to the DOJ 3.0-liter Consent Decree, Volkswagen may apply for, and, if approved by the EPA
13 and CARB, may offer to Eligible Owners and Lessees a Reduced Emissions Modification
14 (referred to in Appendix B as an Approved Emissions Modification). The EPA and CARB will
15 either approve or disapprove an Emissions Modification for each group of engines depending on
16 certain factors, such as the effect of the proposed Emissions Modification on the vehicles'
17 emissions levels, On Board Diagnostic ("OBD") system requirements, and durability, as more
18 fully described in Appendix B to the DOJ 3.0-liter Consent Decree. The expected timeline for
19 Volkswagen to submit proposed Emissions Modifications for Generation One vehicles is set forth
20 in the DOJ 3.0-liter Consent Decree. It is possible that the EPA and CARB could approve
21 Emissions Modifications for some Generation One vehicles, but not for others. If the EPA and
22 CARB do not approve a proposed Emissions Modification for a particular make, model, and
23 model year of Generation One vehicle, a Reduced Emissions Modification Option will not be
24 available to Eligible Owners of those Eligible Vehicles. If no Reduced Emissions Modification
25 becomes available for a particular Eligible Vehicle, the Eligible Owner of that vehicle who
26 currently owns the vehicle will be informed that they remain eligible for a Buyback or Trade-In,
27 or may opt out of the 3.0-liter Class Action Settlement from August 1, 2018 to September 1,
28 2018. Eligible Owners of Generation One Eligible Vehicles that receive Approved Emissions

1 Modifications also will receive Owner Restitution, as described in Exhibit 1A.

2 **5.6. Owner Restitution.** Eligible Owners of Generation One vehicles will be entitled
3 to Owner Restitution in addition to a Buyback, a Trade-In, or, if available, an Approved
4 Emissions Modification, as set forth in Exhibit 1A. For Eligible Owners who acquired a used
5 Generation One Eligible Vehicle after September 18, 2015, if (i) one or more Eligible Former
6 Owners timely file a valid and complete claim related to the same vehicle, or (ii) the Eligible
7 Vehicle was previously leased by someone other than the Eligible Owner and an Eligible Lessee
8 or Eligible Former Lessee timely files a valid and complete claim, then Owner Restitution will be
9 half the amount the Eligible Owner would have received if he, she, or it had acquired the vehicle
10 new or on or before September 18, 2015. In all cases, the Buyback Amount shall exceed the
11 Retail Replacement Value as defined in the DOJ 3.0-liter Consent Decree. For Eligible Owners
12 with a Loan Obligation, some or all of each Eligible Owners' Buyback Amount (including the
13 Owner Restitution) will be paid directly to that Eligible Owner's lender(s) to satisfy the Loan
14 Obligation. Subject to the conditions described in more detail in Exhibit 1A, Eligible Owners
15 who choose the Buyback Option or Trade-In Option will be eligible for Loan Forgiveness.
16 Eligible Owners whose Eligible Vehicles (i) are damaged after January 31, 2017 and on or before
17 the end of the Claim Submission Deadline in a manner that renders them a total loss (*i.e.*,
18 "totaled"), and (ii) are transferred to an insurance company or otherwise permanently removed
19 from commerce, will receive only Owner Restitution. Full details on calculating Owner
20 Restitution for Generation One vehicles can be found in paragraph 8 of Exhibit 1A.

21 **5.7. Lessee Restitution.** Eligible Lessees and Eligible Former Lessees are entitled to
22 Lessee Restitution. Eligible Lessees who own their vehicle will be entitled to an Approved
23 Emissions Modification, if available, and Lessee Restitution. Full details on calculating Lessee
24 Restitution for Generation One vehicles can be found in paragraph 9 of Exhibit 1A.

25 **5.8. Eligible Former Owner Restitution.** Former Eligible Owners—who owned their
26 vehicle on September 18, 2015 and/or November 2, 2015, and who sold the vehicle at any point
27 on or before January 31, 2017—will be entitled to a Former Owner Restitution payment. There
28 can be no more than two Eligible Former Owners for any given Eligible Vehicle. If only one

1 Eligible Former Owner for a vehicle timely files a valid Claim, the Restitution amount for that
2 Eligible Former Owner will be approximately equal to half (50%) the Owner Restitution for that
3 same vehicle if there were no Eligible Former Owner. If two Eligible Former Owners for a
4 vehicle timely file a valid Claim, the Restitution amount for each Eligible Former Owner will be
5 approximately equal to one quarter (25%) the Owner Restitution for that same vehicle if there
6 were no Eligible Former Owner. Former owners whose Eligible Vehicles (i) are damaged
7 between September 18, 2015 and January 31, 2017 in a manner that renders them a total loss (*i.e.*,
8 “totaled”), and (ii) are transferred to an insurance company or otherwise sold and permanently
9 removed from commerce shall be treated as Eligible Former Owners and offered Eligible Former
10 Owner Restitution. To obtain a Restitution Payment, Eligible Former Owners must register
11 before the Eligible Former Owner Identification Deadline. Full details on Former Owner
12 Restitution for Generation One vehicles can be found in Exhibit 1A.

13 **6. GENERATION TWO COMPENSATION AND REMEDIES**

14 **6.1. Overview of Generation Two Benefits.** The benefits available to a Class
15 Member who owns, owned, leases, or leased a Generation Two Eligible Vehicle, and who does
16 not opt out of the Class, depend on whether Volkswagen and/or Porsche, as applicable, timely
17 make available an Approved Emissions Modification that meets the Certified Exhaust Emissions
18 Standards set forth in the DOJ 3.0-liter Consent Decree (an “Emissions Compliant Repair”). If an
19 Emissions Compliant Repair of a Sub-Generation or part of a Sub-Generation of Generation Two
20 vehicles is timely available, Eligible Owners, Eligible Lessees, Eligible Former Owners, and
21 Eligible Former Lessees of those vehicles will be offered an Emissions Compliant Repair
22 Payment and, if applicable, an Emissions Compliant Repair. If an Emissions Compliant Repair
23 for a subset of Generation Two vehicles is *not* timely available, then Eligible Owners, Eligible
24 Lessees, Eligible Former Owners, and Eligible Former Lessees of *those* vehicles will be offered
25 the Generation Two contingent benefits described in Section 6.7 below.

26 **6.2. Timeline for Emissions Compliant Repair.** An Emissions Compliant Repair
27 will be considered timely if it is approved (i) on or before the Decision Date for the Sub-
28 Generation to which that Eligible Vehicle belongs, (ii) on or before any subsequent date set by the

1 Court, or (iii) during any 30-day extension period (of which there may be up to three) for which
 2 Volkswagen agrees to make an Extension Payment, described below. The Decision Dates for an
 3 Emissions Compliant Repair for each Sub-Generation of Generation Two vehicles are as follows:

Sub-Generation	Decision Date for the Emissions Compliant Repair
2.1 SUV	November 8, 2017
2.2 SUV	October 23, 2017
2 PC	December 20, 2017

4
 5
 6
 7
 8
 9
 10 6.3. **Extension of the Decision Date.** If, after the relevant decision date for a
 11 particular generation, the EPA and CARB have not rendered a final decision, Plaintiffs will have
 12 the right to move the Court to require Volkswagen to offer the option of a Buyback for the
 13 specific Sub-Generation (or part of a Sub-Generation) for which a final decision has not been
 14 rendered by the deadline, on the basis that good cause does not exist to delay offering the
 15 Buyback Option. Within 15 days of that motion, unless the Parties agree to a longer period, the
 16 Parties will fully brief and argue whether good cause exists for offering the option of the Buyback
 17 and whether some additional time should be permitted before the option of a Buyback is ordered.
 18 The Court will determine whether to allow testimony at the hearing, and no discovery will be
 19 allowed unless ordered by the Court. The Court's decision on whether good cause exists for
 20 further delay in offering the option of a full Buyback will be final and not appealable. If the
 21 Court rules that good cause exists to delay offering the Buyback Option, the new Decision Date
 22 for the Emissions Compliant Repair shall be the date set by the Court.

23 6.4. **Extension Payments.** If, after the Decision Date for a particular Sub-Generation
 24 has passed, Volkswagen and/or Porsche, as applicable, have not yet obtained approval from EPA
 25 and CARB for that Sub-Generation or any part thereof, and the Court, on motion by Plaintiffs,
 26 rules that good cause does not exist to delay offering the Buyback Option for the Sub-Generation
 27 or part thereof for which approval has not been obtained, then Volkswagen may extend the
 28 Decision Date for that Sub-Generation or part thereof for a maximum of 90 days from the date the

1 Court issues its ruling on Plaintiffs' motion in order to gain additional time to obtain an approval.
2 For each 30-day extension period, Volkswagen must pay an "Extension Payment" of \$500 for
3 each Eligible Vehicle of that Sub-Generation or part thereof that is owned or leased when that 30-
4 day extension period begins. If an Emissions Compliant Repair becomes available at any point
5 within a 30-day extension period, Volkswagen shall be responsible for the full Extension
6 Payment for that 30-day extension period. For avoidance of doubt, an Emissions Compliant
7 Repair shall be considered timely if it becomes available during an extension period for which an
8 Extension Payment will be made.

9 **6.5. Timing of Extension Payments.** An Extension Payment will be payable, if at all,
10 to the Eligible Owner in possession of the Eligible Vehicle at the time he, she, or it is due any
11 remaining Owner Repair Payment or Owner Restitution not paid as part of an Initial Repair
12 Payment. An Extension Payment will be payable, if at all, to the Eligible Lessee of an Eligible
13 Vehicle at the time he, she, or it is due any remaining Lessee Repair Payment or Lessee
14 Restitution not paid as part of an Repair Participation Payment. Eligible Former Owners are not
15 entitled to Extension Payments. Eligible Former Lessees who did not own or lease an Eligible
16 Vehicle at the time the obligation to pay an Extension Payment for a 30-day extension period
17 accrued are not entitled to an Extension Payment for that 30-day extension period. Extension
18 Payments, if any, will be in addition to, and cannot be used to offset, any other amount owed to
19 Class Members by Volkswagen.

20 **6.6. Emissions Compliant Repair Program for Generation Two**

21 **6.6.1. Emissions Compliant Repair.** If an Emissions Compliant Repair is
22 timely made available for a particular Sub-generation or part of a Sub-
23 Generation of Generation Two vehicles, as listed above in the definition
24 for Eligible Vehicle, Eligible Owners and Eligible Lessees who own or
25 lease an Eligible Vehicle belonging to that Generation or part thereof will
26 receive an Emissions Compliant Repair. The Emissions Compliant
27 Repair will bring the vehicle in compliance with the Certified Exhaust
28 Emissions Standards set forth in the DOJ 3.0-liter Consent Decree. Class

1 Members whose vehicles are repaired, and who do not exclude
2 themselves from the 3.0-liter Class Action Settlement, will also receive a
3 Repair Payment, described below and in paragraph 3 of Exhibit 1B.

4 6.6.2. **Owner Repair Payment.** Eligible Owners of Generation Two vehicles
5 are entitled to an Owner Repair Payment. For Eligible Owners who
6 acquired a used Generation Two Eligible Vehicle after September 18,
7 2015, the Owner Repair Payment will be a lesser amount if (i) one or
8 more Eligible Former Owners timely file a valid and complete claim
9 related to the same vehicle, or (ii) the Eligible Vehicle was previously
10 leased by someone other than the Eligible Owner and an Eligible Lessee
11 or Eligible Former Lessee timely files a valid and complete claim. If an
12 Eligible Former Owner timely files a valid and complete claim, then the
13 Owner Repair Payment shall be half the amount it would have been if the
14 Eligible Owner had acquired the vehicle by September 18, 2015. If an
15 Eligible Former Lessee timely files a valid and complete claim, the
16 Owner Repair Payment shall be \$2,000 less than it would have been if the
17 Eligible Owner had acquired the vehicle by September 18, 2015. Class
18 Members whose vehicles (i) are damaged after January 31, 2017 in a
19 manner that renders them a total loss (*i.e.*, “totaled”), and (ii) are
20 transferred to an insurance company or otherwise permanently removed
21 from commerce, and who otherwise qualify as Eligible Owners, shall be
22 offered an Owner Repair Payment, but not an Emissions Compliant
23 Repair. Full details on Owner Repair Payments for Generation Two
24 vehicles can be found in paragraph 8 of Exhibit 1B.

25 6.6.3. **Former Owner Repair Payment.** Eligible Former Owners who owned
26 their vehicle on September 18, 2015 and/or November 2, 2015, and who
27 then sold the vehicle at any point on or before January 31, 2017 will be
28 entitled to a Former Owner Repair Payment. There can be no more than

1 two Eligible Former Owners for any given Eligible Vehicle. If only one
2 Eligible Former Owner for a vehicle timely files a valid Claim, the
3 Eligible Former Owner will receive a Former Owner Repair Payment
4 equal to half (50%) of the Owner Repair Payment amount for that vehicle
5 that would be due if no Eligible Former Owners or Eligible Former
6 Lessees came forward. If two Eligible Former Owners for a vehicle
7 timely file a valid Claim, each Eligible Former Owner will receive a
8 Former Owner Repair Payment equal to one quarter (25%) of the Owner
9 Repair Payment amount for that vehicle that would be due if no Eligible
10 Former Owners or Eligible Former Lessees came forward. Former
11 owners whose Eligible Vehicles (i) are damaged between September 18,
12 2015 and January 31, 2017 in a manner that renders them a total loss (*i.e.*,
13 “totaled”), and (ii) are transferred to an insurance company or otherwise
14 sold and permanently removed from commerce shall be treated as
15 Eligible Former Owners and offered a Former Owner Repair Payment.
16 To obtain a Former Owner Repair Payment, Eligible Former Owners
17 must register before the Eligible Former Owner Identification Deadline of
18 May 1, 2017. Full details on Former Owner Repair Payments for
19 Generation Two vehicles can be found in paragraph 10 of Exhibit 1B.

20 6.6.4. **Lessee Repair Payment.** Eligible Lessees and Eligible Former Lessees
21 will be entitled to a Lessee Repair Payment of \$2,000 as further detailed
22 in paragraph 9 of Exhibit 1B.

23 6.6.5. **Timing of Emissions Compliant Repair Payments.** Upon Final
24 Approval of the 3.0-liter Class Action Settlement, Eligible Owners and
25 Eligible Lessees with active leases or who own their vehicles may claim,
26 and will be paid, half of the Repair Payment to which they would be
27 entitled for an Emissions Compliant Repair. The Claims Process to claim
28 these Repair Participation Payments is set forth in paragraph 8 of Exhibit

1 1B and paragraph 5 of Exhibit 4B. The remaining amount of a Lessee
2 Repair Payment will be paid to an Eligible Lessee when the vehicle
3 receives the Emissions Compliant Repair or is surrendered at the
4 conclusion of the lease as set forth in paragraph 8(i) of Exhibit 1B. The
5 remaining amount of an Owner Repair Payment will be paid to an
6 Eligible Owner, who may not be the Eligible Owner who received the
7 Repair Participation Payment, when the vehicle receives the Emissions
8 Compliant Repair or when the Eligible Owner provides proof that the
9 vehicle (i) was damaged after January 31, 2017 in a manner that renders
10 them a total loss (*i.e.*, “totaled”), and (ii) was transferred to an insurance
11 company or otherwise permanently removed from commerce, as set forth
12 in paragraph 9(i) of Exhibit 1B. If the Repair Participation Payment is
13 not claimed, the full Emissions Compliant Repair Payment will be paid to
14 the Eligible Owner or the Eligible Lessee when the vehicle is repaired.
15 Any Repair Participation Payment amount will be credited toward (*i.e.*,
16 will be offset against and will not be in addition to) the total relief to
17 which the Class member ultimately is entitled under the 3.0-liter Class
18 Action Settlement, including any amount owed for a Buyback or Trade-
19 In. Eligible Former Owners, Eligible Lessees who no longer own or lease
20 an Eligible Vehicle, and Eligible Former Lessees may obtain their full
21 Emissions Compliant Repair Payment regardless of whether an Emissions
22 Compliant Repair is available.

23 **6.7. Generation Two Contingent Benefits: Repair Is Not Timely Available**

24 **6.7.1. Availability of Contingent Benefits.** The Generation Two benefits
25 described in this Section 6.7 will only become available for any subset of
26 Generation Two vehicles for which an Emissions Compliant Repair is not
27 timely available as explained in paragraph 6.1 above. If an Emissions
28 Compliant Repair *is* timely available for a particular Generation Two

1 vehicle, the benefits available are those described in Section 6.6 above. If
2 an Emissions Compliant Repair is *not* timely available for any subset of
3 Generation Two vehicles: Eligible Owners of those vehicles will be
4 offered a restitution payment and a choice of a Buyback, a Trade-In, or, if
5 available, an Approved Emissions Modification. Eligible Lessees of
6 those vehicles will be offered a restitution payment and a choice of a
7 Lease Termination (if they have an active lease) or, if available, an
8 Approved Emissions Modification (if they have an active lease or own
9 the vehicle). Eligible Former Owners, Eligible Former Lessees, and
10 Eligible Lessees who no longer lease (and do not own) the Eligible
11 Vehicle will be offered a restitution payment.

12 6.7.2. **Buyback Option by Sub-Generation or Part Thereof.** For the
13 avoidance of doubt, the availability of the Buyback Option and other
14 benefits described in Section 6.7 for each Sub-Generation (or part
15 thereof) of Generation Two Vehicles (2.1, 2.2, 2 PC) will be independent
16 of the availability of those benefits, if any, for any other Sub-Generation
17 (or part thereof). In other words, the fact that Volkswagen must offer a
18 Buyback Option for one Sub-Generation (or part thereof) does not mean
19 that Buybacks must also be offered for any other Sub-Generation (or part
20 thereof). The obligation to offer a Buyback for each Sub-Generation (or
21 part thereof) will be triggered independently for that Sub-Generation (or
22 part thereof), if at all, in accordance with the procedures set forth in
23 Section 6.3.

24 6.7.3. **Generation Two Buyback Option (If Available).** Eligible Owners of
25 Generation Two vehicles for which an Emissions Compliant Repair is not
26 timely available can choose to sell their vehicle to Volkswagen in a
27 Buyback and receive a Buyback payment that consists of Vehicle Value
28 plus Owner Restitution (together, the “Buyback Amount”), as described

1 in Exhibit 1A. For Eligible Owners with a Loan Obligation, some or all
2 of each Eligible Owners' Buyback Amount (including the Owner
3 Restitution) will be paid directly to that Eligible Owner's lender(s) to
4 satisfy the Loan Obligation. As permitted under Section 3.1 of Appendix
5 A-1 to the DOJ 3.0-liter Consent Decree, the Parties agree that
6 Volkswagen will not buy back any vehicle under the 3.0-liter Class
7 Action Agreement or FTC 3.0-liter Consent Order without paying the
8 Buyback Amount and receiving a Release, as described in Section 12 of
9 the 3.0-liter Class Action Agreement.

10 6.7.4. **Generation Two Trade-In Option (If Available).** Eligible Owners of
11 Generation Two vehicles for which an Emissions Compliant Repair is not
12 timely available can choose to trade-in their vehicle at a participating
13 Volkswagen, Audi, or Porsche Authorized Dealer, as applicable, in a
14 Trade-In and receive a Trade-In Credit. The Trade-In Credit amount will
15 be equal to the Buyback Amount to which that Eligible Owner would be
16 entitled in a Buyback. All Trade-Ins of a Volkswagen must be at a
17 Volkswagen Authorized Dealer, all Trade-Ins of an Audi must be at an
18 Audi Authorized Dealer, and all Trade-Ins of a Porsche must be at a
19 Porsche Authorized Dealer. Owners selecting the Trade-In Option will
20 be required to submit a valid and complete claim and, upon receiving an
21 offer, schedule an appointment to trade in their vehicles. In the event that
22 the Trade-In Credit exceeds the value of the vehicle acquired through the
23 Trade-In, the Eligible Owner will be entitled to the difference between
24 the transaction price and the Trade-In Credit, in whatever form is
25 negotiated between the Class Member and the Authorized Dealer,
26 including, but not limited to, a check for the remaining amount. Neither
27 the PSC nor Defendants and their counsel are providing any opinion or
28 advice as to the tax consequences or liabilities of Class Members as a

1 result of any payments or benefits under this Settlement. Class Members
2 should consult a tax professional to assess the specific tax implications of
3 choosing the Trade-In Option. More details on the Generation Two
4 Trade-In Option can be found in Exhibit 1B.

5 6.7.5. **Loan Forgiveness.** Subject to the conditions described in more detail in
6 paragraphs 27 and 29 of Exhibit 1B, Eligible Owners who choose the
7 Buyback Option or Trade-In Option will be eligible for Loan
8 Forgiveness.

9 6.7.6. **Generation Two Lease Termination (If Available).** Eligible Lessees
10 with active leases of vehicles for which an Emissions Compliant Repair is
11 not timely available can choose to terminate their leases with no penalty
12 for early termination and receive Lessee Restitution. More details on the
13 Generation Two Lease Termination Option can be found in Exhibit 1B.

14 6.7.7. **Generation Two Approved Emissions Modification Option (If**
15 **Available).** Even if Volkswagen and/or Porsche does not make an
16 Emissions Compliant Repair for a subset of Generation Two vehicles
17 timely available, Volkswagen may still apply for, and the EPA and
18 CARB may still approve, an untimely Emissions Compliant Repair or a
19 Reduced Emissions Modification for those vehicles, as set forth more
20 fully in Appendix B to the DOJ 3.0-liter Consent Decree. The EPA and
21 CARB will either approve or disapprove an Emissions Modification for
22 each group of engines depending on certain factors, such as the effect of
23 the proposed Emissions Modification on the vehicles' emissions levels,
24 On Board Diagnostic ("OBD") system requirements, and durability, as
25 more fully described in Appendix B to the DOJ 3.0-liter Consent Decree.
26 A Reduced Emissions Modification would reduce the vehicles' emissions
27 to a level approved by the EPA and CARB, but might not meet the
28 original Certified Exhaust Emissions Standards. Those levels are more

1 fully set out in Appendix B-1 to the DOJ 3.0-liter Consent Decree. If the
2 EPA and CARB do not approve a proposed Emissions Modification for a
3 subset of Eligible Generation Two Eligible Vehicles, the Approved
4 Emissions Modification Option will not be available to Eligible Owners
5 of those Generation Two Eligible Vehicles. If no Approved Emissions
6 Modification becomes available, Eligible Owners of Generation Two
7 vehicles who own that Generation Two Eligible Vehicle at that time will
8 be informed that they remain eligible for a Buyback or Trade-In, or may
9 withdraw from (opt out of) the 3.0-liter Class Settlement between August
10 1, 2018 and September 1, 2018. If a Class Member previously received a
11 Repair Participation Payment, that amount will need to be returned to
12 Volkswagen in order to withdraw from the 3.0-liter Class Action
13 Settlement during this period as described in paragraph 9.2. Class
14 Members whose vehicles receive an Approved Emissions Modification
15 pursuant to this provision will also receive Owner Restitution.

16 6.7.8. **Generation Two Owner Restitution (If Available).** Eligible Owners of
17 Generation Two vehicles for which an Emissions Compliant Repair is not
18 timely available will be entitled to Owner Restitution in addition to a
19 Buyback, Trade-In, or, if available, Approved Emissions Modification, as
20 set forth in Exhibit 1B. For Eligible Owners who acquired a used
21 Generation Two Eligible Vehicle after September 18, 2015, if (i) one or
22 more Eligible Former Owners timely file a valid claim related to the same
23 vehicle, or (ii) the Eligible Vehicle was previously leased by someone
24 other than the Eligible Owner and an Eligible Former Lessee timely files
25 a valid claim, then Owner Restitution will be half the amount the Eligible
26 Owner would have received if he, she, or it had acquired the vehicle new
27 or before September 18, 2015. In all cases, the Buyback Amount shall
28 exceed the Retail Replacement Value as defined in the DOJ 3.0-liter

1 Consent Decree. For Eligible Owners with a Loan Obligation, some or
2 all of each Eligible Owners' Buyback Amount (including the Owner
3 Restitution) will be paid directly to that Eligible Owner's lender(s) to
4 satisfy the Loan Obligation. Subject to the conditions described in more
5 detail in Exhibit 1B, Eligible Owners who choose the Buyback Option or
6 Trade-In Option will be eligible for Loan Forgiveness. Eligible Owners
7 whose Eligible Vehicles (i) are damaged after January 31, 2017 and on or
8 before the end of the Claim Submission Deadline in a manner that renders
9 them a total loss (*i.e.*, "totaled"), and (ii) are transferred to an insurance
10 company or otherwise permanently removed from commerce, will receive
11 only Owner Restitution. Full details on calculating Owner Restitution for
12 Generation Two vehicles can be found in paragraph 13 of Exhibit 1B.

13 6.7.9. **Generation Two Lessee Restitution (If Available).** Eligible Lessees
14 and Eligible Former Lessees are entitled to Lessee Restitution. Eligible
15 Lessees who have an active lease on or own the Eligible Vehicle will be
16 entitled to an Approved Emissions Modification, if available, and Lessee
17 Restitution. Full details on calculating Lessee Restitution for Generation
18 Two vehicles can be found in paragraph 14 of Exhibit 1B.

19 6.7.10. **Generation Two Former Owner Restitution (If Available).** Eligible
20 Former Owners of Generation Two vehicles for which an Emissions
21 Compliant Repair is not timely available—who owned their vehicle on
22 September 18, 2015 and/or November 2, 2015, and who then sold the
23 vehicle at any point on or before January 31, 2017—will be entitled to a
24 Former Owner Restitution payment. There can be no more than two
25 Eligible Former Owners for any given Eligible Vehicle. If only one
26 Eligible Former Owner for a vehicle timely files a valid and complete
27 Claim, the Restitution amount for that Eligible Former Owner will be
28 approximately equal to half (50%) Owner Restitution for that same

1 vehicle if there were no Eligible Former Owner. If two Eligible Former
2 Owners for a vehicle timely file a valid and complete Claim, the
3 Restitution amount for each Eligible Former Owner will be
4 approximately equal to one quarter (25%) of the Owner Restitution for
5 that same vehicle if there were no Eligible Former Owner. Former
6 owners whose Eligible Vehicles (i) are damaged between September 18,
7 2015 and January 31, 2017 in a manner that renders them a total loss (*i.e.*,
8 “totaled”), and (ii) are transferred to an insurance company or otherwise
9 sold and permanently removed from commerce shall be treated as
10 Eligible Former Owners and offered Eligible Former Owner Restitution.
11 To obtain Restitution, Eligible Former Owners of Generation Two
12 vehicles must register before the Eligible Former Owner Identification
13 Deadline. Full details on Former Owner Restitution for Generation Two
14 vehicles can be found in paragraph 15 of Exhibit 1B.

15 6.7.11. **Additional Benefits for Generation Two Owners and Lessees (If**
16 **Available).** If an Emissions Compliant Repair is not timely available for
17 any particular Sub-Generation of Generation Two Eligible Vehicles,
18 those Eligible Vehicles are entitled to one AdBlue refill and one oil
19 change (including engine oil, engine oil filter, and associated labor) free
20 of charge at a participating Authorized Dealer after the Class Member
21 receives an offer and before the Buyback, Trade-In, Approved Emissions
22 Modification, or Lease Termination takes place. The AdBlue refill and
23 oil change will be available only at an Authorized Dealer of the same
24 brand as the Eligible Vehicle.

25 7. OTHER PROVISIONS

26 7.1. **Incorporated Warranties.** The Parties incorporate all warranties and Lemon
27 Law provisions contained in the DOJ 3.0-liter Consent Decree as material terms of this 3.0-liter
28 Class Action Settlement.

1 7.2. **Class Bridge Warranty During Delay.** For Eligible Owners and Eligible
2 Lessees with Generation Two Eligible Vehicles (i) whose original New Vehicle Limited
3 Warranty and/or Powertrain Limited Warranty expired/expires prior to the timely availability of
4 an Emissions Compliant Repair as outlined in Section A and paragraph 3 of Exhibit 1B, and (ii)
5 which are not covered by any other applicable warranty and/or service contract (provided through
6 Volkswagen, Porsche, or any third-party), Volkswagen agrees to provide a Class Bridge Warranty
7 providing coverage and terms mirroring the coverage previously provided by the expired New
8 Vehicle Limited Warranty or Powertrain Limited Warranty. The Class Bridge Warranty shall
9 exclusively apply to covered repairs performed by an Authorized Dealer based on conditions that
10 arose between (a) January 31, 2017, or the expiration date of the New Vehicle Limited Warranty
11 or Powertrain Limited Warranty, whichever is later, and (b) the date that an Emissions Compliant
12 Repair is approved or denied pursuant to Appendix B to the DOJ 3.0-liter Consent Decree. For
13 avoidance of doubt, the benefits set forth in this provision are available only to Class Members
14 who do not opt out. Individuals who opt out of the 3.0-liter Class Action Settlement will not be
15 eligible for the Class Bridge Warranty and will be responsible for payment for any repairs
16 performed by an Authorized Dealer that is not covered by another warranty and/or service
17 contract.

18 7.3. **Approved Emissions Modification Disclosure.** As set forth in Appendix B to
19 the DOJ 3.0-liter Consent Decree, upon approval of each proposed Emission Modification,
20 Volkswagen and/or Porsche, as applicable, shall provide Eligible Owners, Eligible Lessees, and,
21 as applicable, prospective purchasers of Generation One and Two vehicles with a clear and
22 accurate written disclosure as approved in the sole discretion of the EPA and CARB (the
23 “Approved Emissions Modification Disclosure”) regarding the impacts of any Approved
24 Emissions Modification on an Eligible Vehicle. The Approved Emissions Modification
25 Disclosure shall also be made available online by Volkswagen through the Settlement Website,
26 which will, among other things, display the Approved Emissions Modification Disclosure
27 applicable to a specific vehicle when a user inputs the Vehicle Identification Number (“VIN”).
28 This online access shall continue for a minimum of ten (10) years after the DOJ 3.0-liter Consent

1 Decree is entered. As described more fully in Appendix B to the DOJ 3.0-liter Consent Decree,
2 the Approved Emissions Modification Disclosure will describe in plain language: (1) the
3 Approved Emissions Modification generally; (2) all software changes; (3) all hardware changes;
4 (4) a clear explanation of each subsequent service action required by the Approved Emissions
5 Modification, if any; (5) any and all reasonably predictable changes resulting from the Approved
6 Emissions Modification, including but not limited to changes to reliability, durability, fuel
7 economy, noise vibration, vehicle performance, drivability and any other vehicle attributes that
8 may reasonably be important to vehicle owners; (6) a basic summary of how Eligible Owners and
9 Eligible Lessees can obtain the Approved Emissions Modification; (7) system limitations that
10 make identification and repair of any components difficult or even impossible, compromise
11 warranty coverage, or may reduce the effectiveness of inspection and maintenance program
12 vehicle inspections; and (8) any other disclosures required under the terms of the DOJ 3.0-liter
13 Consent Decree. This Approved Emissions Modification Disclosure, and a description of the
14 Approved Emissions Extended Warranty, will be part of the VW Class Update that is defined in
15 Section 2.

16 **7.4. Extended Vehicle Warranties and Vehicle Service Contracts or Plans.** As set
17 forth in more detail in Exhibits 1A and 1B, Volkswagen will offer to refund to Eligible Owners
18 selecting a Buyback any unused and otherwise nonrefundable portion of the purchase price of
19 extended vehicle warranties and/or vehicle service contracts or plans purchased from Authorized
20 Dealers, including any termination fees, provided that the contract was purchased prior to January
21 31, 2017. The refund, if any, shall be prorated to account for any unused months (if the warranty
22 or service contract or plan is time-based), service/maintenance events (if the warranty or service
23 contract or plan is based on service events), and/or mileage (if the warranty or service contract or
24 plan is mileage-based), as applicable.

25 **7.5. Reduced Performance.** Defendants represent that the Emissions Compliant
26 Repair shall not result in "Reduced Performance." In the event that the Emissions Compliant
27 Repair causes Reduced Performance of the Eligible Vehicle, Volkswagen shall make an
28 additional payment of \$500 for each affected Eligible Vehicle. For purposes of this section,

1 Reduced Performance means a change in any of the following performance attributes: (1) a
2 reduction in calculated fuel economy using the EPA formula of more than 3 MPG; (2) a decrease
3 of greater than 5% in peak horsepower; or (3) a decrease of greater than 5% in peak torque. The
4 performance impacts shall be measured by Volkswagen pursuant to industry standards in
5 connection with its submission of an Emissions Modification Proposal to the EPA and CARB,
6 and, upon final approval of such Emissions Modification Proposal, Defendants shall disclose any
7 impact to these performance attributes in the VW Class Update pursuant to paragraph 2.96 of the
8 3.0-liter Class Action Settlement. In the event that the Emissions Compliant Repair causes a
9 substantial, material adverse degradation above and beyond the Reduced Performance levels
10 specified above, Plaintiffs reserve their right to seek, and Defendants reserve their right to oppose,
11 additional remedies through motion to the Court.

12 **7.6. No Prohibition on Other Incentives.** Nothing in this 3.0-liter Class Action
13 Agreement is intended to prohibit Volkswagen or Porsche from offering any consumer any
14 further incentives or trade-in options in addition to those provided herein; however, Defendants
15 may not offer consumers other incentives or trade-in options in lieu of the options contained
16 herein, in whole or in part, or any incentive not to participate in the 3.0-liter Class Action
17 Settlement Program. Likewise, Defendants shall request that Authorized Dealers not offer any
18 incentive not to participate in the 3.0-liter Class Action Settlement Program.

19 **7.7. Disposition of Returned Vehicles.** As set forth more fully in Appendix A to the
20 DOJ 3.0-liter Consent Decree, Eligible Vehicles bought back by or returned to Defendants must
21 be rendered inoperable by removing the vehicles' Engine Control Unit and may be, to the extent
22 possible, recycled to the extent permitted by law. No such Eligible Vehicle that is rendered
23 inoperable may subsequently be rendered operable until it has first received an Approved
24 Emissions Modification. After modifying a bought-back or returned Eligible Vehicle in
25 accordance with an Approved Emissions Modification, Defendants may then elect to (i) resell the
26 bought-back or returned Eligible Vehicles in the United States, if properly labeled to disclose the
27 Approved Emissions Modification, or (ii) export the bought-back or returned Eligible Vehicles.

28 **7.8. Telephone Call Center.** Volkswagen shall establish a telephone call center to

1 address Class Member inquiries. The Parties will agree as to what information will be provided
2 by the Telephone Call Center to inquiring Class Members.

3 7.9. **No Attorneys' Fees or Costs.** To the extent Volkswagen elects or is ordered to
4 pay private attorneys' fees or costs, Volkswagen will not receive credit for such payments against
5 obligations to Class Members under this 3.0-liter Class Action Agreement and the Final 3.0-liter
6 Approval Order. Defendants reserve the right to challenge attorneys' fees or costs to the extent
7 the request for an award of fees and costs exceeds the fees and costs that Volkswagen has agreed
8 to pay.

9 7.10. **No Double Compensation.** Once (i) an Eligible Vehicle has received a Reduced
10 Emissions Modification or Emissions Compliant Repair, and (ii) Owner Restitution or an Owner
11 Repair Payment has been paid to the Eligible Owner (and, if applicable, Former Owner
12 Restitution or a Former Owner Repair Payment has been paid to the Eligible Former Owner or
13 Former Owners, or Lessee Restitution or a Lessee Repair Payment has been paid to the Eligible
14 Former Lessee) or Lessee Restitution or a Lessee Repair Payment has been paid to the Eligible
15 Lessee, then Defendants shall not have any obligation to pay any additional restitution (or any
16 Vehicle Value) for that Eligible Vehicle. This applies for all 3.0-liter vehicles.

17 7.11. **Responsibility for Required Payments.** Volkswagen AG shall bear the ultimate
18 responsibility for all required payments on a claims-made basis, as described herein, including
19 any Extension Payments, Emissions Compliant Repair Payments, Repair Participation Payments,
20 and Restitution Payments. The obligations of the 3.0-liter Class Action Agreement apply to, and
21 are binding upon, the Volkswagen Entities and any of Volkswagen's successors, assigns, or other
22 entities or persons otherwise bound by law. The Volkswagen Entities are jointly and severally
23 liable and bear the ultimate responsibility for making all required payments, including, but not
24 limited to, all costs and warranties associated with the Emissions Modification, Emissions
25 Compliant Repair, Lease Termination, and Buyback provisions described herein. Further, the
26 Volkswagen Entities shall be jointly and severally responsible to implement all repair
27 requirements described herein. Any legal successor or assign of the Volkswagen Entities shall
28 assume the Volkswagen Entities' liability and remain jointly and severally liable for the payment

1 and other performance obligations herein. The Volkswagen Entities shall include an agreement
2 to so remain liable in the terms of any sale, acquisition, merger, or other transaction changing the
3 ownership or control of any of its successors or assigns. No change in the ownership or control of
4 any such entity shall affect the obligations herein of the Volkswagen Entities without
5 modification of the 3.0-liter Class Action Agreement. In no event shall Porsche be responsible
6 for any obligation under this Agreement that relates to any non-Porsche vehicles. In the event the
7 Volkswagen Entities are unable to fund any option or benefit required under this Agreement for
8 Porsche Eligible Vehicles, then Porsche shall be responsible, but only with respect to the Porsche
9 Eligible Vehicles, for providing such required payments, options, or benefits relating to the
10 Porsche Eligible Vehicles, including, but not limited to, all costs and warranties associated with
11 the Emissions Compliant Repair, Reduced Emissions Modification, Lease Termination, Buyback,
12 Trade-In, and Reduced Performance provisions, as applicable and as described herein.

13 7.12. **Tax Implications.** Class Members should consult their personal tax advisor for
14 assistance regarding any tax ramifications of this Class Action Settlement. As set forth in greater
15 detail in Neither the PSC nor Defendants and their counsel are providing any opinion or advice as
16 to the tax consequences or liabilities of Class Members as a result of any payments or benefits
17 under this Settlement.

18 7.13. **Deceased, Dissolved, or Bankrupt Claim Members.** Nothing in the 3.0-liter
19 Class Action Agreement shall prevent Class benefits from being provided, upon appropriate
20 proof, to, or for the benefit of, an otherwise eligible Class Member, or that Class Member's estate
21 or legal representative, notwithstanding that Class Member's death, dissolution, or bankruptcy
22 (whether discharged or ongoing), in accordance with applicable law.

23 **8. CLASS CLAIMS PROCESS AND ADMINISTRATION**

24 8.1. **Claims Program.** As described in detail in Exhibits 4A and 4B to this Settlement
25 Agreement, the 3.0-liter Claims Program involves multiple steps depending on a Class Member's
26 status and what type of Eligible Vehicle the Class Member owns, owned, leases or leased. The
27 process for submitting a Claim is designed to be as simple and convenient to Class Members as
28 possible, consistent with the integrity of the Claims Program.

1 8.1.1. **Generation One Vehicles:** The Claims Program for Generation One
2 vehicles generally involves 8 steps. At **Step 1**, based on information they
3 provide to Volkswagen online or by telephone, Class Members will
4 obtain information about the options available to them. Class Members
5 who sold their Eligible Vehicles after September 18, 2015 and on or
6 before January 31, 2017, will need to meet the requirements of Eligible
7 Former Owner Identification by submission of an Eligible Former Owner
8 identification form online or by mail or fax. The Eligible Former Owner
9 Identification Period will last until May 1, 2017. Eligible Former Owners
10 who do not identify themselves during that time period will not be
11 eligible for a Restitution Payment under this 3.0-liter Class Action. At
12 **Step 2**, once a Class Member is ready to proceed with the Claims
13 Process, the Class Member will submit a Claim Form online, by mail, or
14 by fax, that contains certain information about his or her Eligible Vehicle
15 along with required documentation. Eligible Former Owners and Eligible
16 Former Lessees must file a complete and valid Claim within 60 days of
17 the Court's Final 3.0-liter Approval Order in order to receive benefits
18 under this 3.0-liter Class Action Agreement. At **Step 3**, the Class
19 Member's document package and information will be reviewed for
20 completeness. At **Step 4**, for Class Members that have elected a Buyback
21 or Trade-In and who have an outstanding loan against their Eligible
22 Vehicle, Volkswagen will obtain the Class Member's loan payoff
23 information. All other Class Members will proceed immediately from
24 Step 3 to Step 5. At **Step 5**, the Claims Supervisor will verify the Class
25 Member's document package and the Class Member's eligibility or
26 ineligibility to participate in the Class Action Settlement will be
27 determined, and Volkswagen will prepare an offer, which the Claims
28 Supervisor will verify. At **Step 6**, an offer will be made if the Class

1 Member is deemed eligible, and Class Members who own or lease their
2 Eligible Vehicles will receive a voucher for one AdBlue refill and one oil
3 change. At **Step 7**, Class Members will confirm their selection of an
4 offered remedy, accept their offer and schedule an appointment at their
5 preferred Volkswagen or Audi Authorized Dealer (if necessary) and
6 obtain their chosen remedy. At **Step 8**, Class Members that elect a
7 Buyback may submit a claim to a pro-rated refund of the purchase price
8 of an extended vehicle warranty and/or vehicle service plan purchased
9 from an Authorized Volkswagen or Audi Dealer prior to January 31,
10 2017.

11 **8.1.2. Generation Two Vehicles if an Emissions Compliant Repair is Timely**

12 **Available:** The Claims Program for Generation Two vehicles will take
13 place in two parts, and Class Members will be able to obtain a portion of
14 their Repair Payment without having to wait for the Emissions Compliant
15 Repair to become available. At **Step 1**, Class Members will obtain
16 information about the Emissions Compliant Repair. Class Members who
17 sold their Eligible Vehicles after September 18, 2015 but on or before
18 January 31, 2017, will need to meet the requirements of Eligible Former
19 Owner Identification by submission of an Eligible Former Owner
20 identification form online or by mail or fax. The Eligible Former Owner
21 Identification Period will run until May 1, 2017. Eligible Former Owners
22 who do not identify themselves during that time period will not be
23 eligible for a Restitution Payment under this 3.0-liter Class Action. At
24 **Step 2**, the Class Member will submit a Claim Form online, by mail, or
25 by fax, that contains certain information about his or her Eligible Vehicle
26 along with required documentation. Eligible Former Owners and Eligible
27 Former Lessees must file a complete and valid Claim within 60 days of
28 the Court's Final 3.0-liter Approval Order in order to receive benefits

1 under this 3.0-liter Class Action Agreement. At **Step 3**, the Class
2 Member's document package and information will be reviewed for
3 completeness. At **Step 4**, the Claims Supervisor will verify the Class
4 Member's document package, the Class Member's eligibility or
5 ineligibility to participate in the Class Action Settlement will be
6 determined, and Volkswagen will prepare an offer, which the Claims
7 Supervisor will verify. At **Step 5**, Volkswagen will extend an offer to
8 eligible Class Members. Class Members who own or Lease an Eligible
9 Vehicle may accept their offer and schedule an appointment at their
10 preferred Volkswagen, Audi, or Porsche Authorized Dealer to obtain their
11 Repair Participation Payment. At **Step 6**, Volkswagen will inform the
12 Class Members whether an Emissions Compliant Repair has been timely
13 approved. At **Step 7**, if and when an Emissions Compliant Repair
14 becomes available, Class Members will confirm their current contact
15 information and that they still own the Eligible Vehicle and schedule an
16 appointment to receive an Emissions Compliant Repair. At **Step 8**, the
17 Emissions Compliant Repair is performed, and Class Members will
18 receive their remaining restitution (or full restitution if no Repair
19 Participation Payment was previously made for the subject Eligible
20 Vehicle).

21 **8.1.3. Generation Two Vehicles if an Emissions Compliant Repair is *Not***
22 **Timely Available:** If an Emissions Compliant Repair is not timely
23 available, Class Members that still own or lease an Eligible Vehicle will
24 be notified that they may choose a Buyback, Lease Termination, or
25 Reduced Emissions Modification (or untimely Emissions Compliant
26 Repair), if available, instead. Class Members may then follow the steps
27 set forth above for filing a claim and obtaining a Buyback, Lease
28 Termination, or Reduced Emissions Modification (or untimely Emissions

1 Compliant Repair). The claims process will then follow the same
2 timeframes set forth in Paragraph 8.1.1 above.

3 8.2. **Loaner Vehicle.** Volkswagen will provide a loaner vehicle at no cost to the
4 Eligible Owner/Lessee for any Emissions Compliant Repair or Reduced Emissions Modification
5 that is scheduled to take longer than three hours or that is not complete within three hours of the
6 scheduled start of the appointment. Volkswagen shall provide consumers receiving an Emissions
7 Compliant Repair or Reduced Emissions Modification such loaner vehicles at no cost for 24
8 hours after Volkswagen notifies them that the Emissions Compliant Repair or Reduced Emissions
9 Modification is complete. This provision is in addition to the alternative availability of a
10 concierge service (picking up and dropping off of a Class Member's vehicle).

11 8.3. **Claims Supervisor.** Based on information and documents collected from Class
12 Members by Volkswagen, the Claims Supervisor will oversee the implementation and
13 administration of the Claims Process, including validation of Claim eligibility and approval of
14 compensation offers and payments to Class Members. The Claims Supervisor's duties include,
15 but are not limited to (1) receiving and maintaining on behalf of the Court any Class Member
16 correspondence regarding requests for exclusion and/or objections to the Settlement; and (2)
17 forwarding written inquiries to Class Counsel or its designee for a response, if warranted.

18 8.4. **Claims Review Committee.** The Court shall appoint a Claims Review
19 Committee ("CRC") to review contested claims deemed ineligible and appealed by the Claimant.
20 The CRC will include one representative from Volkswagen and one representative from Class
21 Counsel, as well as a Court-appointed "Neutral," who would be called upon only to resolve any
22 disagreements between the CRC's other members, should they arise. It is anticipated that the
23 Parties will be able to resolve most issues, but the availability of a neutral third party appointed
24 by the Court ensures that disputes can be resolved without Court intervention. The Class Counsel
25 Representative on the CRC will have responsibility for handling CRC communication with
26 Claimants and Claimants' counsel. Determinations by the CRC as to ineligible Claims will
27 constitute final determinations. The CRC will be the final decision maker on whether a vehicle
28 submitted for Buyback or Trade-In meets the eligibility requirements and whether it is Operable

1 as defined herein.

2 8.5. **Reporting.** The Claims Supervisor will prepare periodic reports on the progress
3 and status of the Claims Program. The Claims Supervisor shall provide its first report to the
4 Court within one month from the Effective Date and every three months thereafter. The Claims
5 Supervisor shall provide reports to the Parties on a monthly basis. These reports will include
6 information sufficient to allow the Court and the Parties to assess the Claims Program's progress.

7 8.6. **The Court's Ongoing and Exclusive Jurisdiction.** The Court retains the
8 ongoing and exclusive jurisdiction and independent case management authority, as MDL
9 Transferee Judge and under Federal Rule of Civil Procedure 23, regarding the general operation
10 of the Claims Program and those appointed to implement and oversee it.

11 **9. REQUESTS FOR EXCLUSION**

12 9.1. **Manner of Opting Out.** The 3.0-liter Class Notice Program will provide
13 instructions regarding the procedures that must be followed to opt out of the 3.0-liter Class
14 pursuant to Fed. R. Civ. P. 23(c)(2)(B)(v). The Parties agree that, to opt out validly from the
15 Class, a Class Member must personally sign and submit a written request to opt out stating "I
16 wish to exclude myself from the Class in *In re Volkswagen "Clean Diesel" Marketing, Sales*
17 *Practices and Products Liability Litigation*, No. 15-md-2672," (or substantially similar clear and
18 unambiguous language) to the Claims Supervisor on or before the Opt-Out Deadline (postmarked
19 no later than April 14, 2017) at the following address: Opt Out VW Settlement, P.O. Box 57424,
20 Washington, DC 20037. That written request also will contain the Class Member's printed
21 name, address, telephone number, and VIN of the Eligible Vehicle forming the basis of the Class
22 Member's inclusion in the 3.0-liter Class, a statement as to whether the Class Member is an
23 Eligible Owner, Eligible Lessee, or Eligible Former Owner, and the dates of the Class Member's
24 ownership or lease of an Eligible Vehicle. For any Class Member who no longer owns or leases
25 an Eligible Vehicle, evidence that the vehicle was sold or that the lease expired or was terminated
26 also must be provided. The Claims Supervisor will provide copies of all opt-out requests to Lead
27 Class Counsel, Volkswagen's Lead Counsel, and Porsche's Lead Counsel within seven (7) days
28 of the receipt of each such request.

1 9.2. Owners and lessees of Eligible Vehicles for which no Approved Emissions
2 Modification becomes available by August 1, 2018, may withdraw from the Class between
3 August 1, 2018, and September 1, 2018, by providing the same information described in
4 paragraph 9.1 and repaying any Repair Participation Payments received. An owner or lessee who
5 received a Repair Participation Payment must submit with the withdrawal request a valid check or
6 money order payable to VW 2018 OPT OUT FUND, an escrow account administered by the
7 Claims Supervisor, for the full amount of the Repair Participation Payment that he, she, or it
8 received. An opt-out request from a Class Member who fails to submit the Repair Participation
9 Payment refund timely and in full will not be deemed valid. The Claims Supervisor will provide
10 copies of all valid opt-out requests to Lead Class Counsel, Volkswagen's Lead Counsel, and
11 Porsche's Lead Counsel within ten (10) days of the receipt of each such request. Owners and
12 lessees whose requests to withdraw from or opt out of the Class are verified will be listed in an
13 Order of the Court that will be issued at the conclusion of the opt-out verification process. When
14 the Order is issued, the funds in the VW 2018 OPT OUT FUND shall be tendered to Volkswagen.

15 **9.3. Consequences of Failure to Opt Out in a Timely and Proper Manner.** All
16 Class Members who do not timely and properly opt out of the Class will in all respects be bound
17 by all terms of this 3.0-liter Class Action Agreement and the Final 3.0-liter Approval Order upon
18 the Effective Date.

19 **9.4. Opting Out and Objecting Are Mutually Exclusive Options.** Any Class
20 Member who elects to opt out pursuant to this Section may not also object to the Settlement. Any
21 Class Member who elects to object pursuant to Section 10 herein may not also opt out pursuant to
22 this Section.

23 9.5. Because the remedies available to Class Members include a contingent option, if
24 there is no Approved Emissions Modification available for a Class Member's Eligible Vehicle by
25 August 1, 2018, that Eligible Owner or Lessee shall have a second opportunity, from August 1,
26 2018 until September 1, 2018, to withdraw from the 3.0-liter Class Action Agreement, except in
27 the event that the Class Member or the prior owner or lessee of the Eligible Vehicle accepted and
28 retains a Repair Participation Payment, as set forth in Exhibit 1B.

1 **10. OBJECTIONS TO THE SETTLEMENT**

2 10.1. **Manner of Objecting.** The 3.0-liter Class Notice Program will provide
3 instructions regarding the procedures that must be followed to object to the Settlement pursuant to
4 Federal Rule of Civil Procedure 23(e)(5). Provided that a Class Member has not submitted a
5 written request to opt out, as set forth in Section 8, the Class Member may present written
6 objections, if any, explaining why he or she believes the 3.0-liter Class Action Settlement should
7 not be approved by the Court as fair, reasonable, and adequate. No later than such date as is
8 ordered by the Court, a Class Member who wishes to object to any aspect of the 3.0-liter Class
9 Action Settlement must file with the Court, or as the Court otherwise may direct, a written
10 statement of the objection(s). The written statement of objection(s) must include a detailed
11 statement of the Class Member's objection(s), as well as the specific reasons, if any, for each such
12 objection, including any evidence and legal authority the Class Member wishes to bring to the
13 Court's attention. That written statement also will contain the Class Member's printed name,
14 address, telephone number, and VIN of the Eligible Vehicle forming the basis of the Class
15 Member's inclusion in the Class, the dates of the Class Member's ownership or lease of the
16 Eligible Vehicle, a statement as to whether the Class Member is an Eligible Owner, Eligible
17 Lessee, Eligible Former Owner, or Eligible Former Lessee, a statement that the Class Member
18 has reviewed the Class definition and has not opted out of the Class, and any other supporting
19 papers, materials, or briefs the Class Member wishes the Court to consider when reviewing the
20 objection.

21 10.2. **Objecting Through Counsel.** A Class Member may object on his or her own
22 behalf or through a lawyer hired at that Class Member's own expense, provided the Class
23 Member has not submitted a written request to opt out, as set forth in Section 9. The objection
24 must state whether it applies only to the objector, to a specific subset of the Class, or to the entire
25 Class, and also state with specificity the grounds for the objection. Lawyers asserting objections
26 on behalf of Class Members must: (a) file a notice of appearance with the Court by the date set
27 forth in the Preliminary 3.0-liter Approval and Class Certification Order, or as the Court
28 otherwise may direct; (b) file a sworn declaration attesting to his or her representation of each

1 Class Member on whose behalf the objection is being filed or file (in camera) a copy of the
2 contract between that lawyer and each such Class Member; and (c) comply with the procedures
3 described in this Section.

4 **10.3. Intent to Appear at the Fairness Hearing.** A Class Member (or counsel
5 individually representing him or her, if any) seeking to make an appearance at the Fairness
6 Hearing must file with the Court, by the date set forth in the 3.0-liter Preliminary Approval Order,
7 a written notice of his or her intent to appear at the Fairness Hearing, in accordance with the
8 requirements set forth in the Preliminary Approval Order, or by such time and in such manner as
9 the Court may otherwise direct.

10 **10.4. Consequences of Failure to Object in a Timely and Proper Manner.** Unless
11 the Court directs otherwise, any Class Member who fails to comply with the provisions of this
12 Section, will waive and forfeit any and all rights he, she, or it may have to object to the 3.0-liter
13 Class Action Settlement and/or to appear and be heard on said objection at the Fairness Hearing.
14 Failure to object waives a Class Member's right to appeal.

15 **11. DUTIES OF THE NOTICE ADMINISTRATOR**

16 **11.1.** The Notice Administrator shall be responsible for, without limitation: (a) printing,
17 mailing by First-Class U.S. Mail, postage paid, or arranging for the mailing of the Short Form
18 Notice (attached as Exhibit 2); (b) updating Class Member address information prior to mailing
19 using the National Change of Address (NCOA) system; (c) handling returned notice-related mail
20 not delivered to Class Members; (d) attempting to obtain updated address information for any
21 Short Form Notices returned without a forwarding address; (e) responding to requests for Long
22 Form Notice packages; (f) establishing a post-office box for the receipt of any correspondence;
23 (g) responding to requests from Class Counsel and/or Volkswagen's Lead Counsel and/or
24 Porsche's Lead Counsel; (h) assisting in the creation of Notice-related content for the Settlement
25 Websites to which Class Members may refer for information about the Action and the 3.0-liter
26 Class Action Settlement; and (i) otherwise implementing and/or assisting with the dissemination
27 of the notice of the 3.0-liter Class Action Settlement.

28 **11.2.** The Notice Administrator shall be responsible for arranging for the publication of

1 the Publication Notice (attached as Exhibit 2C), establishing Internet banner notifications, and for
2 consulting on other aspects of the 3.0-liter Class Notice Program including, but not limited to,
3 media outreach, including advertisements, in national newspapers, trade publications, and the
4 Internet. The print advertisements will be substantially similar to the Publication Notice. The
5 Claims Supervisor and/or the Notice Administrator shall coordinate to minimize costs in
6 effectuating the terms of this 3.0-liter Class Action Agreement. The Notice Administrator shall
7 submit a projected budget to Class Counsel and Volkswagen on an annual basis and shall not
8 make expenditures that exceed that projected budget by more than eight (8) percent without the
9 prior approval of Class Counsel and Volkswagen.

10 **11.3. Withdrawal Period Notice.** If there is no Approved Emissions Modification
11 available for a Class Member's Eligible Vehicle by June 15, 2018, Volkswagen shall send (or
12 cause to be sent) notice to reasonably identifiable Class Members who have opted to wait for an
13 Approved Emissions Modification or who have not submitted a Claim for a Buyback or Trade-In
14 advising the Class Members that if no Emissions Modification is approved for their vehicle by
15 August 1, 2018, then the Class Member has certain options available, including the opportunity to
16 withdraw from the Class between August 1, 2018 and September 1, 2018 ("Withdrawal Period
17 Notice"). The Withdrawal Period Notice must be sent by no later than July 1, 2018.

18 **11.4. Additional Notices.** At least 180 days prior to the end of the Settlement Benefit
19 Period, Volkswagen shall send (or cause to be sent) to reasonably identifiable Class Members that
20 have not submitted a claim or opted out of the 3.0-liter Class Action Settlement a Volkswagen
21 Class Update containing a Reminder Notice ("Reminder Notice"). The update shall inform such
22 Class Members of the deadlines to file a claim in order to receive benefits pursuant to this Class
23 Action and shall direct them to the 3.0-liter Class Action Website. At least 150 days prior to the
24 end of the Settlement Benefit Period, Volkswagen shall send (or cause to be sent) to those Class
25 Members who have not yet submitted a claim or opted out pursuant to this Settlement Agreement
26 another Reminder Notice. Additionally, Volkswagen will provide the following notice to Class
27 Counsel:
28

1 11.4.1. By the end of the day after it receives EPA and CARB approval of any
2 Reduced Emissions Modification or Emissions Compliant Repair in
3 accordance with Appendix B of the 3.0-liter DOJ Consent Decree,
4 Volkswagen shall notify Class Counsel of said Approved Emissions
5 Modifications informing Class Counsel that there is an Approved
6 Emissions Modification available for a particular Sub-Generation or part
7 thereof of Generation One or Generation Two vehicles. Such notice shall
8 include all notices approved by the EPA and CARB pursuant to Sections
9 3.1.2, 3.2.1, and 3.2.3 of Appendix A to the 3.0-liter DOJ Consent Decree
10 to go to consumers.

11 11.4.2. By the end of the day after it (a) receives a final notice of disapproval of a
12 proposed Reduced Emissions Modification or proposed Emissions
13 Compliant Repair from the EPA or CARB, (b) withdraws any application
14 for a Reduced Emissions Modification or Emissions Compliant Repair, or
15 (c) declines to submit any such application in accordance with Appendix
16 B of the 3.0-liter DOJ Consent Decree, Volkswagen shall notify Class
17 Counsel of that disapproval, withdrawal, or declination. Such notice shall
18 include all notices or disclosures approved by the EPA and CARB
19 pursuant to Section 3 of Appendix A to the 3.0-liter DOJ Consent Decree
20 to go to consumers

21 11.5. Immediately upon Volkswagen (a) receiving a final notice of disapproval of a
22 proposed Reduced Emissions Modification or proposed Emissions Compliant Repair from the
23 EPA or CARB, (b) withdrawing any application for a Reduced Emissions Modification or
24 Emissions Compliant Repair, or (c) declining to submit any such application in accordance with
25 Appendix B of the 3.0-liter DOJ Consent Decree, Volkswagen shall notify Class Counsel of that
26 disapproval, withdrawal, or declination described above that the proposed Reduced Emissions
27 Modification or proposed Emissions Compliant Repair for the affected Eligible Vehicles is not
28 available. Such notice shall include all notices of disclosures approved by the EPA and CARB

1 pursuant to Section 3 of Appendix A to the 3.0-liter DOJ Consent Decree to go to consumers.

2 11.6. All reasonable and necessary costs of the 3.0-liter Class Notice Program, including
3 the VW Class Update, and the fees and costs of the Notice Administrator, shall be borne
4 exclusively by Volkswagen.

5 11.7. Within two (2) days of the issuance of the Preliminary Approval Order and the
6 approval of the Class Notice Program by the Court, Volkswagen shall transfer or pay to the
7 Notice Administrator an amount sufficient to cover the initial costs of the Class Notice Program.

8 11.8. The Notice Administrator may retain one or more persons to assist in the
9 completion of his or her responsibilities.

10 11.9. Defendants shall send to each appropriate state and federal official the materials
11 specified in 28 U.S.C. § 1715 and otherwise comply with its terms. The identities of such
12 officials and the content of the materials shall be mutually agreed to by the Parties.

13 11.10. Not later than ten (10) days before the date of the Fairness Hearing, the Notice
14 Administrator shall file with the Court a list of those persons who have opted out or excluded
15 themselves from the Settlement. The Notice Administrator shall file with the Court the details
16 outlining the scope, method and results of the Class Notice Program.

17 11.11. The Claims Supervisor and the Parties shall promptly after receipt provide copies
18 of any requests for exclusion, objections and/or related correspondence to each other.

19 **12. RELEASE AND WAIVER**

20 12.1. The Parties agree to the following release and waiver (the “Release”), which shall
21 take effect upon entry of the Final 3.0-liter Approval Order. The terms of the Release are a
22 material term of the 3.0-liter Class Action Agreement and will be reflected in the Final 3.0-liter
23 Approval Order.

24 12.2. **Released Parties.** Released Parties means any person who, or entity that, is or
25 could be responsible or liable in any way whatsoever, whether directly or indirectly, for the 3.0-
26 liter TDI Matter. The Released Parties include, without limitation, (1) Volkswagen AG,
27 Volkswagen Group of America, Inc. (d/b/a Volkswagen of America, Inc. or Audi of America,
28 Inc.), Volkswagen Group of America Chattanooga Operations, LLC, Audi AG, Audi of America,

1 LLC, VW Credit, Inc., VW Credit Leasing, Ltd., VCI Loan Services, LLC, Porsche Automobil
2 Holding SE, Dr. Ing. h.c. F. Porsche AG, Porsche Cars North America, Inc., Porsche Financial
3 Services, Inc., Porsche Leasing Ltd., and any former, present, and future owners, shareholders,
4 directors, officers, employees, attorneys, affiliates, parent companies, subsidiaries, predecessors,
5 and successors of any of the foregoing (the “VW and Porsche Released Entities”); (2) any and all
6 contractors, subcontractors, and suppliers of the VW and Porsche Released Entities; (3) any and
7 all persons and entities indemnified by any VW and Porsche Released Entity with respect to the
8 3.0-liter TDI Matter; (4) any and all other persons and entities involved in the design, research,
9 development, manufacture, assembly, testing, sale, leasing, repair, warranting, marketing,
10 advertising, public relations, promotion, or distribution of any Eligible Vehicle, even if such
11 persons are not specifically named in this paragraph, including without limitation all Authorized
12 Dealers, as well as non-authorized dealers and sellers; (5) Claims Supervisor; (6) Notice
13 Administrator; (7) lenders, creditors, financial institutions, or any other parties that financed any
14 purchase or lease of an Eligible Vehicle; and (8) for each of the foregoing, their respective
15 former, present, and future affiliates, parent companies, subsidiaries, predecessors, successors,
16 shareholders, indemnitors, subrogees, spouses, joint ventures, general or limited partners,
17 attorneys, assigns, principals, officers, directors, employees, members, agents, representatives,
18 trustees, insurers, reinsurers, heirs, beneficiaries, wards, estates, executors, administrators,
19 receivers, conservators, personal representatives, divisions, dealers, and suppliers.

20 Notwithstanding the foregoing, this Release does not release any claims against Robert Bosch
21 GmbH and Robert Bosch, LLC or any of its former, present, and future owners, shareholders,
22 directors, officers, employees, attorneys, affiliates, parent companies, subsidiaries, predecessors,
23 or successors unless the Court approves any settlement between Bosch and members of the Class
24 in any way related to, or arising from, the 3.0-liter TDI Matter.

25 **12.3. Class Release.** In consideration for the Settlement, Class Members, on behalf of
26 themselves and their agents, heirs, executors and administrators, successors, assigns, insurers,
27 attorneys, representatives, shareholders, owners associations, and any other legal or natural
28 persons who may claim by, through, or under them (the “Releasing Parties”), fully, finally,

1 irrevocably, and forever release, waive, discharge, relinquish, settle, and acquit any and all
2 claims, demands, actions, or causes of action, whether known or unknown, that they may have,
3 purport to have, or may have hereafter against any Released Party, as defined above, arising out
4 of or in any way related to the 3.0-liter TDI Matter. This Release applies to any and all claims,
5 demands, actions, or causes of action of any kind or nature whatsoever, whether in law or in
6 equity, known or unknown, direct, indirect or consequential, liquidated or unliquidated, past,
7 present or future, foreseen or unforeseen, developed or undeveloped, contingent or non-
8 contingent, suspected or unsuspected, whether or not concealed or hidden, arising from or in any
9 way related to the 3.0-liter TDI Matter, including without limitation (1) any claims that were or
10 could have been asserted in the Action; and (2) any claims for fines, penalties, criminal
11 assessments, economic damages, punitive damages, exemplary damages, liens, injunctive relief,
12 attorneys', expert, consultant, or other litigation fees or costs other than fees and costs awarded by
13 the Court in connection with this Settlement, or any other liabilities, that were or could have been
14 asserted in any civil, criminal, administrative, or other proceeding, including arbitration (the
15 "Released Claims"). This Release applies without limitation to any and all such claims, demands,
16 actions, or causes of action regardless of the legal or equitable theory or nature under which they
17 are based or advanced including without limitation legal and/or equitable theories under any
18 federal, state, provincial, local, tribal, administrative, or international law, or statute, ordinance,
19 code, regulation, contract, common law, equity, or any other source, and whether based in strict
20 liability, negligence, gross negligence, punitive damages, nuisance, trespass, breach of warranty,
21 misrepresentation, breach of contract, fraud, or any other legal or equitable theory, whether
22 existing now or arising in the future, that arise from or in any way relate to the 3.0-liter TDI
23 Matter. Notwithstanding the foregoing, this Agreement does not release any claims for wrongful
24 death or personal injury.

25 **12.4. Possible Future Claims.** For the avoidance of doubt, Class Members expressly
26 understand and acknowledge that they may hereafter discover claims presently unknown or
27 unsuspected, or facts in addition to or different from those that they now know or believe to be
28 true, related to the 3.0-liter TDI Matter, the Action and/or the Release herein. Nevertheless, it is

1 the intention of Class Counsel and the Class Representatives in executing this 3.0-liter Class
2 Action Agreement to fully, finally, irrevocably, and forever release, waive, discharge, relinquish,
3 settle, and acquit all such matters, and all claims relating thereto which exist, hereafter may exist,
4 or might have existed (whether or not previously or currently asserted in any action or
5 proceeding) with respect to the 3.0-liter TDI Matter.

6 **12.5. Release of “Holder Rule” Claims.** In exchange for the Class Action Settlement
7 compensation and remedies described in Sections 4-6 and Exhibits 1A and 1B, Class Members
8 shall execute a release releasing their potential claims under the Trade Regulation Rule
9 Concerning the Preservation of Consumers’ Claims and Defenses 16 C.F.R. §433.2 (the “Holder
10 Rule”), relating to the 3.0-liter TDI Matter.

11 **12.6. Waiver of California Civil Code Section 1542 and Analogous Provisions.**
12 Class Representatives expressly understand and acknowledge, and Class Members will be
13 deemed to understand and acknowledge Section 1542 of the California Civil Code, which
14 provides: “**A general release does not extend to claims which the creditor does not know or**
15 **suspect to exist in his or her favor at the time of executing the release, which if known by**
16 **him or her must have materially affected his or her settlement with the debtor.**” Each Class
17 Representative expressly acknowledges that he, she, or it has been advised by Class Counsel of
18 the contents and effect of Section 1542 and that he, she, or it has considered the possibility that
19 the number or magnitude of all claims may not currently be known. To ensure that this Release is
20 interpreted fully in accordance with its terms, Class Members expressly waive and relinquish any
21 and all rights and benefits that they may have under Section 1542 to the extent that such Section
22 may be applicable to the Release. Class Members likewise expressly waive and relinquish any
23 rights or benefits of any law of any state or territory of the United States, federal law or principle
24 of common law, or of international or foreign law, which is similar, comparable, analogous, or
25 equivalent to Section 1542 of the California Code to the extent that such laws or principles may
26 be applicable to the Release.

27 **12.7. Individual Release.** Class Members who receive a Buyback, Trade-In, Lease
28 Termination and/or Restitution Payment shall be required to execute an Individual Release, in the

1 form attached as Exhibit 5, as a precondition to receiving such relief. Consistent with the Release
2 provided in this Agreement, the Individual Release will provide that the Class Member releases
3 all of the Released Parties from any and all present and future claims (as described in Section 12)
4 arising out of or related to the 3.0-liter TDI Matter. The Individual Release shall remain effective
5 even if the Final 3.0-liter Approval Order is reversed and/or vacated on appeal, or if this 3.0-liter
6 Class Action Agreement is abrogated or otherwise voided in whole or in part.

7 **12.8. Actions or Proceedings Involving Released Claims.** Class Members who do not
8 opt out expressly agree that this Release, and the Final 3.0-liter Approval Order, is, will be, and
9 may be raised as a complete defense to, and will preclude, any action or proceeding specified in,
10 or involving claims encompassed by, this Release. Class Members who do not opt out shall not
11 now or hereafter institute, maintain, prosecute, assert, and/or cooperate in the institution,
12 commencement, filing or prosecution of any suit, action, and/or other proceeding, against the
13 Released Parties with respect to the claims, causes of action and/or any other matters subject to
14 this Release. To the extent that they have initiated, or caused to be initiated, any suit, action, or
15 proceeding not already encompassed by the Action, Class Members who do not opt out shall
16 cause such suit, action, or proceeding to be dismissed with prejudice. If a Class Member who
17 does not opt out commences, files, initiates, or institutes any new legal action or other proceeding
18 for any Released Claim against any Released Party in any federal or state court, arbitral tribunal,
19 or administrative or other forum, (1) such legal action or other proceeding shall be dismissed with
20 prejudice and at that Class Member's cost; and (2) the respective Released Party shall be entitled
21 to recover any and all reasonable related costs and expenses from that Class Member arising as a
22 result of that Class Member's breach of his, her, or its obligations under this Release.

23 **12.9. Ownership of Released Claims.** Class Representatives shall represent and
24 warrant that they are the sole and exclusive owners of any and all claims that they personally are
25 releasing under this 3.0-liter Class Action Agreement. Class Representatives further
26 acknowledge that they have not assigned, pledged, or in any manner whatsoever, sold,
27 transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way
28 whatsoever pertaining to the 3.0-liter TDI Matter, including without limitation, any claim for

1 benefits, proceeds or value under the Action, and that Class Representatives are not aware of
2 anyone other than themselves claiming any interest, in whole or in part, in any benefits, proceeds
3 or values to which Class Representatives may be entitled as a result of the 3.0-liter TDI Matter.
4 Class Members submitting a Claim Form shall represent and warrant therein that they are the sole
5 and exclusive owner of all claims that they personally are releasing under the 3.0-liter Class
6 Action Agreement and that they have not assigned, pledged, or in any manner whatsoever, sold,
7 transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way
8 whatsoever pertaining to the Actions, including without limitation, any claim for benefits,
9 proceeds or value under the Actions, and that such Class Members are not aware of anyone other
10 than themselves claiming any interest, in whole or in part, in any benefits, proceeds or values to
11 which those Class Members may be entitled as a result of the 3.0-liter TDI Matter.

12 **12.10. Total Satisfaction of Released Claims.** Any benefits pursuant to the 3.0-liter
13 Class Action Agreement are in full, complete, and total satisfaction of all of the Released Claims
14 against the Released Parties, that the Benefits are sufficient and adequate consideration for each
15 and every term of this Release, and that this Release shall be irrevocably binding upon Class
16 Representatives and Class Members who do not opt out of the 3.0-liter Class.

17 **12.11. Release Not Conditioned on Claim or Payment.** The Release shall be effective
18 with respect to all Releasing Parties, including all Class Members who do not opt out, regardless
19 of whether those Class Members ultimately file a Claim or receive compensation under this 3.0-
20 liter Class Action Agreement.

21 **12.12. Basis for Entering Release.** Class Counsel acknowledge that they have
22 conducted sufficient independent investigation and discovery to enter into this 3.0-liter Class
23 Action Agreement and that they execute this 3.0-liter Class Action Agreement freely, voluntarily,
24 and without being pressured or influenced by, or relying on any statements, representations,
25 promises, or inducements made by the Released Parties or any person or entity representing the
26 Released Parties, other than as set forth in this 3.0-liter Class Action Agreement. Class
27 Representatives acknowledge, agree, and specifically represent and warrant that they have
28 discussed with Class Counsel the terms of this 3.0-liter Class Action Agreement and have

1 received legal advice with respect to the advisability of entering into this 3.0-liter Class Action
2 Agreement and the Release, and the legal effect of this 3.0-liter Class Action Agreement and the
3 Release. The representations and warranties made throughout the 3.0-liter Class Action
4 Agreement shall survive the execution of the 3.0-liter Class Action Agreement and shall be
5 binding upon the respective heirs, representatives, successors and assigns of the Parties.

6 **12.13. Material Term.** Class Representatives and Class Counsel hereby agree and
7 acknowledge that this Section 12 was separately bargained for and constitutes a key, material
8 term of the 3.0-liter Class Action Agreement that shall be reflected in the Final 3.0-liter Approval
9 Order.

10 **12.14. Reservation of Claims.** This 3.0-liter Class Action Agreement shall resolve the
11 claims of Class Members who do not opt out only as they relate to the 3.0-liter TDI Matter. The
12 Parties reserve all rights to litigate liability and equitable relief of any sort for any subset of
13 vehicles, purchasers, or lessees not expressly covered by this 3.0-liter Class Action Agreement.
14 For avoidance of doubt, this carve-out includes, but is not limited to, claims related to 2.0-liter
15 TDI vehicles.

16 **12.15. Released Parties' Releases of Class Representatives, the Class, and Class**
17 **Counsel.** Upon the Effective Date, Released Parties absolutely and unconditionally release and
18 forever discharge the Class Representatives, Class Members, and Class Counsel from any and all
19 claims relating to the institution or prosecution of the Action.

20 **12.16. Jurisdiction.** The Court shall retain exclusive and continuing jurisdiction over all
21 Parties, the Action, and this 3.0-liter Class Action Agreement to resolve any dispute that may
22 arise regarding this 3.0-liter Class Action Agreement or in relation to this Action, including any
23 dispute regarding validity, performance, interpretation, administration, enforcement,
24 enforceability, or termination of the 3.0-liter Class Action Agreement and no Party shall oppose
25 the reopening and reinstatement of the Action on the MDL Court's active docket for the purposes
26 of effecting this Section.

27 **13. ESCROW ACCOUNT**

28 13.1. Within ten (10) business days after the Court enters the Final 3.0-liter Approval

1 Order, Volkswagen shall fund the Escrow Account with the “Funding Amount,” which funds
2 shall be used, as necessary, to compensate Class Members who submit valid Claims pursuant to
3 this 3.0-liter Class Action Agreement. The initial Funding Amount shall be \$252,000,000. If and
4 when the funding level of the Escrow Account reaches the “Minimum Balance,” which shall
5 initially be set at \$168,000,000, the Escrow Agent shall alert Volkswagen, and Volkswagen shall,
6 within seven (7) business days, deposit such funds in the Escrow Account as are necessary to
7 bring the balance of the Escrow Account back to the Funding Amount.

8 13.2. In the event that an Emissions Compliant Repair is not available for Generation
9 2.2 SUV vehicles by October 23, 2017, the Funding Amount shall be increased to \$600,000,000,
10 and the Minimum Balance shall be raised to \$400,000,000. Volkswagen shall deposit the funds
11 required to reach the new Funding Amount of \$600,000,000 into the escrow account by no later
12 than November 1, 2017. Every six (6) months after the Funding Amount becomes \$600,000,000
13 pursuant to this paragraph, the Funding Amount shall be adjusted, if such adjustment would result
14 in a lower Funding Amount, to twenty-five (25) percent of the unspent amount of the maximum
15 compensation that would be due to all Class Members if the Buyback Option were available to all
16 Eligible Owners of Generation Two Eligible Vehicles. In the event that the Funding Amount is
17 adjusted, the Minimum Balance shall be adjusted proportionately.

18 13.3. If, however, an Emissions Compliant Repair is available for Generation 2.2 SUV
19 vehicles by October 23, 2017, then the Funding Amount shall be reduced to \$150,000,000, and
20 the Minimum Balance shall be reduced to \$100,000,000. Every six (6) months after the Funding
21 Amount becomes \$150,000,000 pursuant to this paragraph, the Funding Amount shall be
22 adjusted, if such adjustment would result in a lower Funding Amount, to twenty-five (25) percent
23 of the unspent amount of the maximum compensation then due to all Class Members. In the
24 event that the Funding Amount is adjusted, the Minimum Balance shall be adjusted
25 proportionately.

26 13.4. Within thirty (30) days of the conclusion of the Settlement Benefit Period, any
27 funds in the Escrow Account, including all interest accrued, shall revert to Volkswagen.

28 13.5. In the event that the Class Action Settlement is terminated or invalidated for any

1 reason prior to the conclusion of the Settlement Benefit Period, any funds in the Escrow Account,
2 including all interest accrued, shall revert to Volkswagen.

3 **14. ATTORNEYS' FEES AND EXPENSES**

4 14.1. Volkswagen agrees to pay reasonable attorneys' fees and costs for work performed
5 by Class Counsel in connection with the 3.0-liter Action as well as the work performed by other
6 attorneys designated by Class Counsel to perform work in connection with the Action in an
7 amount to be negotiated by the Parties and that must be approved by the Court. Defendants and
8 Class Counsel represent that they have not discussed the amount of fees and costs to be paid prior
9 to agreement on the terms of this 3.0-liter Class Action Agreement. Class Counsel and counsel
10 for Volkswagen will attempt to negotiate the amount of attorneys' fees and costs to be paid after
11 the execution of this 3.0-liter Class Action Agreement. If the Parties reach an agreement about
12 the amount of attorneys' fees and costs, Class Counsel will submit the negotiated amount to the
13 Court for approval. If the Parties do not reach an agreement as to the amount of attorneys' fees
14 and costs, the parties will litigate the fee issues, and each party will present its respective position
15 to the Court for determination. In that event, the litigation of the fee issues will be subject to the
16 Parties' agreement that: (1) the attorneys' fees and costs will be paid by Volkswagen in addition
17 to the compensation provided to Class Members under this 3.0-liter Class Action Agreement; (2)
18 each party will be free to argue for what it believes is a reasonable fee; (3) Volkswagen and Class
19 Counsel will request that the Court issue an Order setting forth the amount to be paid in attorneys'
20 fees and costs to be paid by Volkswagen in this action, and providing that Class Counsel will not
21 be permitted to seek additional fees and costs after the Court makes its award; and (4) the Parties
22 shall have the right to appeal the Court's determination as to the amount of attorneys' fees and
23 costs. The Parties shall have the right to appeal the Court's determination as to the amount of
24 attorneys' fees and costs. Volkswagen reserves all rights to object to an award of attorney's fees
25 and/or costs beyond what it believes to be reasonable.

26 **15. PROPOSED SCHEDULE FOR APPROVAL OF 3.0-LITER SETTLEMENT**

27 15.1. **3.0-liter Preliminary Approval Order.** As set forth herein, on or before January
28 31, 2017, the Parties shall file with the Court a Motion for Preliminary Approval of the 3.0-liter

1 Class Action Agreement and Approval of Class Notice.

2 15.2. **Final Settlement Approval Order and Judgment.** On or before March 24,
3 2017, or any subsequently mutually agreed upon date, Class Counsel shall file with the Court a
4 motion seeking a Final Judgment Approving and Providing for the Enforcement of the 3.0-liter
5 Class Action Settlement.

6 15.3. **Proposed Schedule.** A comprehensive potential schedule for the approval of this
7 3.0-liter Settlement is set forth below, subject, of course, to the views of the Court. The Parties
8 will use their best efforts to advance the Settlement along the lines outlined in the proposed
9 schedule set forth below, recognizing it is subject to change, as required by Court order and/or
10 agreed to by the Parties.

Date	Event
January 31, 2017	Class Representatives file Motion for Preliminary Approval of Settlement
February 3, 2017	Volkswagen provides Class Action Fairness Act Notice to State Attorneys General
February 14, 2017	Preliminary Approval Hearing [Remainder of schedule assumes entry of Preliminary Approval Order on this date]
February 15, 2017	Class Notice Program begins
March 24, 2017	Motion for Final Approval filed
April 14, 2017	Objection and Opt-Out Deadline
April 28, 2017	Reply Memorandum in Support of Final Approval filed
May 1, 2017	End of Eligible Former Owner Identification Period
May 1 – May 5, 2017 [precise date TBD by Court]	Final Approval Hearing. While the timing and outcome of every determination is at the Court's discretion, the Parties to this 3.0-liter Class Action Agreement request and anticipate that the Court would enter the DOJ 3.0-liter Consent Decree and FTC 3.0-liter Consent Order at the same time as the Final 3.0-liter Approval Order. The Generation One Buyback and Lease Termination program under this 3.0-liter Class Action Agreement will begin expeditiously upon Final Approval.

1 **16. AGREEMENT TO COOPERATE TO EFFECTUATE SETTLEMENT**

2 16.1. Counsel for all Parties warrant and represent that they are expressly authorized by
3 the Parties whom they represent to negotiate this 3.0-liter Class Action Agreement. The persons
4 signing this 3.0-liter Class Action Agreement on behalf of each Party warrants that he/she is
5 authorized to sign this 3.0-liter Class Action Agreement on behalf of that Party.

6 16.2. The Parties and their respective counsel will cooperate with each other, act in good
7 faith, and use their best efforts to effect the implementation of the 3.0-liter Class Action
8 Agreement and advance the 3.0-liter Settlement Claims Program. In the event the Parties are
9 unable to reach agreement on the form or content of any document needed to implement the 3.0-
10 liter Class Action Agreement, or on any supplemental provisions that may become necessary to
11 effectuate the terms of this 3.0-liter Class Action Agreement, the Parties may seek the assistance
12 of the Court to resolve such disagreement.

13 16.3. The Parties further agree to make all reasonable efforts to ensure the timely and
14 expeditious administration and implementation of the 3.0-liter Class Action Agreement and to
15 minimize the costs and expenses incurred therein.

16 **17. MODIFICATION OR TERMINATION OF THIS 3.0-LITER CLASS ACTION**
17 **AGREEMENT**

18 17.1. The terms and provisions of this 3.0-liter Class Action Agreement may be
19 amended, modified, or expanded by written agreement of the Parties and approval of the Court;
20 provided, however, that after entry of the Final 3.0-liter Approval Order, the Parties may by
21 written agreement effect such amendments, modifications, or expansions of this 3.0-liter Class
22 Action Agreement and its implementing documents (including all exhibits hereto) without further
23 notice to the 3.0-liter Class or approval by the Court if such changes are consistent with the
24 Court's Final 3.0-liter Approval Order and do not limit the rights of Class Members under this
25 3.0-liter Class Action Agreement.

26 17.2. Any unintended conflicts between the 3.0-liter Class Action Agreement, the DOJ
27 3.0-liter Consent Decree, and/or the FTC 3.0-liter Consent Order shall not be held against any of
28 the Parties, but shall instead be resolved by mutual agreement of the Parties, with the aid of the

1 Settlement Master and, if necessary, the Court.

2 17.3. This 3.0-liter Class Action Agreement shall terminate at the discretion of either
3 Defendants or the Class Representatives, through Class Counsel, if: (1) the Court, or any
4 appellate court(s), rejects, modifies, or denies approval of any portion of this 3.0-liter Class
5 Action Agreement or the proposed Settlement that the terminating Party in its (or their) sole
6 judgment and discretion reasonably determine(s) is material, including, without limitation, the
7 terms of relief, the findings, or conclusions of the Court, the provisions relating to notice, the
8 definition of the Class, and/or the terms of the Release; or (2) the Court, or any appellate court(s),
9 does not enter or completely affirm, or alters, narrows or expands, any portion of the Final 3.0-
10 liter Approval Order, or any of the Court's findings of fact or conclusions of law, that the
11 terminating Party in its (or their) sole judgment and discretion reasonably determine(s) is
12 material. The terminating Party must exercise the option to withdraw from and terminate this 3.0-
13 liter Class Action Agreement, as provided in this Section 17, by a signed writing served on the
14 other Parties no later than twenty days after receiving notice of the event prompting the
15 termination. The Parties will be returned to their positions status quo ante.

16 17.4. If an option to withdraw from and terminate this 3.0-liter Class Action Agreement
17 arises under Section 17.3 above, neither Defendants nor Class Representatives are required for
18 any reason or under any circumstance to exercise that option and any exercise of that option shall
19 be in good faith.

20 17.5. If, but only if, this 3.0-liter Class Action Agreement is terminated pursuant to
21 Section 17.3, above, then:

22 17.5.1. This 3.0-liter Class Action Agreement shall be null and void and shall
23 have no force or effect, and no Party to this 3.0-liter Class Action
24 Agreement shall be bound by any of its terms, except for the terms of
25 Section 17.5 herein;

26 17.5.2. The Parties will petition the Court to have any stay orders entered
27 pursuant to this 3.0-liter Class Action Agreement lifted;
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17.5.3. All of the provisions of this 3.0-liter Class Action Agreement, and all negotiations, statements, and proceedings relating to it, shall be without prejudice to the rights of Defendants, Class Representatives, or any Class Member, all of whom shall be restored to their respective positions existing immediately before the execution of this 3.0-liter Class Action Agreement, except that the Parties shall cooperate in requesting that the Court set a new scheduling order such that no Party's substantive or procedural rights are prejudiced by the settlement negotiations and proceedings;

17.5.4. Released Parties expressly and affirmatively reserve all defenses, arguments, and motions as to all claims that have been or might later be asserted in the 3.0-liter Action, including, without limitation, the argument that the 3.0-liter Action may not be litigated as a class action;

17.5.5. Class Representatives and all other Class Members, on behalf of themselves and their heirs, assigns, executors, administrators, predecessors, and successors, expressly and affirmatively reserve and do not waive all motions as to, and arguments in support of, all claims, causes of action or remedies that have been or might later be asserted in the 3.0-liter Action including, without limitation, any argument concerning class certification, and treble or other damages;

17.5.6. Defendants expressly and affirmatively reserve and do not waive all motions and positions as to, and arguments in support of, all defenses to the causes of action or remedies that have been sought or might be later asserted in the 3.0-liter Action, including without limitation, any argument or position opposing class certification, liability, damages, or injunctive relief;

1 17.5.7. Neither this 3.0-liter Class Action Agreement, the fact of its having been
2 entered into, nor the negotiations leading to it shall be admissible or
3 entered into evidence for any purpose whatsoever;

4 17.5.8. Any settlement-related order(s) or judgment(s) entered in this 3.0-liter
5 Action after the date of execution of this 3.0-liter Class Action
6 Agreement shall be deemed vacated and shall be without any force or
7 effect;

8 17.5.9. Volkswagen shall bear all reasonable and necessary costs incurred by the
9 Claims Supervisor and Notice Administrator in connection with the
10 implementation of this 3.0-liter Class Action Settlement up until its
11 termination. Neither the Class Representatives nor Class Counsel shall be
12 responsible for any such settlement-related costs; and

13 17.5.10. Within five (5) business days, any funds in the Escrow Account,
14 including any interest accrued, shall revert to Volkswagen.

15 17.6. Notwithstanding the terms of Sections 17.5.1 through 17.5.10 above, if a Class
16 Member has (i) received compensation under the 3.0-liter Class Action Agreement prior to its
17 termination or invalidation and (ii) executed an Individual Release, such a Class Member and
18 Defendants shall be bound by the terms of the Individual Release, which terms shall survive
19 termination or invalidation of the 3.0-liter Class Action Agreement.

20 **18. REPRESENTATIONS AND WARRANTIES**

21 18.1. Class Counsel represents that: (1) they are authorized by the Class Representatives
22 to enter into this 3.0-liter Class Action Agreement with respect to the claims asserted in the
23 Action and any other claims covered by the Release; and (2) they are seeking to protect the
24 interests of the Class.

25 18.2. Class Counsel further represents that the Class Representatives: (1) have agreed to
26 serve as representatives of the 3.0-liter Class proposed to be certified herein; (2) are willing, able,
27 and ready to perform all of the duties and obligations of representatives of the Class; (3) have
28 read the pleadings in the 3.0-liter Action, including the Complaint, or have had the contents of

1 such pleadings described to them; (4) have consulted with Class Counsel about the obligations
2 imposed on representatives of the 3.0-liter Class; (5) understand that they are entitled only to the
3 rights and remedies of Class Members under this 3.0-liter Class Action Agreement and not to any
4 additional compensation by virtue of their status as Class Representatives; and (6) shall remain
5 and serve as representatives of the 3.0-liter Class until the terms of this 3.0-liter Class Action
6 Agreement are effectuated, this 3.0-liter Class Action Agreement is terminated in accordance
7 with its terms, or the Court at any time determines that said Class Representatives cannot
8 represent the 3.0-liter Class.

9 18.3. Volkswagen represents and warrants that the individual(s) executing this 3.0-liter
10 Class Action Agreement are authorized to enter into this 3.0-liter Class Action Agreement on
11 behalf of Volkswagen.

12 18.4. Porsche represents and warrants that the individual(s) executing this 3.0-liter Class
13 Action Agreement are authorized to enter into this 3.0-liter Class Action Agreement on behalf of
14 Porsche.

15 18.5. The Parties acknowledge and agree that no opinion concerning the tax
16 consequences of the proposed 3.0-liter Settlement to Class Members is given or will be given by
17 the Parties, nor are any representations or warranties in this regard made by virtue of this 3.0-liter
18 Class Action Agreement. In addition, the Parties acknowledge and agree that no tax ruling from
19 any governmental tax authority in relation to a Class Member's tax consequences will be
20 requested by Defendants. The Parties further acknowledge and agree that nothing in this
21 Agreement should be relied upon by any Class Member as the provision of tax advice. Each
22 Class Member's tax consequences or liabilities, and the determination thereof, are the sole
23 responsibility of the Class Member, and it is understood that each Class Member's federal, state,
24 or foreign tax consequences or liabilities may vary depending on the particular circumstances of
25 each individual Class Member. Class Members shall hold Defendants and their counsel harmless
26 from any federal, state, or foreign tax assessments, interest, and/or penalties that result for any
27 amounts paid or benefits provided under this Agreement, and Defendants shall not be liable for
28 the payment of any additional amounts now or in the future for any amount related to a Class

1 Member's tax consequences.

2 **19. GENERAL MATTERS AND RESERVATIONS**

3 19.1. This 3.0-liter Class Action Agreement will be binding upon, and inure to the
4 benefit of, the successors, transferees, and assigns of Volkswagen, Porsche, the Class
5 Representatives, and Class Members.

6 19.2. Defendants' obligation to implement the 3.0-liter Class Action Settlement Program
7 described in this 3.0-liter Class Action Agreement is and shall be contingent upon each of the
8 following:

9 19.2.1. Entry by the Court of the Final 3.0-liter Approval Order approving the
10 3.0-liter Class Action Settlement;

11 19.2.2. The occurrence of the Effective Date; and

12 19.2.3. The satisfaction of any other conditions set forth in this 3.0-liter Class
13 Action Agreement.

14 19.3. The Parties and their counsel agree to keep the existence and contents of this 3.0-
15 liter Class Action Agreement confidential until the date on which the Motion for Preliminary
16 Approval is filed; provided, however, that this Section shall not prevent Defendants from
17 disclosing such information, prior to the date on which the Motion for Preliminary Approval is
18 filed, to state and federal agencies, independent accountants, actuaries, advisors, financial
19 analysts, insurers, or lawyers. The Parties and their counsel may also disclose the existence and
20 contents of this 3.0-liter Class Action Agreement to persons or entities (such as experts, courts,
21 co-counsel, and/or administrators) to whom the Parties agree disclosure must be made in order to
22 effectuate the terms and conditions of this 3.0-liter Class Action Agreement.

23 19.4. Class Representatives and Class Counsel agree that confidential information made
24 available to them solely through the settlement process was made available on the condition that
25 it not be disclosed to third parties (other than experts or consultants retained by Class
26 Representatives in connection with the Action). Nevertheless, nothing contained herein shall
27 prohibit Class Representatives from seeking certain confidential information pertinent to this 3.0-
28 liter Class Action Agreement through informal confirmatory discovery, even if not previously

1 requested through formal discovery.

2 19.5. Information provided by Volkswagen, Volkswagen's counsel, Porsche, Porsche's
3 counsel, and/or the Settlement Master to Class Representatives, Class Counsel, any individual
4 Class Member, counsel for any individual Class Member, and/or administrators, pursuant to the
5 negotiation and implementation of this 3.0-liter Class Action Agreement, includes trade secrets
6 and highly confidential and proprietary business information and shall be deemed "Highly
7 Confidential" pursuant to the protective orders that have been or will be entered in the Action,
8 and shall be subject to all of the provisions thereof. Any materials inadvertently produced shall,
9 upon Volkswagen or Porsche's request, be promptly returned to Volkswagen or Porsche's
10 counsel, as appropriate, and there shall be no implied or express waiver of any privileges, rights
11 and defenses.

12 19.6. This 3.0-liter Class Action Agreement, complete with its exhibits and all
13 documents filed with the Court, sets forth the entire agreement among the Parties with respect to
14 its subject matter, and it may not be altered, amended, or modified except by written instrument
15 executed by Class Counsel and Volkswagen's Negotiating Counsel on behalf of Volkswagen and
16 Porsche's Lead Counsel on behalf of Porsche. The Parties expressly acknowledge that no other
17 agreements, arrangements, or understandings regarding 3.0-liter vehicles not expressed in this
18 3.0-liter Class Action Agreement or the documents filed with the Court exist among or between
19 them, and that in deciding to enter into this 3.0-liter Class Action Agreement, they have relied
20 solely upon their own judgment and knowledge. This 3.0-liter Class Action Agreement and the
21 accompanying documents filed with the Court supersede any prior agreements, understandings, or
22 undertakings (written or oral) by and between the Parties regarding the subject matter of this 3.0-
23 liter Class Action Agreement.

24 19.7. This 3.0-liter Class Action Agreement and any amendments thereto, and any
25 dispute arising out of or related to this 3.0-liter Class Action Agreement, shall be governed by and
26 interpreted according to the Federal Rules of Civil Procedure and applicable jurisprudence
27 relating thereto, and the laws of the State of California notwithstanding its conflict of law
28 provisions.

1 19.8. Any disagreement and/or action to enforce this 3.0-liter Class Action Agreement
2 shall be commenced and maintained only in the United States District Court for the Northern
3 District of California.

4 19.9. Whenever this 3.0-liter Class Action Agreement requires or contemplates that one
5 of the Parties shall or may give notice to the other, notice shall be provided by e-mail and/or next-
6 day (excluding Saturdays, Sundays and Federal Holidays) express delivery service as follows:

7 If to Volkswagen, then to:

8 Sharon L. Nelles
9 SULLIVAN & CROMWELL LLP
10 125 Broad Street
11 New York, New York 10004
12 Email: nelless@sullcrom.com

13 If to Porsche, then to:

14 Cari K. Dawson
15 ALSTON & BIRD LLP
16 1201 West Peachtree Street
17 Atlanta, GA 30309-3424
18 Email: cari.dawson@alston.com

19 If to the Class, then to:

20 Elizabeth J. Cabraser
21 LIEFF CABRASER HEIMANN & BERNSTEIN, LLP
22 275 Battery Street, 29th Floor
23 San Francisco, CA 94111

24 19.10. All time periods in this 3.0-liter Class Action Agreement shall be computed in
25 calendar days unless otherwise expressly provided. In computing any period of time in this 3.0-
26 liter Class Action Agreement or by order of the Court, the day of the act or event shall not be
27 included. The last day of the period shall be included, unless it is a Saturday, a Sunday or a
28 Federal Holiday, or, when the act to be done is the filing of a paper in court, a day on which the
court is closed, in which case the period shall run until the end of the next day that is not one of
the aforementioned days. As used in this 3.0-liter Class Action Agreement, "Federal Holiday"
includes holidays designated in Fed. R. Civ. P. 6(a) or by the Clerk of the United States District
Court for the Northern District of California.

 19.11. The Parties reserve the right, subject to the Court's approval, to agree to any

1 reasonable extensions of time that might be necessary to carry out any of the provisions of this
2 3.0-liter Class Action Agreement.

3 19.12. The Class, Class Representatives, Class Counsel, Volkswagen, and/or
4 Volkswagen's Lead Counsel, Porsche, and/or Porsche's Lead Counsel shall not be deemed to be
5 the drafter of this 3.0-liter Class Action Agreement or of any particular provision, nor shall they
6 argue that any particular provision should be construed against its drafter. All Parties agree that
7 this 3.0-liter Class Action Agreement was drafted by counsel for the Parties during extensive
8 arm's-length negotiations. No parol or other evidence may be offered to explain, construe,
9 contradict, or clarify its terms, the intent of the Parties or their counsel, or the circumstances
10 under which this 3.0-liter Class Action Agreement was made or executed.

11 19.13. The Parties expressly acknowledge and agree that this 3.0-liter Class Action
12 Agreement and its exhibits, along with all related drafts, motions, pleadings, conversations,
13 negotiations, related notes, and correspondence, constitute an offer of compromise and a
14 compromise within the meaning of Federal Rule of Evidence 408 and any equivalent rule of
15 evidence in any state or territory.

16 19.14. The Class Representatives expressly affirm that the allegations contained in the
17 Complaint were made in good faith, but consider it desirable for the Action to be settled and
18 dismissed as to the Eligible Vehicles only because of the substantial benefits that the Settlement
19 will provide to Class Members.

20 19.15. The Parties agree that the 3.0-liter Class Action Agreement was reached
21 voluntarily after consultation with competent legal counsel.

22 19.16. Neither this 3.0-liter Class Action Agreement nor the Class Action Settlement
23 Program, nor any act performed or document executed pursuant to or in furtherance of this 3.0-
24 liter Class Action Agreement or the 3.0-liter Class Action Settlement Program is or may be
25 deemed to be or may be used as an admission of, or evidence of, the validity of any of the
26 Released Claims, or of any wrongdoing or liability of any Released Parties; or is or may be
27 deemed to be or may be used as an admission of, or evidence of, any fault or omission of any
28 Released Parties in any civil, criminal, regulatory, or administrative proceeding in any court,

1 administrative agency or other tribunal. Nor shall this 3.0-liter Class Action Agreement or the
2 3.0-liter Class Action Settlement Program be deemed an admission by any Party as to the merits
3 of any claim or defense.

4 19.17. Nothing in this 3.0-liter Class Action Agreement limits or expands any existing
5 rights of the Class or any Class Member or third party to: (i) challenge any action or decision
6 made by EPA or CARB pursuant to, or during the implementation of, the DOJ 3.0-liter Consent
7 Decree; or (ii) assert a claim based upon an allegation of excessive emissions or OBD
8 deficiencies from a vehicle that has undergone an Emission Modification approved by EPA and
9 CARB under the DOJ 3.0-liter Consent Decree.

10 19.18. Any of the Released Parties may file this 3.0-liter Class Action Agreement and/or
11 the Final 3.0-liter Approval Order in any action that may be brought against it in order to support
12 any defense or counterclaim, including without limitation those based on principles of *res*
13 *judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any
14 other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

15 19.19. The Parties, their successors and assigns, and their counsel undertake to implement
16 the terms of this 3.0-liter Class Action Agreement in good faith, and to use good faith in resolving
17 any disputes that may arise in the implementation of the terms of this 3.0-liter Class Action
18 Agreement.

19 19.20. The waiver by one Party of any breach of this 3.0-liter Class Action Agreement by
20 another Party shall not be deemed a waiver of any prior or subsequent breach of this 3.0-liter
21 Class Action Agreement.

22 19.21. If one Party to this 3.0-liter Class Action Agreement considers another Party to be
23 in breach of its obligations under this 3.0-liter Class Action Agreement, that Party must provide
24 the breaching Party with written notice of the alleged breach and provide a reasonable
25 opportunity to cure the breach before taking any action to enforce any rights under this 3.0-liter
26 Class Action Agreement.

27 19.22. The Parties, their successors and assigns, and their counsel agree to cooperate fully
28 with one another in seeking Court approval of this 3.0-liter Class Action Agreement and to use

1 their best efforts to implement this 3.0-liter Class Action Agreement and the proposed 3.0-liter
2 Class Action Settlement Program.

3 19.23. This 3.0-liter Class Action Agreement may be signed with an electronic or
4 facsimile signature and in counterparts, each of which shall constitute a duplicate original.

5 19.24. In the event any one or more of the provisions contained in this 3.0-liter Class
6 Action Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any
7 respect, such invalidity, illegality, or unenforceability shall not affect any other provision if
8 Volkswagen and Porsche, on behalf of Defendants, and Class Counsel, on behalf of Class
9 Representatives and Class Members, mutually agree in writing to proceed as if such invalid,
10 illegal, or unenforceable provision had never been included in this 3.0-liter Class Action
11 Agreement. Any such agreement shall be reviewed and approved by the Court before it becomes
12 effective.

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1 FOR CLASS COUNSEL

2 Date: February 10, 2017



Elizabeth J. Cabraser
LIEFF CABRASER HEIMANN &
BERNSTEIN, LLP
275 Battery Street, 29th Floor
San Francisco, CA 94111

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FOR VOLKSWAGEN AG:

Date: February 10, 2017



FRANCISCO JAVIER GARCIA SANZ
VOLKSWAGEN AG
P.O. Box 1849
D-38436 Wolfsburg, Germany

Date: February 10, 2017



MANFRED DOESS
VOLKSWAGEN AG
P.O. Box 1849
D-38436 Wolfsburg, Germany

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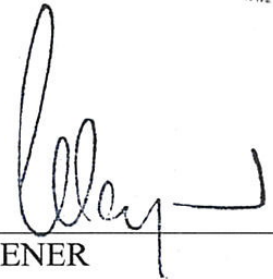
FOR AUDI AG:

Date: February 10, 2017



BERND MARTENS
AUDI AG
Auto-Union-Straße 1
85045 Ingolstadt, Germany

Date: February 10, 2017



MARTIN WAGENER
AUDI AG
Auto-Union-Straße 1
85045 Ingolstadt, Germany

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FOR VOLKSWAGEN GROUP OF AMERICA, INC.:

Date: February 10, 2017



DAVID DETWEILER
VOLKSWAGEN GROUP OF AMERICA, INC.
2200 Ferdinand Porsche Drive
Herndon, Virginia 20171

1 COUNSEL FOR VOLKSWAGEN AG, AUDI AG, and VOLKSWAGEN GROUP OF
2 AMERICA, INC.:

3
4
5 Date:

February 10, 2017

Sharon L. Nelles

6 ROBERT J. GIUFFRA, JR.
7 SHARON L. NELLES
8 GEORGE R. PAINTER IV
9 ELENA L. CORONADO
10 Sullivan & Cromwell LLP
11 125 Broad Street
12 New York, New York 10004
13 Telephone: (212) 558-4000
14 Facsimile: (212) 558-3358
15 giuffrar@sullcrom.com
16 nelless@sullcrom.com
17 painterg@sullcrom.com
18 coronadoe@sullcrom.com

19 DIANE L. MCGIMSEY
20 SULLIVAN & CROMWELL LLP
21 1888 Century Park East, Suite 2100
22 Los Angeles, California 90067
23 Telephone: (310) 712-6600
24 Facsimile: (310) 712-8800
25 mcgimseyd@sullcrom.com
26
27
28

1 FOR DR. ING. H.C.F. PORSCHE AG:

2

3

4

Date: 31. Jan. 2017



DR. MICHAEL STEINER
Member of Executive Board
Research and Development
DR. ING. H.C. F. PORSCHE
AKTIENGESELLSCHAFT
Porschestrasse 9111
71287 Weissach, Germany

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15 Date: February 10, 2017



ANGELA KREITZ
General Counsel & Chief Compliance Officer
DR. ING. H.C. F. PORSCHE
AKTIENGESELLSCHAFT
Porschestrasse 9111
71287 Weissach, Germany

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1 FOR PORSCHE CARS NORTH AMERICA, INC.:

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4 Date: February 10, 2017

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14 Date: February 10, 2017

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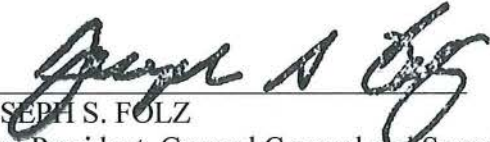
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JOSEPH S. FOLZ
Vice President, General Counsel and Secretary
PORSCHE CARS NORTH AMERICA, INC.
1 Porsche Drive
Atlanta, Georgia 30354



TIM QUINN
Vice President, After Sales
PORSCHE CARS NORTH AMERICA, INC.
1 Porsche Drive
Atlanta, Georgia 30354

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COUNSEL FOR DR. ING. H.C.F. PORSCHE AG and PORSCHE CARS NORTH AMERICA, INC.:

Date: 2/10/17



CARI K. DAWSON
Alston & Bird LLP
One Atlantic Center
1201 Peachtree Street
Atlanta, Georgia 30309
Telephone: (404) 881-7766
Facsimile: (404) 253-8576
cdawson@alston.com

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List of Exhibits

Ex. #	Title
1	Settlement Benefits for Class Members
2	Short Form Notice
3	Long Form Notice
4	Class Claims Program and Administration
5	Individual Release of Claims

Exhibit 1A

Settlement Benefits for

3.0-Liter Class Members with

Generation One Vehicles

(Model Years 2009-2012)

SETTLEMENT BENEFITS FOR 3.0-LITER CLASS MEMBERS WITH GENERATION ONE VEHICLES

Introduction. As described more fully below, this Exhibit sets out how Class Members who own, owned, lease, or leased a Generation One vehicle will be compensated under the 3.0-liter Class Action Settlement Program. **The only Generation One vehicles are model year 2009-2012 Audis and Volkswagens.** Benefits pursuant to the 3.0-liter Class Action Settlement Program are available only to Class Members who do not opt out of the Class. All defined terms in this document have the meanings ascribed to them in the 3.0-liter Class Action Agreement.

A. Options for Owners and Lessees of Generation One Vehicles

1. Eligible Owners shall be offered a choice among three options: (1) a Buyback plus Owner Restitution, including Loan Forgiveness as set forth in paragraph 21 below; (2) a Trade-In plus Owner Restitution, including Loan Forgiveness as set forth in paragraph 23 below; or (3) if available, a Reduced Emissions Modification plus Owner Restitution.
2. Class Members whose vehicles (i) are damaged after January 31, 2017 in a manner that renders them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise permanently removed from commerce, and who otherwise qualify as Eligible Owners, shall be offered Owner Restitution only, and not a Buyback, Trade-In, or Reduced Emissions Modification.
3. Eligible Lessees who held a lease of a Generation One Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and continue to hold that lease, shall be offered the choice between (1) a Lease Termination plus Lessee Restitution; or (2) a Reduced Emissions Modification plus Lessee Restitution.
4. Eligible Lessees who return or have returned their Eligible Vehicle at the conclusion of the lease and Eligible Former Lessees shall be offered Lessee Restitution.
5. Eligible Lessees who obtained ownership of their previously leased Eligible Vehicle after January 31, 2017, and who still own their Eligible Vehicle when they participate in the 3.0-liter Class Action Settlement Program, shall be offered a Reduced Emissions Modification and Lessee Restitution. A lessee who obtained ownership of his, her, or its previously leased Eligible Vehicle on or before January 31, 2017 and still owns the vehicle when they participate in the 3.0-liter Class Action Settlement Program shall be treated as an Eligible Owner.
6. Eligible Former Owners shall be offered Former Owner Restitution. There may be no more than two Eligible Former Owners for an Eligible Vehicle who will share the Former Owner Restitution amount in equal portions.
7. Former owners of an Eligible Vehicle as of September 18, 2015 and/or November 2, 2015 whose Eligible Vehicles (i) were damaged between September 18, 2015 and January 31, 2017 in a manner that rendered them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise sold to a third party and permanently removed from commerce, shall be treated as Eligible Former Owners and offered Former Owner Restitution.

B. Class Member Benefits for Owners and Lessees of Generation One Vehicles

8. **Benefits for Eligible Owners.** Eligible Owners who choose the **Buyback Option** shall receive the Vehicle Value plus Owner Restitution, as further defined below (together, the “Buyback Amount”). “Vehicle Value” is an amount intended to reflect the market value of the surrendered vehicle, including options and mileage, described in more detail in § C below. Eligible Owners who choose the **Trade-In Option** shall receive the Vehicle Value plus Owner Restitution in the form of a trade-in credit (the “Trade-In Credit”) at a participating Authorized Dealer equal to the Buyback Amount. Eligible Owners who choose the **Reduced Emissions Modification Option** shall receive a Reduced Emissions Modification free of charge and Owner Restitution. An Eligible Owner whose Eligible Vehicle is totaled after January 31, 2017 and transferred to an insurance company or otherwise permanently removed from commerce before the vehicle is surrendered in a Buyback or Trade-In, or receives a Reduced Emissions Modification, shall receive Owner Restitution only, and not the Vehicle Value.

i. **Buyback Compensation.** Owner Restitution is composed of a fixed dollar amount that is the same for all Generation One Eligible Vehicles (the “fixed component”), and a variable dollar amount (the “variable component”).

a) For an Eligible Owner who acquired a new vehicle at any point in time or a used vehicle on or before September 18, 2015, the fixed component is \$5,155.00, and the variable component is: (i) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value; plus (ii) state and average local taxes on the Vehicle Clean Retail Value using the tax table attached to this Exhibit. If Owner Restitution would otherwise be less than \$6,000, the variable component will include an additional amount sufficient to raise Owner Restitution to \$6,000.

b) For an Eligible Owner who acquired a used vehicle after September 18, 2015, Owner Restitution is the same amount described in the immediately preceding paragraph, unless (i) one or more Eligible Former Owners timely file a valid claim related to the same vehicle, or (ii) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and the Eligible Former Lessee timely files a valid claim. In those cases, Owner Restitution will be half the amount described in the immediately preceding paragraph, but no less than the amount necessary to ensure that the Buyback Amount is at least equal to or exceeds Retail Replacement Value as defined in the DOJ 3.0-liter Consent Decree. If potential Eligible Former Owners timely identify themselves or if Volkswagen identifies potential Eligible Former Lessees for a given Eligible Vehicle, the Eligible Owner initially will receive half (50%) of the Owner Restitution that would be due if there were no Eligible Former Owner or Eligible Former Lessee for that vehicle. If all identified potential Eligible Former Owners or Eligible Former Lessees for that vehicle ultimately fail to submit claims or are determined not to have valid claims, the Eligible Owner will be

entitled to an additional amount necessary to raise Owner Restitution to the amount due under paragraph 8(i)(a) above.

Example:

Vehicle ID	100001
Description	2009 Q7 TDI Premium Plus
Vehicle Value	\$22,825 (assumes standard mileage)
Vehicle Clean Retail Value	\$25,550 (assumes standard mileage)
State and Local Tax Rate	Connecticut 6.35%
Tax on Vehicle Clean Retail Value	6.35% of \$25,550 = \$1,622.43
Difference between Vehicle Clean Retail Value and Vehicle Value	\$25,550 - \$22,825 = \$2,725
Owner Restitution	\$5,155.00 [fixed component] + \$4,347.43 [variable component: amount by which Vehicle Clean Retail Value exceeds Vehicle Value (\$2,725), plus tax (\$1,622.43)] + \$0 [amount necessary to bring total Owner Restitution to \$6,000] = \$9,502.43
Buyback Amount	\$22,825 + \$9,502.43 = \$32,327.43
Minimums	Owner Restitution is greater than \$6,000, and the Buyback Amount is greater than Retail Replacement Value, so the minimums are not implicated.

- ii. **Trade-In Compensation.** For an Eligible Owner who selects the Trade-In Option, the Trade-In Credit will be equal to the Buyback Amount. As set forth in paragraph 23 below, the Trade-In Credit will be increased by up to 30% of the Buyback Amount in the event that the Eligible Vehicle is subject to a Loan Obligation in excess of the Buyback Amount. In the event that the Trade-In Credit exceeds the retail transaction price of the newly acquired vehicle (which may include, but is not limited to, vehicle price, accessories, fees, taxes, registration, and other dealer products), the Eligible Owner is entitled to the difference between the transaction price and the Trade-In Credit, in whatever form is negotiated between the Eligible Owner and the Authorized Dealer, including, but not limited to, a check for the remaining amount. All Trade-Ins of a Volkswagen vehicle must be at a participating Volkswagen Authorized Dealer, and all Trade-Ins of an Audi vehicle must be at a participating Audi Authorized Dealer.

- iii. **Reduced Emissions Modification Compensation.** For an Eligible Owner who obtains a Reduced Emissions Modification, the Owner Restitution shall be the same as the Owner Restitution that the Eligible Owner would be entitled to in a Buyback, as described in paragraph 8(i) above. Because Eligible Owners receiving a Reduced Emissions Modification will retain possession of their vehicles, such Eligible Owners will receive Owner Restitution, but not Vehicle Value.
9. **Eligible Lessees and Eligible Former Lessees.** Eligible Lessees who have an active lease and who choose the **Lease Termination Option** shall receive a Lease Termination and Lessee Restitution. Eligible Lessees who have an active lease, or who own the vehicle, and who choose the **Reduced Emissions Modification Option** shall receive a Reduced Emissions Modification free of charge and Lessee Restitution. Eligible Lessees who no longer lease or own the Eligible Vehicle and Eligible Former Lessees shall receive Lessee Restitution only.
- i. Lessee Restitution is composed of a fixed dollar amount that is the same for all leased Generation One Eligible Vehicles (the “fixed component”), and a variable dollar amount (the “variable component”). The fixed component is \$2,577.50. The variable component is one half of: (i) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value, plus (ii) state and average local sales taxes on the Vehicle Clean Retail Value using the tax table attached to this Exhibit.

Example:

Vehicle ID	124776
Description	2012 Q7 TDI Premium Plus
Vehicle Value	\$35,600
Vehicle Clean <i>Retail</i> Value	\$39,350
State and Local Tax Rate	Arizona 8.25%
Tax on Vehicle Clean Retail Value	8.25% of \$39,350 = \$3,246.38
Lessee Restitution	\$2,577.50 [fixed component] + ½ of \$6,996.38 [variable component: amount by which Vehicle Clean Retail Value exceeds Vehicle Value (\$3,750), plus tax (\$3,246.38)] = \$6,075.69

- ii. If an Eligible Lessee selects a Lease Termination, Volkswagen shall pay all amounts necessary to achieve a Lease Termination without penalty to the Eligible Lessee, including, without limitation, early termination fees owed to third parties, provided, however, the Eligible Lessee remains obligated to pay, and Volkswagen may deduct from the Lessee Restitution, fees for excess wear and use and excess mileage at the point of vehicle surrender, and other

amounts due, such as delinquent lease payments and related late payment fees or costs associated with tickets and tolls, as defined by the lease contract.

10. **Eligible Former Owners.** Eligible Former Owners shall receive Former Owner Restitution. There can be no more than two Eligible Former Owners for any given Generation One Eligible Vehicle.

i. **One Eligible Former Owner.** If only one Eligible Former Owner of a given Generation One Eligible Vehicle timely files a valid and complete claim, Former Owner Restitution for that Eligible Former Owner shall be one half (50%) of the sum of (a) a fixed dollar amount of \$5,155.00; (b) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value; and (c) state and average local taxes on Vehicle Clean Retail Value. If the Former Owner would otherwise receive less than \$3,000, Former Owner Restitution shall be \$3,000.

ii. **Two Eligible Former Owners.** If two Eligible Former Owners of a given Generation One Eligible Vehicle timely file a valid and complete claim, Former Owner Restitution for each Eligible Former Owner shall be half (50%) the amount in paragraph 10(i) above.

iii. **No Eligible Former Owner or Eligible Former Lessee.** If no Eligible Former Owner or Eligible Former Lessee timely files a valid and complete claim, then 100% of the Owner Restitution will be paid to the Eligible Owner.

11. **No Double Compensation.** Once (i) an Eligible Vehicle has received a Reduced Emissions Modification, and (ii) Owner Restitution has been paid to the Eligible Owner (and, if applicable, Former Owner Restitution to the Eligible Former Owner or Owners, or Lessee Restitution has been paid to the Eligible Former Lessee) or Lessee Restitution has been paid to the Eligible Lessee, then Volkswagen shall not have any obligation to pay any additional restitution (or any Vehicle Value) for that Eligible Vehicle.

C. Vehicle Value for Generation One Vehicles

12. **Base Clean Retail Value.** The Base Clean Retail Value for each Eligible Vehicle is the Clean Retail value for the NADA Vehicle Identification Code (“VIC”) corresponding to that vehicle in the September 2015 NADA Used Car Guide published in or around August 2015, based on the NADA Region that includes the state of the Eligible Vehicle’s last known vehicle registration as of November 2015.

13. **Vehicle Clean Retail Value.** The Vehicle Clean Retail Value is the Base Clean Retail Value adjusted for certain options and, in the case of Eligible Owners and Eligible Former Owners, for mileage. Specifically, the Vehicle Clean Retail Value of each Generation One Eligible Vehicle is as follows:

i. for Eligible Owners, Vehicle Clean Retail Value equals the Base Clean Retail Value adjusted for options and actual mileage at the time of surrender or modification with an allowance for estimated mileage since September 18, 2015, as described below in paragraphs 16 and 17;

- ii. for Eligible Former Owners, Vehicle Clean Retail Value equals Base Clean Retail Value adjusted for options and the estimated mileage as of September 18, 2015, as described below in paragraphs 16 and 17; and
 - iii. for Eligible Lessees and Eligible Former Lessees, Vehicle Clean Retail Value equals Base Clean Retail Value adjusted for options, as described below in paragraph 16, but not for mileage.
14. **Base Clean Trade Value.** The Base Clean Trade Value for each Eligible Vehicle is the Clean Trade value for the NADA VIC corresponding to that vehicle in the September 2015 NADA Used Car Guide published in or around August 2015, based on the NADA Region that includes the state of the Eligible Vehicle's last known vehicle registration as of November 2015.
15. **Vehicle Clean Trade Value (or "Vehicle Value").** The Vehicle Clean Trade Value is the Base Clean Trade Value adjusted for certain options and, in the case of Eligible Owners and Eligible Former Owners, for mileage. Specifically, the Vehicle Clean Trade Value of each Generation One Eligible Vehicle is as follows:
- i. for Eligible Owners, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options and actual mileage at the time of surrender with an allowance for estimated mileage since September 18, 2015, as described below in paragraphs 16 and 17;
 - ii. for Eligible Former Owners, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options and the estimated mileage as of September 18, 2015, as described below in paragraphs 16 and 17; and
 - iii. for Eligible Lessees and Eligible Former Lessees, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options as described below in paragraph 16, but not for mileage.
16. **Options Adjustments.** The options adjustments to Base Clean Trade and Base Clean Retail Values made to derive the Vehicle Clean Trade and Vehicle Clean Retail Values are based only on Volkswagen or Audi OEM-installed options that are valued in the September 2015 NADA Used Car Guide, using the NADA "Clean Trade-In" and "Clean Retail" values of those options, respectively.
17. **Mileage Adjustments.** The mileage adjustments made to derive Vehicle Clean Trade and Vehicle Clean Retail Values, pursuant to paragraph 13(i)-(ii) above, shall be made using the mileage adjustment table in the September 2015 NADA Used Car Guide.
- i. For Eligible Owners, the mileage adjustment shall be determined based on the actual mileage at the time the vehicles are surrendered in a Buyback or Trade-In or brought in for a Reduced Emissions Modification with an allowance of 15,000 miles per year after September 2015, prorated monthly to the month of surrender or modification. Thus, a vehicle returned or modified in April 2017 would receive a mileage allowance of 23,750 miles (19 months * 1,250 miles per month). In this example, the mileage to look up in the NADA table would be actual mileage when the vehicle is modified or bought back minus 23,750.

- ii. For Eligible Former Owners, the adjustment will be made based on the estimated mileage in September 2015 used by the parties to estimate the maximum total compensation amount set forth in Section H.

D. Additional Benefits for Class Members

18. Extended Vehicle Warranties and Vehicle Service Contracts or Plans.

Volkswagen will offer to refund to Eligible Owners selecting a Buyback any unused and otherwise nonrefundable portion of the purchase price of extended vehicle warranties and/or vehicle service contracts or plans purchased from Authorized Dealers, including any termination fees, provided that the warranty or service contract or plan was purchased prior to January 31, 2017. The refund, if any, shall be prorated to account for any unused months (if the warranty or service contract or plan is time-based), service/maintenance events (if the warranty or service contract or plan is based on service events), or mileage (if the warranty or service contract or plan is mileage-based), as applicable. Volkswagen will not be required to make any payments to consumers that will result in the consumers receiving double recovery of any portion of the purchase price of any extended vehicle warranty or vehicle service contract or plan. The process for submitting a claim for reimbursement of unused, nonrefundable portions of such warranties and/or service contracts or plans is set forth in Exhibit 4A. To the extent that a warranty or service contract or plan contains a provision prohibiting reimbursement of any unused portion of the warranty or service contract or plan from the warranty or plan provider, that provision shall not prevent an Eligible Owner from obtaining a refund for any such unused, otherwise nonrefundable, amount from Volkswagen.

19. **AdBlue Refill and Oil Change.** Any Class Member who owns or actively leases an Eligible Vehicle shall be entitled to one AdBlue refill and one oil change (including motor oil, motor oil filter, and associated labor) free of charge for that Eligible Vehicle at a participating Authorized Dealer of the same brand as the Eligible Vehicle. Any Class Member who obtains a Buyback or Lease Termination prior to claiming an AdBlue refill and oil change shall no longer be entitled to that AdBlue refill and oil change. The process for obtaining an AdBlue refill and oil change is set forth in Exhibit 4A.

E. Treatment of Loan Obligations for Class Members Selecting a Buyback

20. **Loan Obligations.** Loan Obligation refers to any debt incurred by an Eligible Owner and secured by an Eligible Vehicle, whether through VW Credit, Inc. or any other lender. If the Eligible Vehicle of an Eligible Owner choosing the Buyback is subject to an outstanding Loan Obligation in an amount less than or equal to the Buyback Amount, Volkswagen shall pay to the Eligible Owner's lender the portion of the Buyback Amount required to pay off the Loan Obligation and shall pay to the Eligible Owner any remaining portion of the Buyback Amount.

Example: An Eligible Owner of an Eligible Vehicle that she acquired on or before September 18, 2015 chooses the Buyback and surrenders her vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000, for a total Buyback Amount of \$30,000. The Eligible Owner has a Loan Obligation of \$10,000,

so Volkswagen pays \$10,000 to the lender and the remaining \$20,000 directly to the Eligible Owner.

21. **Loan Forgiveness for Eligible Owners.** If the Eligible Vehicle of an Eligible Owner who selects a Buyback is subject to an outstanding Loan Obligation in an amount greater than the Buyback Amount, Volkswagen shall pay that Eligible Owner's lender the full amount required to pay off the outstanding Loan Obligation for the Eligible Vehicle, up to, but no more than, 130% of the Buyback Amount. Loan Forgiveness refers to the amount of the payment that exceeds the Buyback Amount. Loan Forgiveness shall not exceed 30% of the sum of the Vehicle Value and Owner Restitution. Loan Forgiveness shall not be available for any portion of the Loan Obligation that becomes delinquent after June 28, 2016 (or any related costs and fees), or for any portion of the Loan Obligation, including new loans, incurred after June 28, 2016. If the amount paid to the lender by Volkswagen under this provision is not sufficient to satisfy the outstanding Loan Obligation, the Eligible Owner must, at the time of the transfer of ownership and possession, pay any remaining balance of the Loan Obligation required to transfer all of the Eligible Owner's interest in, ownership of, title to, and possession of the Eligible Vehicle to Volkswagen. Below are several examples of how Loan Forgiveness might work. These examples assume that no portion of the Eligible Owner's Loan Obligation became delinquent after June 28, 2016 and that the Eligible Owner has not entered into additional loans after that date.

Example 1: An Eligible Owner of an Eligible Vehicle that he acquired on or before September 18, 2015 chooses the Buyback and surrenders his vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of July 1, 2018 that exceeds \$30,000, but not any amount that exceeds 130% of \$30,000, or \$39,000. The Eligible Owner has a Loan Obligation of \$33,000, so Volkswagen pays \$33,000 to the lender, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus \$3,000 as Loan Forgiveness. Volkswagen pays nothing directly to the Eligible Owner.

Example 2: Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$40,000. Volkswagen pays \$39,000 to the lender, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus an additional 30% of that amount, or \$9,000, as Loan Forgiveness. The owner must pay off the remaining balance of the Loan Obligation, \$1,000, at the time of the transfer of ownership and possession. Volkswagen pays nothing directly to the Eligible Owner.

F. Treatment of Loan Obligations for Class Members Selecting a Trade-In

22. **Loan Obligations.** If the Eligible Vehicle of an Eligible Owner who selects a Trade-In is subject to an outstanding Loan Obligation, responsibility for satisfying that Loan Obligation (such that all interest in, ownership of, title to, and possession of the Eligible Vehicle are transferred to the participating Authorized Dealer through the Trade-In) shall be subject to negotiation between the Eligible Owner and the participating Authorized Dealer at which the Trade-In occurs. The manner in which

the Loan Obligation is satisfied likewise is subject to negotiation between the Eligible Owner and the participating Authorized Dealer.

23. **Loan Forgiveness.** If the Eligible Vehicle of an Eligible Owner who selects a Trade-In is subject to an outstanding Loan Obligation in an amount greater than the Buyback Amount, the Eligible Owner's trade-in credit shall be (1) the Buyback Amount, and (2) an amount equal to the Loan Forgiveness to which the Eligible Owner would be entitled under the Buyback Option, as provided in paragraph 21, up to 30% of the Buyback Amount. In other words, the trade-in credit shall be sufficient to offset a Loan Obligation equal to 130% of the Buyback Amount.

Example 1: An Eligible Owner of an Eligible Vehicle that he acquired before September 18, 2015 chooses the Trade-In and surrenders his vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of July 1, 2018 that exceeds \$30,000, but not any amount that exceeds 130% of \$30,000, or \$39,000. The Eligible Owner has a Loan Obligation of \$33,000, so the Eligible Owner's trade-in credit is \$33,000, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) and \$3,000 as Loan Forgiveness.

Example 2: Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$40,000. The Eligible Owner's trade-in credit is \$39,000, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus an additional 30% of that amount, or \$9,000, as Loan Forgiveness.

G. Reduced Emissions Modification For Generation One Vehicles

24. Eligible Owners and Eligible Lessees (who retain possession of their vehicles) may choose to have the emissions system of their Generation One Eligible Vehicle modified if Volkswagen submits, and EPA and CARB approve, an Emissions Modification for their vehicles. The expected and final dates for Volkswagen to submit proposed Emissions Modifications for each vehicle engine Sub-Generation are shown in the table below and are detailed more fully in Appendix B to the DOJ 3.0-liter Consent Decree.

Sub-Generation	Expected Submittal Date	Final Submittal Date
1.1	August 25, 2017	November 10, 2017
1.2	August 25, 2017	November 10, 2017

25. Class Members will receive VW Class Updates to keep them apprised of this process. If an Emissions Modification is approved for a Class Member's vehicle and the Class Member chooses to have his, her, or its Eligible Vehicle modified, the Class Member also will receive the Restitution Payment and a Reduced Emissions Modification Extended Warranty described in Section 7.4 of the 3.0-liter Class Action Agreement. If there is no Reduced Emissions Modification available for a Class Member's Eligible Vehicle by August 1, 2018, that Eligible Owner or Lessee shall have a second opportunity, from August 1, 2018 until September 1, 2018, to withdraw from the 3.0-liter Class Action Agreement.

H. Generation One Maximum Compensation.

26. Assuming a 100% Buyback of 19,605 vehicles and 100% Class Member participation (including all Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees), the maximum total compensation amount for Generation One 3.0-liter Class Members is \$789,663,305, and includes designated amounts as follows:
- i. **Designated Vehicle Value/Restitution Amount:** \$779,653,305 designated to pay Vehicle Value and/or Owner, Lessee, or Former Owner Restitution to Class Members as appropriate on a claims-made basis;
 - ii. **Designated Extended Vehicle Warranties/Vehicle Service Contracts Amount:** \$6,000,000 designated to reimburse consumers on a claims-made basis for the unused portion of nonrefundable extended vehicle warranties and vehicle service contracts;
 - iii. **Designated Maintenance Amount:** \$4,000,000 designated to pay for AdBlue and oil change services for Class Members' Eligible Vehicles; and
 - iv. **Designated Loan Forgiveness Amount:** \$10,000 designated to fund Loan Forgiveness for those Eligible Owners who qualify for it, if any.
27. This is a claims-made settlement, and Volkswagen shall retain (and shall not be required to pay) any unclaimed portion of designated compensation amounts.
28. With respect to Vehicle Value and Owner, Lessee, and Former Owner Restitution, Volkswagen will not be required for any given Eligible Vehicle to pay more than (or otherwise provide compensation in excess of) the Buyback Amount that would be due to an Eligible Owner who purchased the vehicle new, except to the extent such additional payment in Excess of the Buyback Amount results from: (i) the application of an estimated mileage adjustment in making a Former Owner Restitution Payment; (ii) the lack of a mileage adjustment in making a Lessee Restitution Payment to a former lessee whose vehicle was purchased by an Eligible Owner other than that former lessee; or (iii) payment of an amount to ensure that the Buyback Amount is at least equal to or in excess of Retail Replacement Value as defined in the DOJ 3.0-liter Consent Decree.
29. Volkswagen shall not be responsible for paying to all participating Class Members more in aggregate Vehicle Value and Owner, Lessee, and Former Owner Restitution than the maximum total compensation amount set forth in paragraph 26 above. Volkswagen shall, however, be responsible for the additional cost if the designated amounts in paragraph 26(ii)-(iv) above are insufficient to cover the cost of Volkswagen's corresponding obligations for Generation One vehicles under the 3.0-liter Class Action Agreement related to extended vehicle warranties/vehicle service contracts, maintenance, and Loan Forgiveness only.

Exhibit 1B

Settlement Benefits for

3.0-Liter Class Members with

Generation Two Vehicles

(Model Years 2013-2016)

SETTLEMENT BENEFITS FOR 3.0-LITER CLASS MEMBERS WITH GENERATION TWO VEHICLES

Introduction. As described more fully below, this Exhibit sets out how Class Members who own, owned, lease, or leased a Generation Two vehicle will be compensated under the 3.0-liter Class Action Settlement Program. **The only Generation Two vehicles are model year (“MY”) 2013-2016 Audis, Volkswagens, and Porsches.** Benefits pursuant to the 3.0-liter Class Action Settlement Program are available only to Class Members who do not opt out of the Class. All defined terms in this document have the meanings ascribed to them in the 3.0-liter Class Action Agreement.

A. Options for Owners and Lessees of Generation Two Vehicles

1. The benefits available to a Class Member who owns, owned, leases, or leased a Generation Two vehicle depend on whether Volkswagen and/or Porsche timely makes available a Reduced Emissions Modification that meets the Certified Exhaust Emissions Standards set forth in the DOJ 3.0-liter Consent Decree (an “Emissions Compliant Repair”).
2. As set forth in greater detail in Section 6 of the 3.0-liter Class Action Agreement, an Emissions Compliant Repair for a given Eligible Vehicle shall be considered timely if it is available (i) on or before the Decision Date for the Sub-Generation to which that Eligible Vehicle belongs, (ii) on or before any subsequent date set by the Court, or (iii) during any 30-day extension period (of which there may be up to three) for which Volkswagen agrees to make an Extension Payment.
3. **Emissions Compliant Repair Timely Available.** If an Emissions Compliant Repair is *timely made available* for a particular Sub-Generation or part of a Sub-Generation (including, but not limited to, EPA test groups or model years, as listed in paragraph 2.40 of the 3.0-liter Class Action Agreement) of Generation Two Eligible Vehicles, Class Members who own, owned, lease, or leased an Eligible Vehicle belonging to that Sub-Generation or part thereof shall be entitled to benefits as follows, in addition to any other benefits available to them under the Settlement Agreement:
 - i. Eligible Owners shall be offered an Emissions Compliant Repair and an Emissions Compliant Repair Payment for Owners (an “Owner Repair Payment”). If one or more Eligible Former Owners timely file a valid Claim with respect to a particular Eligible Vehicle, the Owner Repair Payment will be reduced by half for the Eligible Owner of that vehicle. If an Eligible Former Lessee timely files a valid Claim with respect to the vehicle, the Owner Repair Payment shall be reduced by \$2,000.
 - ii. Class Members whose vehicles (i) are damaged after January 31, 2017 in a manner that renders them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise permanently removed from commerce, and who otherwise qualify as Eligible Owners, shall be offered an Owner Repair Payment, but not an Emissions Compliant Repair.
 - iii. Eligible Lessees who (i) held a lease of a Generation Two Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and continue to hold that lease, or (ii) obtained ownership of their previously leased Eligible Vehicle after

January 31, 2017 and retain ownership, shall be offered an Emissions Compliant Repair and an Emissions Compliant Repair Payment for Lessees (a “Lessee Repair Payment”). A lessee who obtained ownership of his, her, or its previously leased Eligible Vehicle on or before January 31, 2017 and still owns the vehicle when he, she, or it participates in the Settlement Program shall be treated as an Eligible Owner.

- iv. Eligible Lessees who return or have returned their Eligible Vehicle at the conclusion of the lease and Eligible Former Lessees shall be offered a Lessee Repair Payment.
 - v. Eligible Former Owners shall be offered an Emissions Compliant Repair Payment for Former Owners (a “Former Owner Repair Payment”). There may be no more than two Eligible Former Owners for an Eligible Vehicle who will share the Former Owner Repair Payment in equal portions.
 - vi. Current or former owners of an Eligible Vehicle as of September 18, 2015 and/or November 2, 2015 whose vehicles (i) were damaged between September 18, 2015 and January 31, 2017 in a manner that rendered them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise sold to a third party and permanently removed from commerce, shall be treated as Eligible Former Owners and offered a Former Owner Repair Payment.
4. **Extension Payments.** As described more fully in Section 6 of the 3.0-liter Class Action Agreement, the Decision Dates for an Emissions Compliant Repair for each Sub-Generation of Generation Two Eligible Vehicles are as follows:

Sub-Generation	Decision Date for the Emissions Compliant Repair
2.1 SUV	November 8, 2017
2.2 SUV	October 23, 2017
2 PC	December 20, 2017

If, after the Decision Date for a particular Sub-Generation has passed, Volkswagen and/or Porsche, as applicable, have not yet obtained approval from EPA/CARB for that Sub-Generation or any part thereof, and the Court, on motion by Plaintiffs, rules that good cause does not exist to delay offering the Buyback Option for the Sub-Generation or part thereof for which approval has not been obtained, then Volkswagen may extend the Decision Date for that Sub-Generation or part thereof for a maximum of 90 days from the date the Court issues its ruling on Plaintiffs’ motion in order to gain additional time to obtain an approval. For each 30-day extension period, Volkswagen must pay an “Extension Payment” of \$500 for each Eligible Vehicle of that Sub-Generation or part thereof that is owned when that 30-day extension period begins, and \$500 for each Eligible Vehicle of that Sub-Generation or part thereof that is leased when that 30-day extension period begins. If an Emissions Compliant Repair becomes available during the middle of a 30-day extension period,

Volkswagen shall be responsible for the full Extension Payment for that 30-day extension period. For avoidance of doubt, an Emissions Compliant Repair shall be considered timely if it becomes available during an extension period for which an Extension Payment will be made.

5. **Timing of Extension Payments.** An Extension Payment will be payable, if at all, to the Eligible Owner in possession of the Eligible Vehicle at the time he, she, or it is due any remaining Owner Repair Payment or Owner Restitution not paid as part of a Repair Participation Payment. An Extension Payment will be payable, if at all, to the Eligible Lessee of an Eligible Vehicle at the time he, she, or it is due any remaining Lessee Repair Payment or Lessee Restitution not paid as part of a Repair Participation Payment. Eligible Former Owners are not entitled to Extension Payments. Eligible Lessees who did not own or lease an Eligible Vehicle affected by the extension at the time the obligation to pay an Extension Payment for a 30-day extension period accrued are not entitled to an Extension Payment for that 30-day extension period. Extension Payments, if any, will be in addition to, and cannot be used to offset, any other amount owed to Class Members by Volkswagen.
6. **Emissions Compliant Repair *Not Timely Available*.** In the alternative to paragraph 3, if an Emissions Compliant Repair is *not timely made available* for a particular Sub-Generation or part of a Sub-Generation (including, but not limited to, test groups or model years) of Generation Two Eligible Vehicles, Class Members who own, owned, lease, or leased an Eligible Vehicle belonging to that Sub-Generation or part thereof shall be entitled to benefits as follows:
 - i. Eligible Owners shall be offered a choice among three options: (1) a Buyback plus Owner Restitution, including Loan Forgiveness as set forth in paragraph 29 below; (2) a Trade-In plus Owner Restitution, including Loan Forgiveness as set forth in paragraph 29 below; or (3) if available, a Reduced Emissions Modification (or Emissions Compliant Repair) plus Owner Restitution.
 - ii. Class Members whose vehicles (i) are damaged after January 31, 2017 in a manner that renders them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise permanently removed from commerce, and who otherwise qualify as Eligible Owners, shall be offered Owner Restitution only, and not a Buyback, Trade-In, or Reduced Emissions Modification (or Emissions Compliant Repair).
 - iii. Eligible Lessees who held a lease of a Generation Two Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and continue to hold that lease, shall be offered the choice between (1) a Lease Termination plus Lessee Restitution; or (2) a Reduced Emissions Modification (or Emissions Compliant Repair) plus Lessee Restitution. A lessee who obtained ownership of his, her, or its previously leased Eligible Vehicle on or before January 31, 2017 and still owns the vehicle when he, she, or it participates in the 3.0-liter Class Action Settlement Program shall be treated as an Eligible Owner.
 - iv. Eligible Lessees who return or have returned their Eligible Vehicle at the conclusion of the lease and Eligible Former Lessees shall be offered Lessee Restitution.

- v. Eligible Lessees who obtained ownership of their previously leased Eligible Vehicle after January 31, 2017, and who still own their Eligible Vehicle, shall be offered a Reduced Emissions Modification (or Emissions Compliant Repair) and Lessee Restitution.
- vi. Eligible Former Owners shall be offered Former Owner Restitution. There may be no more than two Eligible Former Owners for an Eligible Vehicle who will share the Former Owner Restitution amount in equal portions.
- vii. Former owners of an Eligible Vehicle as of September 18, 2015 and/or November 2, 2015 whose Eligible Vehicles (i) were damaged between September 18, 2015 and January 31, 2017 in a manner that rendered them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise sold to a third party and permanently removed from commerce, shall be treated as Eligible Former Owners and offered Former Owner Restitution.

B. Class Member Benefits for the Emissions Compliant Repair Option

- 7. An Emissions Compliant Repair shall be available for a particular Sub-Generation or part of a Sub-Generation of Generation Two vehicles if, and only if, it is approved by EPA/CARB. If an Emissions Compliant Repair is timely available for any particular Sub-Generation or part of a Sub-Generation, then Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees of Eligible Vehicles belonging to that Sub-Generation or part of a Sub-Generation will be entitled to benefits as set forth in paragraphs 8-10 below. At least some portion of these benefits shall be available prior to approval of an Emissions Compliant Repair.
- 8. **Eligible Owners.** Generation Two Eligible Owners shall be entitled to an Emissions Compliant Repair free of charge and an Owner Repair Payment. For an Eligible Owner who acquired a new vehicle at any point in time or a used vehicle on or before September 18, 2015, the Owner Repair Payment will be 10% of the Base Vehicle Retail Value of the Eligible Vehicle, adjusted for options but not mileage, plus \$3,596.74. For an Eligible Owner who acquired a used vehicle after September 18, 2015, the Owner Repair Payment will be the same amount described above, unless (i) one or more Eligible Former Owners timely file a valid claim related to the same vehicle, or (ii) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and an Eligible Former Lessee timely files a valid claim. If an Eligible Former Owner timely files a claim, the Owner Repair Payment shall be half of the amount described above for the owner of the vehicle who acquired it on or before September 18, 2015. If an Eligible Former Lessee timely files a claim, the Owner Repair Payment shall be the amount described above for the owner of the vehicle who acquired it before September 18, 2015, less \$2,000. If potential Eligible Former Owners timely identify themselves or if Volkswagen identifies potential Eligible Former Lessees for a given Eligible Vehicle, and those potential Eligible Former Owners or Eligible Former Lessees ultimately do not submit claims or are determined not to have valid claims, the Owner Repair Payment for that vehicle will be paid in two parts, as described in Exhibit 4B.

- i. **Owner Repair Participation Payment.** An Eligible Owner may, in accordance with the claims procedures set forth in Exhibit 4B, obtain half (50%) of the Owner Repair Payment prior to approval of an Emissions Compliant Repair for that Eligible Owner's vehicle (an "Owner Repair Participation Payment"). If potential Eligible Former Owners timely identify themselves or if Volkswagen identifies potential Eligible Former Lessees for a given Eligible Vehicle, the Owner Repair Participation Payment will be equal to one half (50%) of the Owner Repair Participation Payment that would be due for an Eligible Vehicle with no Eligible Former Owner or Eligible Former Lessee. If all identified potential Eligible Former Owners or Eligible Former Lessees fail to submit claims or ultimately are determined not to have valid claims, the Eligible Owner will be entitled to the remaining amount necessary to raise his, her, or its Owner Repair Participation Payment to one half (50%) of the Owner Repair Payment that would be due for an Eligible Vehicle with no Eligible Former Owner or Eligible Former Lessee. Eligible Owners who accept an Owner Repair Participation Payment will forego the right to opt out of the Class at any later point in time, if any, unless and until they return the payment amount. For vehicles whose Eligible Owners accept the Owner Repair Participation Payment, the remaining half of the Owner Repair Payment shall be paid to the Eligible Owner who owns the Eligible Vehicle when it receives the Emissions Compliant Repair.
 - ii. **Compensation Follows Ownership.** Compensation shall follow ownership and possession of the vehicle, such that if the vehicle changes hands between the time of the Owner Repair Participation Payment and the payment of the remainder of the Owner Repair Payment, the second payment, and any Extension Payments due, shall be made to the Eligible Owner who owns the Eligible Vehicle at the time it receives the Emissions Compliant Repair. Alternatively, if the Owner Repair Participation Payment is not claimed, the full amount of the Owner Repair Payment shall be paid to the Eligible Owner who owns the Eligible Vehicle at the time it receives the Emissions Compliant Repair. The decision to accept an Owner Repair Participation Payment and not opt out of the Class is binding on subsequent owners of the same Eligible Vehicle.
9. **Eligible Lessees and Eligible Former Lessees.** Eligible Lessees of Generation Two vehicles who have an active lease or own the Eligible Vehicle shall be entitled to an Emissions Compliant Repair free of charge and an Emissions Compliant Repair Payment for Lessees (a "Lessee Repair Payment") of \$2,000. Eligible Lessees who no longer lease and do not own the Eligible Vehicle and Eligible Former Lessees shall be entitled to a Lessee Repair Payment of \$2,000, and not the Emissions Compliant Repair.

 - i. **Lessee Repair Participation Payment.** An Eligible Lessee who has an active lease or who owns the Eligible Vehicle may, in accordance with the claims procedures set forth in Exhibit 4B, obtain half of the Lessee Repair Payment prior to approval of an Emissions Compliant Repair for that Eligible Lessee's vehicle (a "Lessee Repair Participation Payment"). Eligible Lessees

who accept a Lessee Repair Participation Payment will forego their right to opt out of the Class at any later point in time, if any, unless and until they return the payment amount. For Eligible Lessees who accept the Lessee Repair Participation Payment, the remaining half of the Lessee Repair Payment shall be paid to the Eligible Lessee who leases or owns the Eligible Vehicle at the time the vehicle (i) is brought in for an Emissions Compliant Repair, or (ii) is surrendered at the conclusion of the lease.

- ii. **No Active Lease.** An Eligible Lessee who no longer has an active lease and does not own the Eligible Vehicle or an Eligible Former Lessee may obtain, in accordance with the claims procedures set forth in Exhibit 4B, the full Lessee Repair Payment regardless of whether an Emissions Compliant Repair has yet become available.

10. **Eligible Former Owners.** Generation Two Eligible Former Owners shall receive a Former Owner Repair Payment. Eligible Former Owners may, in accordance with the claims procedures set forth in Exhibit 4B, obtain the full Former Owner Repair Payment regardless of whether an Emissions Compliant Repair has yet become available.

- i. **One Eligible Former Owner.** If only one Eligible Former Owner of a given Generation Two Eligible Vehicle timely files a valid and complete claim, the Former Owner Repair Payment for that Eligible Former Owner shall be half (50%) of the sum of (a) a fixed dollar amount of \$3,596.74; and (b) 10% of the Base Vehicle Clean Retail Value of the Eligible Vehicle, adjusted for options but not mileage.
- ii. **Two Eligible Former Owners.** If two Eligible Former Owners of a given Generation Two Eligible Vehicle timely file valid and complete claims, the Former Owner Repair Payment for each Eligible Former Owner shall be half (50%) the amount in paragraph 10(i) above.
- iii. **No Eligible Former Owner or Eligible Former Lessee.** If no Eligible Former Owner or Eligible Former Lessee files a timely and valid claim, then 100% of the Owner Repair Payment shall be paid to the Eligible Owner.

11. **Reduced Performance Payments.** In the event that the Emissions Compliant Repair causes Reduced Performance of the Eligible Vehicle, Volkswagen will make an additional payment of \$500 for each affected Eligible Vehicle, as set forth in paragraph 7.5 of the 3.0-liter Class Action Settlement. A Reduced Performance payment, if any, shall be made to the Eligible Owner or Eligible Lessee who owned or leased the Eligible Vehicle at the time it received the Emissions Compliant Repair.

C. Class Member Benefits for the Buyback, Trade, Approved Emissions Modification, Lessee Restitution, and Former Owner Restitution Options

12. As set forth in paragraph 3 above, if an Emissions Compliant Repair for a particular Sub-Generation or part of a Sub-Generation of Generation Two Eligible Vehicle is timely available to Class Members, then Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees of Eligible Vehicles belonging to that Sub-Generation or part of a Sub-Generation will have only the Emissions Compliant

Repair Option. If, however, an Emissions Compliant Repair for a particular Sub-Generation or part of a Sub-Generation of Generation Two Eligible Vehicle does not timely become available, then Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees of Eligible Vehicles belonging to that Sub-Generation or part of a Sub-Generation will be entitled benefits as set forth in paragraphs 13-15 below. As explained in further detail below, in the event that a Buyback is triggered for that Class Member's Eligible Vehicle, any Emissions Compliant Repair Payment or portion thereof (*i.e.*, an Owner Repair Participation Payment or a Lessee Repair Participation Payment) paid to a Class Member as set forth in § B shall be credited against (*i.e.*, deducted from) the compensation amounts provided for under this § C.

13. **Benefits for Eligible Owners.** Eligible Owners who choose the **Buyback Option** shall receive the Vehicle Value plus Owner Restitution, as further defined below (together, the "Buyback Amount"). "Vehicle Value" is an amount intended to reflect the market value of the surrendered vehicle, including options and mileage, described in more detail in § D below. Eligible Owners who choose the **Trade-In Option** shall receive the Vehicle Value plus Owner Restitution in the form of a trade-in credit at a participating Authorized Dealer equal to the Buyback Amount. Eligible Owners who choose the **Approved Emissions Modification Option** shall receive a Reduced Emissions Modification (or Emissions Compliant Repair, if such repair is eventually made available) free of charge and Owner Restitution. An Eligible Owner whose Eligible Vehicle is totaled after January 31, 2017 and transferred to an insurance company or otherwise permanently removed from commerce before the vehicle is surrendered in a Buyback or Trade-In, or receives an Approved Emissions Modification, shall receive Owner Restitution only, and not the Vehicle Value.

i. **Buyback Compensation.** Owner Restitution is composed of a fixed dollar amount that is the same for all Generation Two Eligible Vehicles of each brand (the "fixed component"), and a variable dollar amount (the "variable component").

a) For an Eligible Owner who acquired a new vehicle at any point in time or a used vehicle on or before September 18, 2015 and who selects a Buyback, the fixed component is \$8,728.00 for Volkswagen vehicles, \$9,728.00 for Audi vehicles, or \$11,228.00 for Porsche vehicles. The variable component is comprised of: (i) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value; (ii) state and average local taxes on the Vehicle Clean Retail Value using the tax table attached to this Exhibit. For MY 2013-2015 vehicles, the variable component also will include an additional amount based on the manufacturer's suggested retail price ("MSRP") of the vehicle's Volkswagen, Audi, or Porsche OEM-installed options, if any, that had an initial MSRP of at least \$1,000 and that were not valued in the September 2015 NADA Used Car Guide.

b) For an Eligible Owner who acquired a used vehicle after September 18, 2015, Owner Restitution is the same amount described in the immediately preceding paragraph, unless (i) one or more Eligible

Former Owners timely file a valid claim related to the same vehicle, or (ii) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and the Eligible Former Lessee timely files a valid claim. In those cases, Owner Restitution will be half the amount described in the immediately preceding paragraph, but no less than the amount necessary to ensure that the Buyback Amount exceeds Retail Replacement Value as defined in the DOJ 3.0L Consent Decree. If potential Eligible Former Owners timely identify themselves or if Volkswagen identifies potential Eligible Former Lessees for a given Eligible Vehicle, the Eligible Owner initially will receive half (50%) of the Owner Restitution that would be due if there were no Eligible Former Owner, Eligible Lessee, or Eligible Former Lessee for that vehicle. If all identified potential Eligible Former Owners and Eligible Former Lessees for that vehicle ultimately fail to submit claims or are determined not to have valid claims, the Eligible Owner will be entitled to the amount necessary to raise Owner Restitution to the amount due under paragraph 13(i)(a) above.

Example:

Vehicle ID	102553
Description	2014 Audi Q5 TDI Premium Plus
Vehicle Value	\$41,875 (assumes standard mileage)
Vehicle <i>Clean Retail Value</i>	\$45,250 (assumes standard mileage)
State and Local Tax Rate	California 8.48%
Tax on Vehicle Clean Retail Value	$\$45,250 * 8.48\% = \$3,837.20$
Difference between Vehicle Clean Retail Value and Vehicle Value	$\$45,250 - \$41,875 = \$3,375$
Non-NADA Option Amount	\$0
Owner Restitution assuming no Eligible Former Owner	$\$9,728.00$ [fixed component] + $\$7,212.20$ [variable component: amount by which Vehicle Clean Retail Value exceeds Vehicle Value (\$3,375), plus sales tax (\$3,837.20)] $= \$16,940.20$
Buyback Amount	$\$41,875 + \$16,940.20 = \$58,815.20$
Minimum	The Buyback Amount is greater than Retail Replacement Value, so the minimum is not implicated.

- ii. **Trade-In Compensation.** For an Eligible Owner who selects the Trade-In Option, the Trade-In Credit will be equal to the Buyback Amount. As set forth in paragraph 27 below, the Trade-In Credit will be increased by up to 30% of the Buyback Amount in the event that the Eligible Vehicle is subject to a Loan Obligation in excess of the Buyback Amount. The Eligible Owner shall be entitled to the full value of the Trade-In Credit. In the event that the Trade-In Credit exceeds the retail transaction price of the newly acquired vehicle (which may include, but is not limited to, vehicle price, accessories, fees, taxes, registration, and other dealer products), Class Members are entitled to the difference between the transaction price and the Trade-In Credit, in whatever form is negotiated between the Class Member and the Authorized Dealer including, but not limited, to a check for the remaining amount. All Trade-Ins of a Volkswagen vehicle must be at a participating Volkswagen Authorized Dealer; all Trade-Ins of an Audi vehicle must be at a participating Audi Authorized Dealer; and all Trade-Ins of a Porsche vehicle must be at a participating Porsche Authorized Dealer.
- iii. **Approved Emissions Modification Compensation.** For an Eligible Owner who obtains a Reduced Emissions Modification (or Emissions Compliant Repair, if ultimately available), the Owner Restitution shall be the same as the Owner Restitution that the Eligible Owner would be entitled to in a Buyback, as described in paragraph 13(i) above. Because Eligible Owners receiving a Reduced Emissions Modification (or Emissions Compliant Repair) will retain possession of their vehicles, such Eligible Owners will receive Owner Restitution, but not Vehicle Value.

14. Eligible Lessees and Eligible Former Lessees. Generation Two Eligible Lessees who have an active lease and who choose the **Lease Termination Option** shall receive a Lease Termination and Lessee Restitution. Eligible Lessees who have an active lease, or who own the vehicle, and who choose the **Approved Emissions Modification Option** shall receive a Reduced Emissions Modification (or Emissions Compliant Repair, if ultimately available) free of charge and Lessee Restitution. Eligible Lessees who no longer lease or own the vehicle and Eligible Former Lessees shall receive Lessee Restitution, and not a Lease Termination or Reduced Emissions Modification (or Emissions Compliant Repair).

- i. Lessee Restitution is composed of a fixed dollar amount that is the same for all leased Generation Two Eligible Vehicles (the “fixed component”), and a variable dollar amount (the “variable component”). The fixed component is \$4,364. The variable component is one half of: (i) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value, plus (ii) state and average local sales taxes on the Vehicle Clean Retail Value using the tax table attached to this Exhibit.

Vehicle ID	101140
Description	2013 Audi Q7 TDI Premium
Vehicle Value	\$35,075

Vehicle Clean Retail Value	\$38,725
Difference between Vehicle Clean Retail Value and Vehicle Value	\$3,650
State and Local Tax Rate	Idaho 6%
Tax on Vehicle Clean Retail Value	6% of \$38,725 = \$2,323.50
Lessee Restitution	\$4,364.00 [fixed component] + ½ of \$5,973.50 [variable component: amount by which Vehicle Clean Retail Value exceeds Vehicle Value (\$3,650), plus sales tax (\$2,323.50)] = \$7,350.75

- ii. If an Eligible Lessee selects a Lease Termination, Volkswagen shall pay all amounts necessary to achieve a Lease Termination without penalty to the Eligible Lessee, including, without limitation, early termination fees owed to third parties, provided, however, the Eligible Lessee remains obligated to pay, and Volkswagen may deduct from the Lessee Restitution, fees for excess wear and use and excess mileage at the point of vehicle surrender, and other amounts due, such as delinquent lease payments and related late payment fees or costs associated with tickets and tolls, as defined by the lease contract.

15. Eligible Former Owners. Eligible Former Owners shall receive Former Owner Restitution. There can be no more than two Eligible Former Owners for any given Generation Two Eligible Vehicle.

- i. **One Eligible Former Owner.** If only one Eligible Former Owner of a given Generation Two Eligible Vehicle timely files a valid and complete claim, Former Owner Restitution for that Eligible Former Owner shall be one half (50%) of the sum of (a) a fixed dollar amount; (b) the amount by which the Vehicle Clean Retail Value exceeds the Vehicle Value; and (c) state and average local taxes on the Vehicle Clean Retail Value. The fixed dollar amount in (a) is \$8,728.00 for Volkswagen vehicles, \$9,728.00 for Audi vehicles, and \$11,228.00 for Porsche vehicles. For MY 2013-2015 vehicles, the variable component also will include half (50%) of any additional amount for Volkswagen, Audi, or Porsche OEM-installed options as described in paragraph 13(i)(a) above.
- ii. **Two Eligible Former Owners.** If two Eligible Former Owners of a given Generation Two Eligible Vehicle timely file a valid and complete claim, Former Owner Restitution for each Eligible Former Owner shall be half (50%) the amount in paragraph 14(i) above.
- iii. **No Eligible Former Owner or Eligible Former Lessee.** If no Eligible Former Owner or Eligible Former Lessee files a timely and valid claim, then 100% of the Owner Repair Payment shall be paid to the Eligible Owner.

- 16. Credit for Emissions Compliant Repair Payments.** In the event that an Eligible Owner, Eligible Lessee, Eligible Former Owner, or Eligible Former Lessee receives an Emissions Compliant Repair Payment or any portion thereof (including an Owner Repair Participation Payment or Lessee Repair Participation Payment) before a Buyback becomes available for that Class Member's Eligible Vehicle, such Emissions Compliant Repair Payment or portion thereof shall be credited against the compensation to which that Class Member is entitled under this Section. For example, if an Eligible Owner would be entitled to a Buyback Amount of \$50,000, but already has received an Owner Repair Participation Payment of \$5,000, the Buyback Amount will be reduced to \$45,000. Similarly, if an Eligible Former Owner would be entitled to Former Owner Restitution of \$4,000, but already has received a Former Owner Repair Participation Payment of \$3,000, the Former Owner Restitution will be reduced to \$1,000.
- 17. No Double Compensation.** Once (i) an Eligible Vehicle has received a Reduced Emissions Modification or Emissions Compliant Repair, and (ii) Owner Restitution or an Owner Repair Payment has been paid to the Eligible Owner (and, if applicable, Former Owner Restitution or a Former Owner Repair Payment has been paid to the Eligible Former Owner or Former Owners, or Lessee Restitution or a Lessee Repair Payment has been paid to the Eligible Former Lessee) or Lessee Restitution or a Lessee Repair Payment has been paid to the Eligible Lessee, then Defendants shall not have any obligation to pay any additional restitution (or any Vehicle Value) for that Eligible Vehicle.

D. Vehicle Value for Generation Two Vehicles

- 18. Base Clean Retail Value.** The Base Retail Value for each Eligible Vehicle is the Clean Retail value for the NADA Vehicle Identification Code ("VIC") corresponding to that vehicle in the September 2015 NADA Used Car Guide published in or around August 2015, based on the NADA Region that includes the state of the Eligible Vehicle's last known vehicle registration as of November 2015.
- i. The September 2015 NADA Used Car Guide does not include values for certain MY 2015 vehicles. For these MY 2015 vehicles, the Base Clean Retail Value agreed upon by the parties is shown in the table below. The Base Clean Retail Value for these vehicles is not distinguished by NADA Region.

Model	Base Clean Retail Value
2015 Audi Q5 Premium Plus S-Line	\$47,358
2015 Audi Q5 Prestige S-Line	\$53,783
2015 Audi Q5 Prestige	\$51,453
2015 Audi Q5 Premium Plus	\$45,031
2015 Audi Q7 Prestige S-Line	\$58,505
2015 Audi Q7 Prestige	\$57,566
2015 Audi Q7 Premium	\$48,922
2015 Porsche Cayenne	\$61,089
2015 VW Touareg Lux	\$47,399
2015 VW Touareg Executive	\$53,231

2015 VW Touareg Sport Technology	\$44,570
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- ii. The September 2015 NADA Used Car Guide does not include values for any MY 2016 vehicles. For those vehicles, the Base Clean Retail Value is calculated as a percentage of the actual MSRP for each vehicle. The percentages used vary based on the vehicle's make.

Model	Base Clean Retail Value
2016 Audi Q5 Premium Plus S-Line	92% of MSRP
2016 Audi Q5 Prestige S-Line	92% of MSRP
2016 Audi Q5 Prestige	92% of MSRP
2016 Audi Q5 Premium Plus	92% of MSRP
2016 Audi A6 Premium Plus	92% of MSRP
2016 Audi A6 Prestige	92% of MSRP
2016 Audi A7 Premium Plus	92% of MSRP
2016 Audi A7 Prestige	92% of MSRP
2016 Audi A8 L	92% of MSRP
2016 Porsche Cayenne	93% of MSRP
2016 VW Touareg Lux	91% of MSRP
2016 VW Touareg Executive	91% of MSRP
2016 VW Touareg Sport Technology	91% of MSRP

19. Vehicle Clean Retail Value. The Vehicle Clean Retail Value is the Base Clean Retail Value adjusted for certain options and, in the case of Eligible Owners and Eligible Former Owners, for mileage. Specifically, the Vehicle Clean Retail Value of each MY 2013-2015 Generation Two Eligible Vehicle is as follows:

- i. for Eligible Owners, Vehicle Clean Retail Value equals the Base Clean Retail Value adjusted for options and actual mileage at the time of surrender or modification with an allowance for estimated mileage since September 18, 2015, as described below in paragraphs 22 and 23;
- ii. for Eligible Former Owners, Vehicle Clean Retail Value equals Base Clean Retail Value adjusted for options and the estimated mileage as of September 18, 2015, as described below in paragraphs 22 and 23; and
- iii. for Eligible Lessees and Eligible Former Lessees, Vehicle Clean Retail Value equals Base Clean Retail Value adjusted for options, as described below in paragraph 21, but not for mileage.

MY 2016 Generation Two Eligible Vehicles are not subject to options or mileage adjustments. Therefore, for each MY 2016 Eligible Vehicle, the Vehicle Clean Retail Value is the same as the Base Clean Retail Value.

20. Base Clean Trade Value. The Base Clean Trade Value for each Eligible Vehicle is the Clean Trade value for the NADA VIC corresponding to that vehicle in the September 2015 NADA Used Car Guide published in or around August 2015, based

on the NADA Region that includes the state of the Eligible Vehicle's last known vehicle registration as of November 2015.

- i. The September 2015 NADA Used Car Guide does not include values for certain MY 2015 vehicles. For these MY 2015 vehicles, the Base Clean Trade Value agreed upon by the parties is shown in the table below. The Base Clean Trade Value for these vehicles is not distinguished by NADA Region.

Model	Base Clean Trade Value
2015 Audi Q5 Premium Plus S-Line	\$44,451
2015 Audi Q5 Prestige S-Line	\$50,588
2015 Audi Q5 Prestige	\$48,347
2015 Audi Q5 Premium Plus	\$42,225
2015 Audi Q7 Prestige S-Line	\$53,864
2015 Audi Q7 Prestige	\$53,030
2015 Audi Q7 Premium	\$45,129
2015 Porsche Cayenne	\$58,251
2015 VW Touareg Lux	\$42,775
2015 VW Touareg Executive	\$48,572
2015 VW Touareg Sport Technology	\$40,281

- ii. The September 2015 NADA Used Car Guide does not include values for any MY 2016 vehicles. For those vehicles, the Base Clean Trade Value is calculated as a percentage of the Base Clean Retail Value. The percentages used vary based on the vehicle's make, model, and trim as shown in the table below.

Model	Base Clean Trade Value
2016 Audi Q5 Premium Plus S-Line	93.86% of Base Clean Retail
2016 Audi Q5 Prestige S-Line	94.06% of Base Clean Retail
2016 Audi Q5 Prestige	93.96% of Base Clean Retail
2016 Audi Q5 Premium Plus	93.77% of Base Clean Retail
2016 Audi A6 Premium Plus	90.40% of Base Clean Retail
2016 Audi A6 Prestige	90.89% of Base Clean Retail
2016 Audi A7 Premium Plus	91.62% of Base Clean Retail
2016 Audi A7 Prestige	92.14% of Base Clean Retail
2016 Audi A8 L	89.87% of Base Clean Retail
2016 Porsche Cayenne	95.35% of Base Clean Retail
2016 VW Touareg Lux	90.24% of Base Clean Retail
2016 VW Touareg Executive	91.25% of Base Clean Retail
2016 VW Touareg Sport Technology	90.38% of Base Clean Retail

21. **Vehicle Clean Trade Value (or "Vehicle Value").** The Vehicle Clean Trade Value is the Base Clean Trade Value adjusted for certain options and, in the case of Eligible

Owners and Eligible Former Owners, for mileage. Specifically, the Vehicle Clean Trade Value of each MY 2013-2015 Generation Two Eligible Vehicle is as follows:

- i. for Eligible Owners, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options and actual mileage at the time of surrender with an allowance for estimated mileage since September 18, 2015, as described below in paragraphs 22 and 23;
- ii. for Eligible Former Owners, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options and the estimated mileage as of September 18, 2015, as described below in paragraphs 22 and 23; and
- iii. for Eligible Lessees and Eligible Former Lessees, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options as described below in paragraph 22, but not for mileage.

MY 2016 Eligible Vehicles are not subject to options or mileage adjustments. Therefore, for each MY 2016 Eligible Vehicle, the Vehicle Clean Trade Value is the same as the Base Clean Trade Value.

22. **Options Adjustments.** The options adjustments to Base Clean Trade and Base Clean Retail Values made to derive the Vehicle Clean Trade and Vehicle Clean Retail Values for MY 2013-2015 Eligible Vehicles are based only on Volkswagen, Audi, or Porsche OEM-installed options that are valued in the September 2015 NADA Used Car Guide or, for some MY 2015 vehicle options, later editions of the NADA Used Car Guide, using the NADA “Clean Trade-In” and “Clean Retail” values of those options, respectively. Because the Base Clean Trade and Base Clean Retail Values for MY 2016 Generation Two Eligible Vehicles incorporate the value of all OEM-installed options, no options adjustments are required for those vehicles.
23. **Mileage Adjustments.** The mileage adjustments made to derive Vehicle Clean Trade and Vehicle Clean Retail Values, pursuant to paragraph 18(i)-(ii) above, shall be made using the mileage adjustment table in the September 2015 NADA Used Car Guide, except that no mileage adjustment shall be made for MY 2016 Eligible Vehicles.
- i. For Eligible Owners, the mileage adjustment shall be determined based on the actual mileage at the time the vehicles are surrendered in a Buyback or Trade-In or brought in for a Reduced Emissions Modification with an allowance of 15,000 miles per year after September 2015, prorated monthly to the month of surrender or modification. Thus, a MY 2013-2015 Eligible Vehicle returned or modified in April 2017 would receive a mileage allowance of 23,750 miles (19 months * 1,250 miles per month). In this example, the mileage to look up in the NADA table would be actual mileage when the vehicle is modified or bought back minus 23,750.
 - ii. For Eligible Former Owners, the adjustment will be made based on the estimated mileage in September 2015 used by the parties to estimate the maximum total compensation amount set forth in § I.

E. Additional Benefits for Class Members in the Event That No Emissions Compliant Repair Is Available

- 24. Extended Vehicle Warranties and Vehicle Service Contracts or Plans.** Volkswagen will offer to refund to Eligible Owners selecting a Buyback any unused and otherwise nonrefundable portion of the purchase price of extended vehicle warranties and/or vehicle service contracts or plans purchased from Authorized Dealers, including any termination fees, provided that the warranty or service contract or plan was purchased prior to January 31, 2017. The refund, if any, shall be prorated to account for any unused months (if the warranty or service contract or plan is time-based), service/maintenance events (if the warranty or service contract or plan is based on service events), or mileage (if the warranty or service contract or plan is mileage-based), as applicable. Volkswagen will not be required to make any payments to consumers that will result in the consumers receiving double recovery of any portion of the purchase price of any extended vehicle warranty or vehicle service contract or plan. The process for submitting a claim for reimbursement of unused, nonrefundable portions of such warranties and/or service contracts or plans is set forth in paragraph 15 of Exhibit 4B. To the extent that a warranty or service contract or plan contains a provision prohibiting reimbursement of any unused portion of the warranty or service contract or plan from the warranty or plan provider, that provision shall not prevent an Eligible Owner from obtaining a refund for any such unused, otherwise nonrefundable amount from Volkswagen.
- 25. AdBlue Refill and Oil Change.** If an Emissions Compliant Repair for a particular Sub-Generation or part of a Sub-Generation of Generation Two Eligible Vehicle does not timely become available, then any Class Member who owns or actively leases an Eligible Vehicle shall be entitled to one AdBlue refill and one oil change (including motor oil, motor oil filter, and associated labor) free of charge for that Eligible Vehicle at a participating Authorized Dealer of the same brand as the Eligible Vehicle. Any Class Member who obtains a Buyback or Lease Termination prior to claiming an AdBlue refill and oil change shall no longer be entitled to that AdBlue refill and oil change. The process for obtaining an AdBlue refill and oil change is set forth in Exhibit 4B.

F. Treatment of Loan Obligations for Class Members Selecting a Buyback

- 26. Loan Obligations.** Loan Obligation refers to any debt incurred by an Eligible Owner and secured by an Eligible Vehicle, whether through VW Credit, Inc., Porsche Financial Services, Inc., or any other lender. If the Eligible Vehicle of an Eligible Owner choosing the Buyback is subject to an outstanding Loan Obligation in an amount less than or equal to the Buyback Amount, Volkswagen shall pay to the Eligible Owner's lender the portion of the Buyback Amount required to pay off the Loan Obligation and shall pay to the Eligible Owner any remaining portion of the Buyback Amount.

Example: An Eligible Owner of an Eligible Vehicle that she acquired on or before September 18, 2015 chooses the Buyback and surrenders her vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000, for a total Buyback Amount of \$30,000. The Eligible Owner has a Loan Obligation of \$10,000,

so Volkswagen pays \$10,000 to the lender and the remaining \$20,000 directly to the Eligible Owner.

- 27. Loan Forgiveness for Eligible Owners.** If the Eligible Vehicle of an Eligible Owner who selects a Buyback is subject to an outstanding Loan Obligation in an amount greater than the Buyback Amount, Volkswagen shall pay that Eligible Owner's lender the full amount required to pay off the outstanding Loan Obligation for the Eligible Vehicle, up to, but no more than, 130% of the Buyback Amount. Loan Forgiveness refers to the amount of the payment that exceeds the Buyback Amount. Loan Forgiveness shall not exceed 30% of the sum of the Vehicle Value and Owner Restitution. Loan Forgiveness shall not be available for any portion of the Loan Obligation that becomes delinquent after June 28, 2016 (or any related costs and fees), or for any portion of the Loan Obligation, including new loans, incurred after June 28, 2016. If the amount paid to the lender by Volkswagen under this provision is not sufficient to satisfy the outstanding Loan Obligation, the Eligible Owner must, at the time of the transfer of ownership and possession, pay any remaining balance of the Loan Obligation required to transfer all of the Eligible Owner's interest in, ownership of, title to, and possession of the Eligible Vehicle to Volkswagen and/or Porsche. Below are several examples of how Loan Forgiveness might work. These examples assume that no portion of the Eligible Owner's Loan Obligation became delinquent after June 28, 2016 and that the Eligible Owner has not entered into additional loans after that date.

Example 1: An Eligible Owner of an Eligible Vehicle that he acquired on or before September 18, 2015 chooses the Buyback and surrenders his vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of July 1, 2018 that exceeds \$30,000, but not any amount that exceeds 130% of \$30,000, or \$39,000. The Eligible Owner has a Loan Obligation of \$33,000, so Volkswagen pays \$33,000 to the lender, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus \$3,000 as Loan Forgiveness. Volkswagen pays nothing directly to the Eligible Owner.

Example 2: Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$40,000. Volkswagen pays \$39,000 to the lender, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus an additional 30% of that amount, or \$9,000, as Loan Forgiveness. The owner must pay off the remaining balance of the Loan Obligation, \$1,000, at the time of the transfer of ownership and possession. Volkswagen pays nothing directly to the Eligible Owner.

G. Treatment of Loan Obligations for Class Members Selecting a Trade-In

- 28. Loan Obligations.** If the Eligible Vehicle of an Eligible Owner who selects a Trade-In is subject to an outstanding Loan Obligation, responsibility for satisfying that Loan Obligation (such that all interest in, ownership of, title to, and possession of the Eligible Vehicle are transferred to the participating Authorized Dealer through the Trade-In) shall be subject to negotiation between the Eligible Owner and the participating Authorized Dealer at which the Trade-In occurs. The manner in which

the Loan Obligation is satisfied likewise is subject to negotiation between the Eligible Owner and the participating Authorized Dealer.

29. **Loan Forgiveness.** If the Eligible Vehicle of an Eligible Owner who selects a Trade-In is subject to an outstanding Loan Obligation in an amount greater than the Buyback Amount, the Eligible Owner's trade-in credit shall be (1) the Buyback Amount, and (2) an amount equal to the Loan Forgiveness to which the Eligible Owner would be entitled under the Buyback Option, as provided in paragraph 27, up to 30% of the Buyback Amount. In other words, the trade-in credit shall be sufficient to offset a Loan Obligation equal to 130% of the Buyback Amount.

Example 1: An Eligible Owner of an Eligible Vehicle that he acquired before September 18, 2015 chooses the Trade-In and surrenders his vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of July 1, 2018 that exceeds \$30,000, but not any amount that exceeds 130% of \$30,000, or \$39,000. The Eligible Owner has a Loan Obligation of \$33,000, so the Eligible Owner's trade-in credit is \$33,000, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) and \$3,000 as Loan Forgiveness.

Example 2: Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$40,000. The Eligible Owner's trade-in credit is \$39,000, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus an additional 30% of that amount, or \$9,000, as Loan Forgiveness.

H. Approved Emissions Modification for Generation Two Vehicles

30. Eligible Owners and Eligible Lessees who retain possession of their vehicles may choose to have the emissions system of their Generation Two Eligible Vehicle modified if Volkswagen and/or Porsche, as applicable, submits, and the EPA and CARB approve, an Emissions Modification for their vehicles. The expected and final dates for Defendants to submit proposed Emissions Modifications for each vehicle engine Sub-Generation are shown in the table below and are detailed more fully in Appendix B to the DOJ 3.0-liter Consent Decree.

Sub-Generation	Expected Submittal Date	Final Submittal Date
2.1	February 24, 2017	May 12, 2017
2.2 SUV	February 11, 2017	April 25, 2017
2 PC	April 7, 2017	June 23, 2017

31. Class Members will receive VW Class Updates to keep them apprised of this process. If an Emissions Modification is approved for a Class Member's vehicle and the Class Member chooses to have his, her, or its Eligible Vehicle modified, the Class Member also will receive the Restitution Payment and an Approved Emissions Modification Extended Warranty described in paragraph 7.4 of the 3.0-liter Class Action Agreement. If no Approved Emissions Modification is available for an Eligible Owner's or Eligible Lessee's Eligible Vehicle by August 1, 2018, then that Class

Member shall have an opportunity, between August 1, 2018 and September 1, 2018, to withdraw from the 3.0-liter Class Action Agreement. To withdraw under this provision, the Eligible Owner or Eligible Lessee must return to Volkswagen any Repair Participation Payment he, she, or it received.

I. Generation Two Maximum Compensation

32. Emissions Compliant Repair Timely Available. If an Emissions Compliant Repair is timely made available for all Sub-Generations of Generation Two Eligible Vehicles, and assuming 100% Class Member participation (including all Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees), the maximum total Emissions Compliant Repair compensation amount for Generation Two 3.0-liter Class Members is \$433,680,000.

- i. This maximum total Emissions Compliant Repair compensation amount includes only the amount necessary to make Owner, Lessee, or Former Owner Repair Payments to all Generation Two Class Members, as applicable, on a claims-made basis.
- ii. The maximum Emissions Compliant Repair compensation amount includes designated amounts for each Sub-Generation of Generation Two Eligible Vehicles. The amount designated for any particular Sub-Generation or part thereof shall not be applied to any other Sub-Generation or part thereof. In other words, no Class Member whose Eligible Vehicle falls within one Sub-Generation or part thereof (*e.g.*, test group or model/model year) is entitled to claim amounts designated for another Sub-Generation or part thereof. The amounts designated for each Sub-Generation are as follows:
 - a) \$219,955,222 for Generation 2.1 SUV;
 - b) \$49,250,991 for Generation 2.2 SUV; and
 - c) \$164,473,786 for Generation 2 PC.

33. This is a claims-made settlement, and Defendants shall retain (and shall not be required to pay) any unclaimed portion of the maximum total Emissions Compliant Repair compensation amount. Defendants shall not be required for any given Eligible Vehicle to pay more than (or otherwise provide compensation in excess of) the Owner Repair Payment that would be due to an Eligible Owner who purchased the vehicle new, and Defendants shall not be responsible for paying to all participating Class Members more in aggregate Emissions Compliant Repair Payments than the amount set forth in paragraph 32 above.

34. Emissions Compliant Repair Modification *Not* Timely Available. If *no* Emissions Compliant Repair is timely available for any Sub-Generation or part of any Sub-Generation of Generation Two Eligible Vehicles, and assuming a 100% Buyback and 100% Lease Termination of 57,824 vehicles and 100% Class Member participation (including all Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees), the maximum total compensation for Generation Two 3.0-liter Class Members is \$3,249,583,428, and includes designated amounts as follows:

- i. **Designated Vehicle Value / Restitution Amount:** \$3,209,533,428 designated to pay Vehicle Value and/or Owner, Lessee, or Former Owner Restitution to Class Members, as appropriate, on a claims-made basis. The Designated Vehicle Value / Restitution Amount designated for any particular Sub-Generation or part thereof shall not be applied to any other Sub-Generation or part thereof. In other words, no Class Member whose Eligible Vehicle falls within one Sub-Generation or part thereof is entitled to claim amounts designated for another Sub-Generation or part thereof. The amounts designated for each Sub-Generation are as follows:
 - a) \$1,625,047,951 for Generation 2.1 SUV;
 - b) \$382,783,780 for Generation 2.2 SUV; and
 - c) \$1,201,701,697 for Generation 2 PC.
 - ii. **Designated Extended Vehicle Warranties / Vehicle Service Contracts Amount:** \$10,000,000 designated to reimburse consumers on a claims-made basis for the unused portion of nonrefundable extended vehicle warranties and vehicle service contracts;
 - iii. **Designated Maintenance Amount:** \$30,000,000 designated to pay for AdBlue and oil change services for Class Members' Eligible Vehicles; and
 - iv. **Designated Loan Forgiveness Amount:** \$50,000 designated to fund Loan Forgiveness for those Eligible Owners who qualify for it, if any.
 - v. The maximum total compensation for a Generation Two Buyback and Lease Termination indicated in paragraph 34 does not include any amount necessary to pay Extension Payments or payments for Reduced Performance, if any.
35. This is a claims-made settlement, and Defendants shall retain (and shall not be required to pay) any unclaimed portion of designated compensation amounts in paragraph 34.
36. With respect to Vehicle Value and Owner, Lessee, and Former Owner Restitution, Volkswagen will not be required for any given Eligible Vehicle to pay more than (or otherwise provide compensation in excess of) the Buyback Amount that would be due to an Eligible Owner who purchased the vehicle new, except to the extent such additional payment in Excess of the Buyback Amount results from: (i) the application of an estimated mileage adjustment in making a Former Owner Restitution Payment; (ii) the lack of a mileage adjustment in making a Lessee Restitution Payment to an Eligible Former Lessee whose vehicle was purchased by an Eligible Owner other than that Eligible Former Lessee; or (iii) payment of an amount to ensure that the Buyback Amount is in excess of Retail Replacement Value as defined in the DOJ 3.0-liter Consent Decree.
37. Defendants shall not be responsible for paying to all participating Class Members more in aggregate Vehicle Value and Owner, Lessee, and Former Owner Restitution than the maximum total compensation amount set forth in paragraph 34 above. Volkswagen shall, however, be responsible for the additional cost if the designated amounts in paragraph 34(ii)-(iv) above are insufficient to cover the cost of

Volkswagen's corresponding obligations for Generation Two vehicles under the 3.0-liter Class Action Agreement related to extended vehicle warranties/vehicle service contracts, maintenance, and Loan Forgiveness only.

38. If an Emissions Compliant Repair for some, but not other, Generation Two vehicles is available, the maximum compensation for Generation Two 3.0-liter Class Members, and the designated amounts within the maximum compensation amount, will be reduced accordingly.
39. If any Class Member has received a payment pursuant to paragraph 2 above while awaiting the Emissions Compliant Repair, and such repair is not timely approved for that Class Member's Eligible Vehicle, the amount previously paid will be credited against any additional amount due the Class Member.

Exhibit 2A
Generation One
Short Form Mailed
Notice to Consumers

Official Court-Approved Legal Notice

Settlements with VW/Audi/Porsche Diesel Vehicle Owners/Lessees, the Environmental Protection Agency, the California Air Resources Board, California Attorney General, and Federal Trade Commission

You are receiving this notice as an owner, former owner, lessee, or former lessee of one of the Generation One 3.0-liter diesel engine vehicles included in the Settlements. You may be eligible for benefits.



Volkswagen Touareg	Audi Q7
-------------------------------	--------------------

Model Years
2009-2012

Model Years
2009-2012



Settlement Benefits

BUYBACK

Buyback of your vehicle or early lease termination **and** Cash

OR

TRADE-IN CREDIT

Trade your vehicle for a new or used Volkswagen or Audi
(Credit equal to Buyback Amount and Cash)

OR

MODIFICATION*

Have Modification performed, receive a **Comprehensive** Extended Emissions Warranty **and** Cash
*(*If approved by the EPA & CARB)*

Former Owners and Former Lessees who sold their vehicles or ended a lease after September 18, 2015 may also be eligible to receive cash settlements.

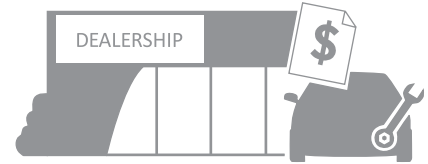
How It Works



Visit **www.VWCourtSettlement.com** for Information and Registration.



Select Preferred Option, File Claim, & Schedule Appointment.



At scheduled time, visit an authorized dealership to complete your Settlement Transaction.

Your Rights, Next Steps, & Important Dates

The Settlements provide options for a Buyback, Lease Termination, Trade-In Credit, or Emissions Modification with a Comprehensive Extended Warranty, **and** Cash Compensation.

You may object or exclude yourself from the Class Action Settlement by **April 14, 2017**.

All Owners and Lessees must submit a valid claim before **June 1, 2019** to participate. You do not have to decide now.

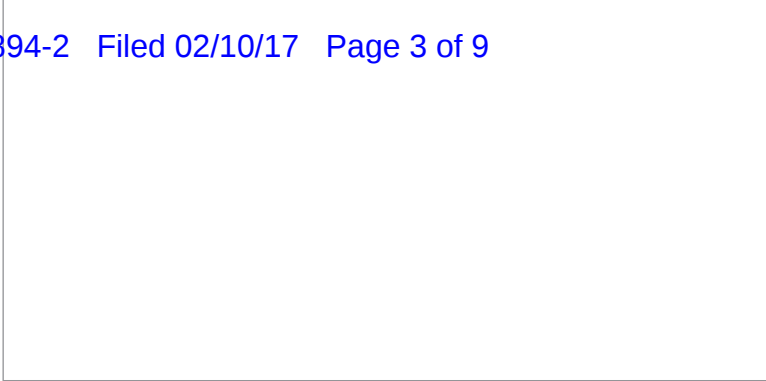
If you are an Eligible Former Owner, you must identify yourself at www.VWCourtSettlement.com by **May 1, 2017**. If you are an Eligible Former Owner or Eligible Former Lessee, you must submit a valid claim by 60 days after the Court's final approval of the Settlements to receive compensation.

The Court will hold a hearing on **May __, 2017**.

If you stay in the Class Action Settlement, you will receive benefits and cash, and cannot sue Volkswagen, Audi, or Porsche for the claims being resolved by the Settlement.

Attorneys representing the Class will request Court approval for attorneys' fees and costs. Any such fees will be paid separately by Volkswagen. Your compensation will not be reduced by any attorneys' fees.

Visit www.VWCourtSettlement.com for more details on the Class Action Settlement, to register, and to review your rights and options.



Official Court-Approved Legal Notice



Volkswagen/Audi/Porsche 3.0-Liter Diesel Emissions Settlements

Exhibit 2B
Generation Two
Short Form Mailed
Notice to Consumers

Official Court-Approved Legal Notice

Settlements with VW/Audi/Porsche Diesel Vehicle Owners/Lesseees, the Environmental Protection Agency, the California Air Resources Board, California Attorney General, and Federal Trade Commission

You are receiving this notice as an owner, former owner, lessee, or former lessee of one of the Generation Two 3.0-liter diesel engine vehicles included in the Settlements. You may be eligible for benefits.

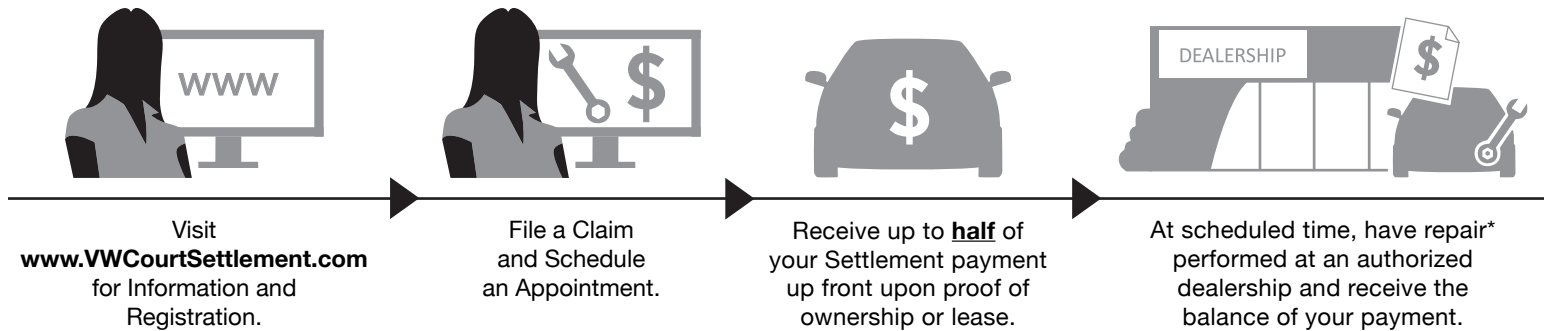
Volkswagen Touareg	Audi Q7	Audi A6, A7, A8, A8L, Q5	Porsche Cayenne
Model Years 2013-2016	Model Years 2013-2015	Model Years 2014-2016	Model Years 2013-2016

Settlement Benefits

Emissions Compliant Repair*
to Comply with Emissions Standards and
a **Comprehensive**
Extended Emissions Warranty
and Cash Payment

Former Owners and Former Lessees who sold their vehicles or ended a lease after September 18, 2015 may also be eligible to receive cash payments.

*You will have other options if an Emissions Compliant Repair is not approved for your vehicle by the Settlement deadline.

How It Works**Your Rights, Next Steps, & Important Dates**

The Settlements provide an Emissions Compliant Repair, comprehensive extended warranty, and cash compensation.

You may object or exclude yourself from the Class Action Settlement by **April 14, 2017**.

Owners and Lessees who file a valid claim will be eligible to receive part of their payment right away, without having to wait for the Emissions Compliant Repair to become available. All Owners and Lessees must submit a valid claim before **December 31, 2019** to participate. You do not have to decide now.

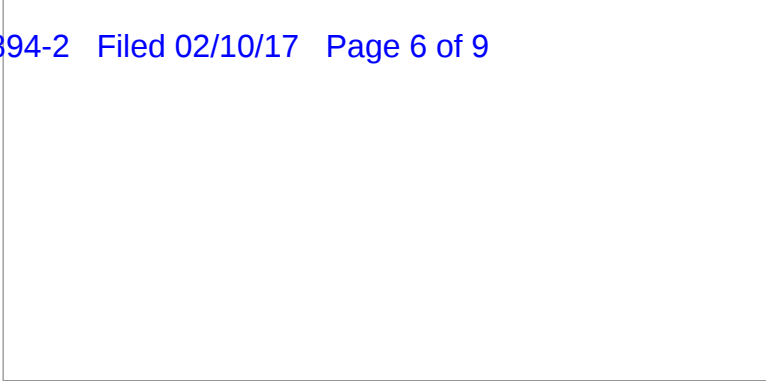
If you are an Eligible Former Owner, you must identify yourself at www.VWCourtSettlement.com by **May 1, 2017**. If you are an Eligible Former Owner or Eligible Former Lessee, you must submit a valid claim by 60 days after the Court's final approval of the Settlements to receive compensation.

The Court will hold a hearing on **May __, 2017**.

If you stay in the Class Action Settlement, you will receive benefits and cash, and cannot sue Volkswagen, Audi, or Porsche for the claims being resolved by the Settlement.

Attorneys representing the Class will request Court approval for attorneys' fees and costs. Any such fees will be paid separately by Volkswagen. Your compensation will not be reduced by any attorneys' fees.

Visit www.VWCourtSettlement.com for more details on the Class Action Settlement, to register, and to review your rights and options.



Official Court-Approved Legal Notice



Volkswagen/Audi/Porsche 3.0-Liter Diesel Emissions Settlements

Exhibit 2C

Publication Notice



Volkswagen/Audi/Porsche 3.0-Liter Diesel Emissions Settlements



Settlements with VW/Audi/Porsche Diesel Vehicle Owners/Lessees, the Environmental Protection Agency, the California Air Resources Board, California Attorney General, and Federal Trade Commission

Cash Payments, Vehicle Buybacks, Early Lease Terminations, Potential Emissions Modifications & Extended Vehicle Warranties, Environmental Remediation, Promotion of Zero Emissions Vehicle Technology

Vehicle	Model Years	Benefits
Volkswagen Touareg Audi Q7	2009-2012 2009-2012	<p>BUYBACK</p> <p>Buyback of your vehicle or early lease termination and cash.</p> <p>OR</p> <p>TRADE-IN CREDIT</p> <p>Trade your car for a credit (equal to the buyback amount and cash payment) toward a replacement vehicle at a participating Volkswagen or Audi dealer.</p> <p>OR</p> <p>EMISSIONS MODIFICATION</p> <p>Receive a modification to reduce vehicle emissions and a comprehensive extended emissions warranty and cash. Modifications require approval from the EPA and CARB.</p>
Volkswagen Touareg Audi Q7 Audi A6, A7, A8, A8L, Q5 Porsche Cayenne	2013-2016 2013-2015 2014-2016 2013-2016	<p>EMISSIONS COMPLIANT REPAIR* to comply with emissions standards and a comprehensive extended emissions warranty and cash.</p> <p><small>*You will have other options if an Emissions Compliant Repair is not approved for your vehicle by the Settlement deadline.</small></p>

Former Owners and Former Lessees who sold their vehicles or ended a lease after September 18, 2015 may also be eligible to receive cash payments.

How It Works





Official Court-Approved Legal Notice



Volkswagen/Audi/Porsche 3.0-Liter Diesel Emissions Settlements

Eligible Former Owners Need to Act by May 1, 2017.

Exhibit 3

Long Form Notice

**Volkswagen 3.0-Liter Diesel
Emissions Class Action Settlement**

A federal court approved this Notice. This is not a solicitation from a lawyer.

Volkswagen, Audi, and Porsche have reached three new settlements with federal and state regulators and consumers on claims that they installed defeat device software to bypass emissions standards in the 3.0-liter turbocharged direct injection (TDI) diesel engine vehicles listed below. Volkswagen and Audi are referred to here as “Volkswagen,” and “Defendants” means Volkswagen, Audi, and Porsche collectively. These settlements are:

- A Class Action Settlement with 3.0-liter vehicle owners/lessees, including certain former owners/lessees and vehicle dealers (“Class Action Settlement”);
- A Consent Decree with the United States Department of Justice (the “DOJ”) on behalf of the Environmental Protection Agency (the “EPA”) and the State of California by and through the California Air Resources Board (“CARB”) and the California Attorney General (“CA AG”) (“US/CA Settlement”); and
- A Consent Order with the Federal Trade Commission (“FTC”) (“FTC Settlement”).

This Notice provides a summary of the terms of the Class Action Settlement. The following 3.0-liter TDI diesel engine vehicles are included in the Class Action Settlement. Because Volkswagen produced two different versions, called “Generations,” of its 3.0-liter, six-cylinder diesel engines, the Eligible Vehicles are divided into Generation One and Generation Two. Generation One includes Model Years 2009-2012 and Generation Two includes Model Years 2013-2016.

GENERATION ONE		GENERATION TWO	
MODEL	MODEL YEARS	MODEL	MODEL YEARS
VW Touareg	2009-2012	VW Touareg	2013-2016
Audi Q7	2009-2012	Audi Q7	2013-2015
		Audi A6	2014-2016
		Audi A7	2014-2016
		Audi A8, A8L	2014-2016
		Audi Q5	2014-2016
		Porsche Cayenne	2013-2016

The goals of the Class Action Settlement are (1) to provide regulator-approved repairs or modifications to these vehicles in order to bring them into compliance with emissions standards, and (2) to compensate owners and lessees of these vehicles.

Generation One vehicles **cannot** practically be brought into compliance with the emissions standards to which they were originally certified by the EPA and CARB (the “regulators”), so owners with Generation One vehicles may choose among a Buyback, a Trade-In, or, if approved, a Reduced Emissions Modification with Extended Warranty plus substantial compensation. Similarly, current lessees with Generation One vehicles may choose among a Lease Termination or, if approved, a Reduced Emissions Modification plus substantial compensation. A “Reduced Emissions Modification” means a repair or modification approved by EPA/CARB that brings vehicles into compliance with less stringent exhaust emissions standards than those to which they were originally certified.

In contrast, it is anticipated that the newer **Generation Two** vehicles **can** be repaired to bring them into compliance with the exhaust emissions standards to which they were originally certified, without materially

reduced performance. This is called an “Emissions Compliant Repair.” Accordingly, the Class Action Settlement provides Defendants an opportunity to get EPA/CARB’s approval for an Emissions Compliant Repair. The Class Action Settlement places specific time limits on Defendants’ efforts to make an Emissions Compliant Repair available. For details on those time limits, see Question 35 of this Notice.

If Defendants make an Emissions Compliant Repair available on time, Class Members with Generation Two vehicles for which the Emissions Compliant Repair is approved will be entitled to receive the repair free of charge (if they still own or lease their vehicles) and a substantial Emissions Compliant Repair Payment with Extended Warranty.

For any Generation Two vehicles for which Defendants do not make an Emissions Compliant Repair available on time, Class Members can choose instead among a Buyback or a Trade-In (for owners) or a Lease Termination (for lessees), or, if available, an Approved Emissions Modification plus substantial compensation. As used throughout this Notice, “Approved Emissions Modification” means either an Emissions Compliant Repair or a Reduced Emissions Modification.

All Class Members with Generation Two vehicles can choose to receive up to half of their Emissions Compliant Repair Payment shortly after final approval of the Class Action Settlement by the Court. The remainder of the compensation will be paid at the time of the Emissions Compliant Repair, or, if an Emissions Compliant Repair is not timely available, at the time of the Approved Emissions Modification, Buyback, Trade-In, or Lease Termination.

Class Members may withdraw from the Class Action Settlement if neither an Emissions Compliant Repair nor a Reduced Emissions Modification is approved for their vehicle by August 1, 2018. For details on this, see Question 59.

Benefits to Class Members

As summarized below, the options and benefits available to Class Members depend on whether their Eligible Vehicles can be brought into compliance with the emissions standards to which they were originally certified.

Summary of Benefits for Generation One

Since Generation One vehicles cannot practically be brought into compliance with their originally certified exhaust emissions standards, the options and benefits available to Owners and Lessees of Generation One Eligible Vehicles are a choice among:

- (1) A Buyback as described in Question 16 of this Notice; or
- (2) A Trade-In as described in Question 18 of this Notice; or
- (3) A Reduced Emissions Modification, if one is approved, and Extended Warranty, as described in Questions 23-26 of this Notice; or
- (4) Lease Termination for Eligible Lessees as described in Questions 20-22 of this Notice.

Under each of these options, Class Members will receive substantial compensation.

Volkswagen has agreed to begin the claims program within 15 business days after the Court grants final approval and enters the US/CA Settlement. Class Members will not have to wait until any appeals have been resolved and will be able to drive their vehicles legally while they await their Buyback, Trade-In, Reduced Emissions Modification, or Lease Termination.

Summary of Benefits for Generation Two

If Volkswagen **can** repair Generation Two vehicles so that they comply with their originally certified exhaust emissions standards and makes this repair available in a timely manner, Class Members who own or lease Generation Two vehicles will receive the Emissions Compliant Repair free of charge. In addition to this Emissions Compliant Repair, Volkswagen will pay substantial compensation to owners and lessees of those Generation Two vehicles.

On the other hand, if the EPA and CARB determine that Defendants **cannot** make an Emissions Compliant Repair to a group of Generation Two vehicles, or if Volkswagen cannot meet the time limits for making the Emissions Compliant Repair available, the options and benefits available to owners and lessees in that group will be a choice among:

- (1) A Buyback as described in Question 41-42 and 44 of this Notice; or
- (2) A Trade-In as described in Questions 43-44 of this Notice; or
- (3) An Approved Emissions Modification, if one is available, and Extended Warranty, as described in Questions 37-40 of this Notice; or
- (4) Lease Termination for Eligible Lessees as described in Questions 45-46 of this Notice.

Under each of these options, Class Members will receive substantial compensation.

Even before an Emissions Compliant Repair is approved, **owners and lessees of Generation Two vehicles can choose to receive up to half of their Emissions Compliant Repair Payment shortly after the Court grants final approval of the Class Action Settlement.** The rest will be paid when the approved repair is made, or, if a repair is not timely available, when the Class Member obtains one of the other four remedies listed above. Generation Two vehicles that would otherwise be without warranty protection during all or part of this period will receive a “Class Bridge Warranty” until an Emissions Compliant Repair is approved or denied. See Question 34 of this Notice.

Additional Benefits for Generations One and Two

Additional benefits to Class Members with Generation One vehicles, and to Class Members with any Generation Two vehicles for which an Emissions Compliant Repair does not timely become available, include (1) a free AdBlue refill and free oil change while waiting for the emissions modification to be performed on their vehicle or for the Buyback/Trade-In to be completed, (2) for those who select the Buyback option, refunds for unused portions of certain extended warranties and vehicle service plans, and (3) for those who select the Buyback or Trade-In options, forgiveness of auto loan obligations up to an additional 30% of the Buyback or Trade-In amount.

Getting Information About Settlement Benefits

As of February 15, 2017, the settlement website www.VWCourtSettlement.com will allow Class Members to enter their Vehicle Identification Number (“VIN”) to see if the vehicle is included in the Settlements. Class Members will be able to identify themselves as Eligible Former Owners, if appropriate, and will be able to register for more information.

Environmental Relief

On top of the compensation described above, under settlements with the EPA and CARB, Volkswagen will pay \$225 million to support environmental programs throughout the country that will reduce nitrogen oxides (“NOx”) in the atmosphere by an amount intended to fully mitigate the past and future excess emissions from the 3.0-liter TDI vehicles. Additionally, under a settlement with California, Volkswagen must pay CARB \$25 million to support “Zero Emissions Vehicle” or “ZEV” programs in California, over and above any amount Volkswagen previously planned to spend on such technology.

Attorneys' Fees

The Court must approve all plaintiffs' attorneys' fees and costs. Any fees and costs paid to Class Counsel will not reduce Class Members' compensation.

For More Information

This notice is a summary of the Class Action Settlement and its benefits. The full details of all related settlements are available online at www.VWCourtSettlement.com.

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CLASS MEMBERSHIP

1. What are the “Clean Diesel” cases about?

On September 18, 2015, the EPA issued a notice of violation informing Volkswagen that its 2.0-liter diesel-powered (“TDI”) vehicles were equipped with illegal devices that allowed the vehicles to pollute more than allowed by law. On November 2, 2015, the EPA issued a second notice of violation relating to a similar device found in 3.0-liter TDI vehicles sold under the Volkswagen and Audi brands for model years 2009-2016, and under the Porsche brand for model years 2013-2016.

Attorneys representing owners and lessees of the relevant Volkswagen, Audi, and Porsche vehicles, including certain reseller automobile dealers, filed class action lawsuits against Defendants. The class actions allege that Volkswagen programmed vehicles’ computers to detect when they were undergoing official emissions testing. The class actions allege that the vehicles turned on their full emissions control systems only during testing, but that they were not turned on during normal road use, which caused the vehicles to emit significantly more pollutants than permitted under United States clean air laws.

In addition to the class action lawsuits, the United States Department of Justice on behalf of the EPA, the State of California by and through CARB and the Attorney General of California, and the FTC also filed lawsuits. The lawsuits filed by the DOJ/EPA and CARB assert that the Defendants violated the Clean Air Act and the California Health and Safety Code, and the lawsuits filed by Plaintiffs and the FTC assert that the Defendants intentionally misled consumers about the qualities and characteristics of the diesel-engine vehicles sold under the Volkswagen, Audi, and Porsche brands.

2. Am I included in the Class Action Settlement?

You are included in the Class Action Settlement if you are in the Class. Except for the exclusions mentioned below, the class is composed of all persons (including individuals and entities) who:

- owned or leased an Eligible Vehicle in the United States or its territories at any time between September 18, 2015 and November 2, 2015, inclusive; or
- become the owner of an Eligible Vehicle in the United States or its territories between November 3, 2015 and June 1, 2019 for owners of Generation One vehicles and between November 3, 2015 and December 31, 2019 for owners of Generation Two vehicles; or
- own an Eligible Vehicle in the United States or its territories at the time of participation in the 3.0-liter Settlement Program.

The Class includes Non-Authorized Dealers who otherwise meet the definition of the Class.

The following persons (including entities and individuals) are **excluded** from the Class:

- Owners who acquired a Volkswagen, Audi, or Porsche 3.0-liter TDI vehicle after September 18, 2015 and sold it before November 2, 2015;
- Owners who acquired a Volkswagen, Audi, or Porsche 3.0-liter TDI vehicle after November 2, 2015 and transferred title on or before January 31, 2017;
- Lessees of a Volkswagen, Audi, or Porsche 3.0-liter TDI vehicle that is or was leased from a lessor other than VW Credit, Inc. or Audi Financial Services (Volkswagen and Audi vehicles) or Porsche Financial Services, Inc. (Porsche vehicles);

- Owners whose Volkswagen, Audi, or Porsche 3.0-liter TDI vehicle had a branded title of assembled, dismantled, flood, junk, rebuilt, reconstructed, or salvage on September 18, 2015, and was acquired from a junkyard, salvage yard, or salvage dealer after September 18, 2015;
- Owners of Volkswagen, Audi, or Porsche 3.0-liter TDI vehicles who sell or otherwise transfer ownership of their vehicle after January 31, 2017 but on or before the April 14, 2017 opt-out deadline—unless the car was totaled (and title was transferred to an insurance company) or otherwise permanently removed from commerce;
- Defendants' officers, directors and employees and participants in Volkswagen and Porsche's internal lease programs; Defendants' affiliates and affiliates' officers, directors and employees; their distributors and distributors' officers, directors and employees; Volkswagen, Audi, and Porsche Authorized Dealers and Volkswagen, Audi, and Porsche Authorized Dealers' officers and directors;
- Judicial officers and their immediate family members and associated court staff assigned to this case; and
- All those otherwise in the Class who or which timely and properly exclude themselves from the class as provided in the Class Action Settlement.

If, after reading this Notice, you are not sure whether you are included in one of the Settlements, you may visit www.VWCourtSettlement.com (or call 1-844-98-CLAIM). You may also write with questions to VW 3-liter Court Settlement, P.O. Box 214500, Auburn Hills, MI 48321.

3. I sold my vehicle. Am I a Class Member? What are my benefits?

If you owned an Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and sold it on or before January 31, 2017, you may be an Eligible Former Owner. **Class Members who wish to claim benefits under the Class Action Settlement, and have not already sold their vehicles, should retain them.** If you owned your vehicle on either September 18, 2015 and/or November 2, 2015, and you sold your vehicle:

- On or before January 31, 2017, you are a Class Member. You may be eligible to receive benefits as an Eligible Former Owner.
- After January 31, 2017 but on or before the opt-out deadline of April 14, 2017, you are not a Class Member, unless the car was totaled (and title was transferred to an insurance company) or otherwise permanently removed from commerce. As a non-Class Member, you are not eligible for settlement benefits. You are not bound by the Class Action Settlement, and you do not give up any claims you may have against Volkswagen.
- After the April 14, 2017 opt-out deadline, you are a Class Member, are bound by the Class Action Settlement, but are not eligible for settlement benefits.

To obtain benefits, an Eligible Former Owner must submit, and Volkswagen must receive, the Eligible Former Owner Identification Form by May 1, 2017. Eligible Former Owners must also submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

4. I no longer lease my vehicle. Am I a Class Member?

If you leased an Eligible Vehicle at any time between September 18, 2015 and November 2, 2015, inclusive, your lease was issued by VW Credit, Inc. or Audi Financial Services (Generation One and Two Volkswagen and Audi vehicles) or Porsche Financial Services, Inc. (Generation Two Porsche vehicles),

and you surrendered your vehicle at the end of the lease, you are a Class Member. If you surrendered your Eligible Vehicle on or before January 31, 2017, you are an Eligible Former Lessee. If you surrender your Eligible Vehicle after January 31, 2017, you are an Eligible Lessee. Former lessees will be entitled to the same benefits under the Class Action Settlement regardless of whether they are classified as Eligible Lessees or Eligible Former Lessees.

To obtain benefits, Eligible Former Lessees must submit a complete and valid claim within 60 days from final approval of the Class Action Settlement.

5. I bought my vehicle after September 18, 2015. Am I a Class Member?

If you acquired an Eligible Vehicle after September 18, 2015 and still own it, you are a Class Member. While you continue to own it, you are an Eligible Owner, unless you bought from an Eligible Lessee, in which case you are an Eligible Lessee.

If you bought an Eligible Vehicle after September 18, 2015 and still own it, but you sell your vehicle before claiming your benefits, you will not receive any benefits under the Class Action Settlement.

If you buy an Eligible Vehicle after the opt-out date of April 14, 2017 but before September 30, 2019 (Generation One) or April 30, 2020 (Generation Two), you may have the right to exclude yourself from (opt out of) the Settlement class within 30 days of the vehicle purchase date. If you do not exclude yourself, you will be entitled to receive any benefits to which the person selling the vehicle to you would have still been entitled under the Class Action Settlement.

6. How do I identify myself as an Eligible Former Owner, and when must I do so?

You can identify yourself by registering at www.VWCourtSettlement.com (preferred) or by filling out and mailing a paper Eligible Former Owner Identification Form, which can be downloaded from the Settlement website or requested over the phone (1-844-98-CLAIM). You should complete an Eligible Former Owner Identification Form if you owned an Eligible Vehicle on September 18, 2015 and/or November 2, 2015, but sold or transferred it on or before January 31, 2017. **To qualify for a Former Owner Restitution Payment or Former Owner Repair Payment, Volkswagen must receive your Eligible Former Owner Identification Form by May 1, 2017. You also must submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.**

7. Am I included in the Class Action Settlement if I leased and then purchased the vehicle that I now own?

Yes, you are included in the Class Action Settlement if your lease was with VW Credit, Inc. (including Audi Financial Services) for Volkswagen and Audi vehicles or Porsche Financial Services, Inc. for Porsche vehicles. The benefits you will receive depend on which Generation vehicle you own and when you purchased your vehicle. If you purchased your vehicle off lease on or before January 31, 2017, you will be an Eligible Owner. If you purchase your vehicle off lease after January 31, 2017, you will be an Eligible Lessee.

8. Can I still participate in the Class Action Settlement if I took part in the Volkswagen, Audi, or Porsche Goodwill Program?

Yes, participation in the Volkswagen, Audi, or Porsche Goodwill Programs does not affect your eligibility for benefits under the Class Action Settlement. Any Goodwill Program benefit you received will not affect the amount you are entitled to receive under the Class Action Settlement.

ENVIRONMENTAL REMEDIATION

9. What type of environmental remediation is required by the Settlements?

In addition to the money to be paid to Class Members, under settlements with the EPA and CARB, Volkswagen will pay \$225 million to support environmental programs throughout the country that will reduce harmful NOx in the atmosphere by an amount intended to fully mitigate the past and future excess emissions from the 3.0-liter TDI vehicles.

10. How will the Settlements promote Zero Emission Vehicle technology?

Under a separate consent decree with California, Volkswagen must pay \$25 million to promote Zero Emission Vehicles (or "ZEVs") in California, over and above any amount Volkswagen previously planned to spend on such technology.

GENERATION ONE SETTLEMENT BENEFITS

11. Who qualifies for payment benefits?

Several broad categories of Class Members qualify for payment benefits related to Generation One Eligible Vehicles: Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees. Full details on the benefits for these Class Members are provided in the Questions that follow, but a summary appears immediately below.

Category	Definition	Benefit Options	Amount of Restitution
Eligible Owner (bought new vehicle at any point, or bought used vehicle on or before September 18, 2015)	Owned a Generation One Eligible Vehicle at the time of Buyback, Trade-In, or Reduced Emissions Modification	(1) <u>Buyback</u> Vehicle Value ¹ + Restitution Payment + Loan Forgiveness if applicable OR (2) <u>Trade-In</u> Trade-In Credit = Vehicle Value + Restitution Payment + Loan Forgiveness if applicable OR (if approved) (3) <u>Reduced Emissions Modification + Extended Warranty</u> Modification to reduce emissions + Restitution Payment + Extended Warranty	\$5,155 + the amount by which the vehicle's September 2015 Clean Retail Value exceeds its Clean Trade Value ² + state and average local taxes on the vehicle's September 2015 Clean Retail Value <i>Minimum restitution is \$6,000.</i>
Eligible Owner (bought used vehicle after September 18, 2015)	Owens a Generation One Eligible Vehicle at the time of Buyback, Trade-In, or Reduced Emissions Modification	(1) <u>Buyback</u> Vehicle Value + Restitution Payment + Loan Forgiveness if applicable OR (2) <u>Trade-In</u> Trade-In Credit equal to Vehicle Value + Restitution Payment + Loan Forgiveness if applicable OR (if approved) (3) <u>Reduced Emissions Modification + Extended</u>	Same as above, except if there is an Eligible Former Owner or Eligible Former Lessee of your vehicle. In that case, you receive half the Restitution Payment given above. <i>The Buyback Amount or Trade-In Credit must be in excess of Retail Replacement Value as defined in the US/CA Settlement.</i> See Question 12 for more

¹ Vehicle Value is determined based on the Clean Trade Value in the September 2015 edition of the National Automobile Dealers Association ("NADA") Used Car Guide for that vehicle, adjusted for factory options and mileage.

² For Eligible Owners, the September 2015 Clean Retail Value and Clean Trade Value are determined based on the September 2015 edition of the NADA Used Car Guide and are adjusted for factory options and mileage.

		<u>Warranty</u> Modification to reduce emissions + Restitution Payment + Extended Warranty	information.
Eligible Former Owner	Owned a Generation One Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and sold the vehicle on or before January 31, 2017.	Restitution Payment	If there is one Eligible Former Owner of the vehicle, that Eligible Former Owner will receive approximately half of the total Restitution for the vehicle (<i>i.e.</i> , half the amount that would be due to the owner if no former owners or lessees came forward). If there are two Eligible Former Owners, they will each receive approximately a quarter of the total Restitution. There cannot be more than two Eligible Former Owners.
Eligible Lessees (currently leases car)	Leases an Eligible Vehicle, with a lease issued by VW Credit, Inc. (including Audi Financial Services) at the time of early Lease Termination or Reduced Emissions Modification.	(1) <u>Lease Termination</u> Free early termination + Restitution Payment OR (if approved) (2) <u>Reduced Emissions Modification</u> Modification to reduce emissions + Restitution Payment	\$2,577.50 + ½ of the amount by which the vehicle's September 2015 Clean Retail Value and exceeds its Clean Trade Value ³ + ½ of state and average local taxes on the vehicle's September 2015 Clean Retail Value <i>Minimum restitution is \$3,000.</i>
Eligible Lessees (formerly leased car and surrendered it after January 31, 2017)	Leased an Eligible Vehicle with a lease from VW Credit, Inc. (including Audi Financial Services) and surrendered the vehicle to Volkswagen	Restitution Payment	Same as Eligible Lessees who currently lease car.

³ For Eligible Lessees, the September 2015 Clean Retail Value and Clean Trade Value are determined based on the September 2015 edition of the NADA Used Car Guide and are adjusted for factory options, but not for mileage.

Eligible Former Lessees (formerly leased car and surrendered it on or before January 31, 2017)	You leased an Eligible Vehicle with a lease from VW Credit, Inc. (including Audi Financial Services) and surrendered the vehicle to Volkswagen on or before January 31, 2017	Restitution payment	Same as Eligible Lessees who currently lease car.
Eligible Lessees (now owns car)	At the time of Reduced Emissions Modification, owns an Eligible Vehicle that had a lease issued by VW Credit, Inc. (including Audi Financial Services) and that was purchased off lease after January 31, 2017	<u>Reduced Emissions Modification</u> Modification to reduce emissions + Restitution Payment	Same as Eligible Lessees who currently lease car.

To obtain benefits, an Eligible Former Owner must submit, and Volkswagen must receive, the Eligible Former Owner Identification Form by May 1, 2017. Eligible Former Owners also must submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

To obtain benefits, Eligible Former Lessees must submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

12. What payment will I receive if I participate in the Settlement?
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- Eligible Owners of Generation One vehicles who choose the Buyback or Trade-In options will receive the Vehicle Value, plus an additional payment called Owner Restitution, as described below.
- Eligible Owners who choose a Reduced Emissions Modification will receive the Reduced Emissions Modification plus Owner Restitution and an Extended Warranty. The Owner Restitution component of the benefit is the same whether you choose a Buyback, Trade-In, or Reduced Emissions Modification.
- As explained below, however, the amount of the payment the owner will receive may vary depending on whether the owner owned the vehicle on September 18, 2015 or bought it new.

Owner Restitution If You Acquired a New Eligible Vehicle at Any Point, or If You Acquired a Used Eligible Vehicle on or Before September 18, 2015:

An Eligible Owner who acquired a new Generation One Eligible Vehicle at any point, or a used Generation One Eligible Vehicle **on or before September 18, 2015**, will be offered, in addition to the Vehicle Value, a Restitution Payment composed of: (a) a fixed dollar amount of \$5,155.00, (b) state and average local taxes on the vehicle's September 2015 National Automotive Dealers Association (NADA) Clean Retail Value (adjusted for options and mileage), and (c) the amount by which the September 2015 Clean Retail Value (adjusted for certain options and mileage) exceeds the September 2015 NADA Clean Trade Value (adjusted for options and mileage). Amounts (b) and (c) are intended to ensure that Eligible Owners will be compensated for their vehicle's clean retail value in September 2015, including state and average local taxes on that value.

If, using the formula given above, the Restitution Payment is not at least \$6,000, Volkswagen will add whatever additional amount is needed to reach \$6,000.

Example of Owner Restitution:

Vehicle	2009 Audi Q7 3.0 TDI Premium Plus
Vehicle Clean Trade Value	\$22,825 (assumes standard mileage)
Vehicle Clean Retail Value	\$25,550 (assumes standard mileage)
Amount by which Retail Value exceeds Trade Value	\$2,725
State and Local Tax Rate	Connecticut, 6.35%
Tax on Vehicle Value	6.35% of \$25,550 = \$1,622.43
Owner Restitution	\$5,155 [fixed amount] + \$2,725 [amount by which Retail Value exceeds Trade Value] + \$1,622.43 [tax] = \$9,502.43
Minimum	Owner Restitution is greater than \$6,000, so the minimum does not apply.

Owner Restitution If You Acquired a Used Vehicle After September 18, 2015:

If you acquired a used Generation One Eligible Vehicle **after September 18, 2015**, your Owner Restitution Payment will be the same amount described above **unless** (1) one or more Eligible Former Owners files a valid claim related to the same vehicle, or (2) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and that Eligible Former Lessee files a valid claim related to the same vehicle. In either case, you will receive half the Owner Restitution amount described above, because the Owner Restitution will effectively be split between you and the former owner or lessee. If you select a Buyback, your restitution amount will be increased, if necessary, to ensure that you receive a total Buyback amount that is more than the Retail Replacement Value as defined in the US/CA Settlement.

Former Owner Restitution If You Sold Your Vehicle on or Before January 31, 2017:

If you owned a Generation One Eligible Vehicle **on September 18, 2015 and/or November 2, 2015** and sold the vehicle **on or before January 31, 2017**, you may be an Eligible Former Owner. Eligible Former Owners also receive restitution. If only one Eligible Former Owner makes a valid claim, that Eligible Former Owner will receive a Restitution Payment of approximately half the applicable Owner Restitution for that vehicle if no Eligible Former Owner or Lessee had come forward (no less than \$3,000). If two Eligible Former Owners make a valid claim, each will receive a Restitution Payment of approximately one quarter the applicable Owner Restitution for that vehicle if no Eligible Former Owner or Lessee had come forward (no less than \$1,500). There can be no more than two Eligible Former Owners for any Eligible Vehicle.

To obtain Former Owner Restitution, Eligible Former Owners must submit, and Volkswagen must receive, their Identification Forms by May 1, 2017. They must also submit a complete and valid claim within 60 days from final approval of the Class Action Settlement.

Restitution for Eligible Lessees and Eligible Former Lessees:

Whether or not you currently lease your vehicle, if you held a lease issued by VW Credit, Inc. or Audi Financial Services of a Generation One Eligible Vehicle at any time between September 18, 2015 and November 2, 2015, you will be offered a Restitution Payment comprised of: (a) a fixed dollar amount of

\$2,577.50, (b) half of the state and average local taxes on the vehicle's September 2015 NADA Clean Retail Value (adjusted for certain options, but not mileage), and (c) half of the amount by which the September 2015 Clean Retail Value (adjusted for certain options, but not mileage) exceeds the September 2015 NADA Clean Trade Value (also adjusted for certain options, but not mileage). The "Payment Amounts for All Generation One Lessees" table attached to this Notice provides an estimated range of Lessee Restitution Payments.

To obtain benefits, Eligible Former Lessees must submit a complete and valid claim within 60 days from final approval of the Class Action Settlement.

Example of Lessee Restitution:

Vehicle	2012 Q7 Utility 4D 3.0 TDI Premium Plus AWD
Base Clean Trade Value, adjusted for options	\$35,600
Base Clean Retail Value, adjusted for options	\$39,350
State and Local Tax Rate	Arizona 8.25%
Tax on Vehicle Value	8.25% of \$39,350 = \$3,246.38.
Lessee Restitution	\$2,577.50 [fixed amount] + ½ of \$6,996.38 [difference between retail and trade] (\$3,750) + \$3,246.39 [taxes] = \$6,075.69

13. What are my benefits if I leased and then purchased my vehicle?

Your benefits as a former lessee who has purchased your vehicle depend on when you bought your vehicle, and on whether and when you might have sold it.

- If at the conclusion of your lease you purchased your Generation One Eligible Vehicle **after** January 31, 2017, and still own the vehicle, you are eligible to receive a Reduced Emissions Modification, if available, plus Lessee Restitution (see Questions 12 and 23).
- If at the conclusion of your lease you purchased your Generation One Eligible Vehicle **on or before** January 31, 2017, you are considered an Eligible Owner who is entitled to Owner Restitution and/or the full Buyback amount if you still own the vehicle (see Question 12).
- If at the conclusion of your lease you purchased your Generation One Eligible Vehicle, but then sold your vehicle **on or before** January 31, 2017, you may be eligible to receive Former Owner Restitution (see Question 12).

14. Can I receive benefits if my vehicle is "totaled"?

If your otherwise eligible Generation One vehicle is or was declared a total loss ("totaled") and transferred to an insurance company or otherwise permanently removed from commerce, your eligibility for benefits under the Class Action Settlement depends on when the vehicle is or was totaled.

If you owned a Generation One Eligible Vehicle that was totaled **after September 18, 2015** but on or before January 31, 2017, and if it was transferred to an insurance company or otherwise sold and permanently removed from commerce, you will be considered an Eligible Former Owner under the Class Action Settlement. See Question 12 for details on benefits.

If you owned a Generation One Eligible Vehicle that was totaled **after January 31, 2017**, and transferred to an insurance company or otherwise permanently removed from commerce, you will be eligible to receive Owner Restitution, but you will not be eligible for the full Buyback Amount, a full Trade-In Credit, or a Reduced Emissions Modification. However, if—at your own expense—you repair your vehicle and make it operable instead of transferring it to an insurance company, selling it to another third party, or otherwise permanently removing it from commerce, you will be eligible to receive the full Buyback Amount, a full Trade-In Credit, or a Reduced Emissions Modification, whichever option you select.

If you make a claim to your insurance company for an inoperable or totaled Eligible Vehicle, you may wish to consider whether the insurance company will pay you benefits equivalent to those offered under the Class Action Settlement before surrendering your vehicle. You may want to consider repairing your vehicle.

15. When do I need to decide between settlement options?

You do not need to decide between a Buyback, Trade-In, or a Reduced Emissions Modification until you find out whether a Reduced Emissions Modification is available for your vehicle. Until then, you can continue to drive your vehicle. If you do not want to wait until a Reduced Emissions Modification becomes available, you can choose the Buyback or Trade-In any time after the Court approves the Class Action Settlement. If you are a current owner or lessee, you will need to submit a complete and valid claim by **June 1, 2019**.

Please note that Eligible Former Owners must submit, and Volkswagen must receive, their Identification Forms by May 1, 2017, and that Eligible Former Owners also must submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

Eligible Former Lessees also must submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

Buyback and Trade-In Options

16. How does the Buyback work?

Eligible Owners of Generation One vehicles have the option to have Volkswagen buy back their Generation One Eligible Vehicles. You will need to make a claim for the Buyback through the Online Claims Portal accessible at www.VWCourtSettlement.com or by mail before **June 1, 2019**. You will need to schedule your Buyback appointment for a day on or before **September 30, 2019**.

You will schedule an appointment for your Buyback through the Online Claims Portal or by phone at (1-844-98-CLAIM). On the day of your appointment, you will bring your Eligible Vehicle to your preferred Volkswagen or Audi dealership, where the closing process will be handled by a designated settlement specialist. For more details, visit www.VWCourtSettlement.com.

17. How much money will I receive for my Eligible Vehicle?

If you are an Eligible Owner and choose a Buyback for your Generation One Eligible Vehicle, and you do not have an outstanding loan, you will receive a payment from Volkswagen for the value of your vehicle ("Vehicle Value"), plus Owner Restitution. The calculation of the Owner Restitution amount is described above in Question 12 of this notice.

Your Vehicle Value will be determined based on the Clean Trade Value for that vehicle, adjusted for factory options and mileage. The Clean Trade Value and factory-option adjustments will be taken from the September 2015 edition of the National Automotive Dealers Association (NADA) Used Car Guide, which collected and published value data before the diesel emissions issues became known to the public. NADA is an organization, founded in 1917, that collects data from millions of vehicles annually, uses

those data to appraise the value of used vehicles, and publishes its appraisals by make, model, model year, and other criteria in periodic Used Car Guides.

The Clean Trade Value of a vehicle is based in part on mileage. The mileage that will be used to set the vehicle's value is the Eligible Vehicle's mileage when it is brought into a dealership to participate in the Settlement Program minus 1,250 miles per month for each month that has passed since September 2015.

The "Payment Amounts to Generation One Owners" table attached to this Notice provides an estimated range of total payments.

18. How does the Trade-In Option work?

All Trade-Ins of a Volkswagen vehicle must take place at a participating Volkswagen Authorized Dealer, and all Trade-Ins of an Audi vehicle must take place at a participating Audi Authorized Dealer. An Eligible Owner who selects the Trade-In Option will receive a Trade-In Credit equal to the Buyback Amount (the Vehicle Value plus Owner Restitution) for use at the participating Volkswagen or Audi Authorized Dealer. If an Eligible Owner's Trade-In Credit exceeds the total price of the vehicle acquired through the Trade-In Option, the Eligible Owner will be entitled to the difference between the amount of the Trade-In Credit and the total retail transaction price for the newly acquired vehicle, in whatever form is negotiated between the Eligible Owner and the Volkswagen and Audi Authorized Dealer, including (but not limited to) a check for the remaining amount.

19. How does continuing to drive my vehicle affect my compensation?

Continuing to drive your vehicle an average of 15,000 miles per year or fewer (or 1,250 miles per month or fewer) will not reduce your compensation under the Class Action Settlement. If you drive your vehicle an average of more than 1,250 miles per month, your compensation might be reduced.

Lease Termination Option

20. How do I terminate my lease?

For Generation One Eligible Vehicles, you must have a lease through VW Credit, Inc. (including Audi Financial Services) to be an Eligible Lessee in the Class Action Settlement. If you have a lease through another entity, you are not an Eligible Lessee.

If you currently have an active lease through VW Credit, Inc. or Audi Financial Services and choose the Lease Termination option, you have until **June 1, 2019** to submit your claim through the Online Claims Portal accessible at www.VWCourtSettlement.com or by mail or fax. You can schedule your Lease Termination appointment online or by phone (1-844-98-CLAIM). You must schedule your Lease Termination appointment no later than **September 30, 2019**. At the appointed time, return your Eligible Vehicle to the dealership. For more details, visit www.VWCourtSettlement.com.

21. Will I have to pay an early termination penalty if I choose the Lease Termination option?

No. When you return a Generation One Eligible Vehicle, Volkswagen will cancel the remaining terms of your lease issued by VW Credit, Inc. (including Audi Financial Services) with no financial penalty, and will pay you Lessee Restitution. While Volkswagen will pay for any early termination penalty, Volkswagen will not be responsible for fees for excess wear, use, and/or excess mileage at the point of vehicle surrender, or other amounts due under your lease agreement such as delinquent lease payments and related late payment fees, or costs associated with tickets, tolls, etc. Any such fees may be deducted from your Lessee Restitution amount.

22. When can I terminate my lease?

Volkswagen will begin the claims program within 15 business days after the Court approves these Settlements. At the earliest, that will occur in June 2017. Lessees must then submit a complete and valid claim and follow the claims process in order to schedule and obtain a Lease Termination. Lease Termination appointments will begin in July 2017 at the earliest.

Reduced Emissions Modification Option

23. Can I keep my vehicle and get it modified?

If the EPA and CARB approve a proposed Emissions Modification from Volkswagen for Generation One Eligible Vehicles, Eligible Owners and Eligible Lessees may choose to have Volkswagen complete the Reduced Emissions Modification and receive Restitution, or they may elect a Buyback, Trade-In, or Lease Termination. If, however, the EPA and CARB do not approve a proposed Emissions Modification for Generation One Eligible Vehicles, then a Buyback, Trade-In, and Lease Termination will be the only options under the Class Action Settlement for Generation One Eligible Vehicles.

Under an agreement between Volkswagen and the EPA and CARB, Volkswagen may submit proposed Emissions Modifications for each affected engine that will reduce the vehicle's NOx emissions, but will not achieve the emissions levels at which the vehicles were originally certified. The submission, testing, and approval processes take time, so Class Members likely will not know whether their vehicles have a Reduced Emissions Modification option immediately upon final approval of the Class Action Settlement. Volkswagen expects to submit proposed Emissions Modifications to the EPA and CARB by August 25, 2017, and has a final deadline of November 10, 2017 to do so.

Class Members will receive communications to keep them apprised of this process. If the EPA and CARB approve them, Reduced Emissions Modifications will be available to all Eligible Owners and Eligible Lessees free of charge. The Reduced Emissions Modification option allows owners and lessees to keep their vehicles and to have their emissions systems modified at Volkswagen's expense so that they emit less NOx. Vehicle owners and lessees who participate in the Class Action Settlement and choose the Reduced Emissions Modification option also will receive Owner Restitution or Lessee Restitution.

The Reduced Emissions Modification will also be available to owners and lessees who opt out of the Class Action Settlement. However, owners and lessees who opt out will not be eligible to receive any Restitution Payments or to participate in the Buyback, Trade-In, or Lease Termination programs. Any Reduced Emissions Modification will remain available free of charge even after the Class Action Settlement Program closes, but there will be no associated payment.

Class Members who receive Reduced Emissions Modifications will also receive a Reduced Emissions Modification Extended Warranty.

24. What is included in the Reduced Emissions Modification Extended Warranty?

The "Reduced Emissions Modification Extended Warranty" is a warranty that will apply to all vehicles that receive a Reduced Emissions Modification. It will cover all replaced components that are part of the Reduced Emissions Modification, any component that the EPA and CARB determine reasonably could be impacted by effects of the Reduced Emissions Modification, and the engine sub-assembly (which consists of the assembled block, crankshaft, cylinder head, camshaft, and valve train).

The Reduced Emissions Modification Extended Warranty will extend to all parts and labor related to the covered components, and it also will cover the cost or provision of a loaner vehicle for warranty service lasting longer than three hours.

The Reduced Emissions Modification Extended Warranty will not void any outstanding warranty. If there is a conflict between the Reduced Emissions Modification Extended Warranty and any outstanding warranty, that conflict will be resolved to your benefit.

25. How will the Reduced Emissions Modification affect my vehicle?

The impact on your vehicle is not known at this time, but it will be disclosed to you if the EPA and CARB approve a Reduced Emissions Modification for your vehicle. These disclosures will include information on any effects that any Reduced Emissions Modification will have on your vehicle's emissions levels, reliability, durability, fuel economy, noise vibration and harshness, vehicle performance, drivability, and any other vehicle attributes that may reasonably be important to vehicle owners.

26. What happens if the EPA does not approve a modification for my vehicle? What are my options?

If you are an Eligible Owner or Eligible Lessee and no emissions modification is approved for your vehicle by August 1, 2018, you can then choose a Buyback, Trade-In, or Lease Termination, but must submit a complete and valid claim by no later than **June 1, 2019** (the Claims Submission Deadline for Class Members with Generation One vehicles). Alternatively, you may choose to withdraw from the 3.0-liter Class Action Settlement altogether, by September 1, 2018.

If there is a Reduced Emissions Modification for your vehicle after August 1, 2018, you may still choose to have your vehicle modified. **However, there will not be any Restitution Payment associated with any Reduced Emissions Modification for which you do not file a claim by the Claims Submission Deadline.**

GENERATION TWO SETTLEMENT BENEFITS

27. What benefits will be available for Generation Two vehicles?

Defendants believe that Generation Two vehicles can be repaired and brought into compliance with their originally certified exhaust emissions standards, without materially reduced performance. Hence, the Class Action Settlement allows Defendants to propose an Emissions Compliant Repair for Generation Two Eligible Vehicles.

The Settlement sets time limits for Defendants to make available an Emissions Compliant Repair to bring Generation Two vehicles into compliance with original emissions standards. The decision to approve rests solely with the EPA and CARB. If an Emissions Compliant Repair is approved, Class Members who still own or lease their vehicles will be entitled to receive the Emissions Compliant Repair free of charge.

In addition to an Emissions Compliant Repair, the Settlement provides for substantial monetary compensation (ranging from about \$7,000 to \$16,000) to Eligible Owners. It also provides substantial payments to Eligible Lessees, Eligible Former Lessees, and Eligible Former Owners. You can choose to be paid up to half of your compensation up front, as a “Repair Participation Payment,” before your Emissions Compliant Repair is even approved.

The Class Action Settlement also accounts for the possibility that an Emissions Compliant Repair will not become available within the agreed time limits. If that happens, the Class Action Settlement requires Volkswagen to offer Buyback, Trade-In, and Lease Termination Options. Under the Buyback and Trade-In options, Eligible Owners will receive the remainder of their compensation—Vehicle Value plus Owner Restitution. Under the Lease Termination option, Eligible Lessees will be able to terminate their leases with no penalty for early termination and also will receive the remainder of their compensation— Lessee Restitution. Eligible Owners and Eligible Lessees may also wait for Defendants to potentially make available an untimely Emissions Compliant Repair, or an Emissions Modification that does not bring the vehicles into full compliance and instead meets less stringent emissions levels (a Reduced Emissions Modification).

For details on the Emissions Compliant Repair, and the applicable time limits, see Questions 35 and 39. For details on the compensation that is available along with an Emissions Compliant Repair, see Question 29. For details on the benefits if an Emissions Compliant Repair is late or not available, see Questions 30 and 36.

28. Who qualifies for payment benefits?

Several broad categories of Class Members qualify for payment benefits related to Generation Two Eligible Vehicles: Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees. Full details of the benefits for these Class Members are provided in the Questions that follow, but a summary is provided immediately below.

This chart summarizes available benefits if an Emissions Compliant Repair—a repair that returns the vehicles to their originally certified emissions standards—is made available on time:

Category	Definition	Benefit	Amount of Repair Payment
Eligible Owner (bought new vehicle at any point, or bought used vehicle on or before September 18, 2015)	Owns a Generation Two Eligible Vehicle at the time of Emissions Compliant Repair	<p><u>Emissions Compliant Repair + Extended Warranty</u></p> <p>Brings vehicle into compliance with emissions standards to which it was originally certified, and provides an Extended Warranty.</p> <p style="text-align: center;">+</p> <p><u>Owner Repair Payment</u></p> <p>Half is available upfront, half when the repair is performed.</p>	<p>\$3,596.74</p> <p style="text-align: center;">+</p> <p>10% of the vehicle's September 2015 Clean Retail Value⁴</p>
Eligible Owner (bought used vehicle after September 18, 2015)	Owns a Generation Two Eligible Vehicle at the time of Emissions Compliant Repair	<p><u>Emissions Compliant Repair + Extended Warranty</u></p> <p>Brings vehicle into compliance with emissions standards to which it was originally certified, and provides an Extended Warranty.</p> <p style="text-align: center;">+</p> <p><u>Owner Repair Payment</u></p> <p>Half is available upfront, half when the repair is performed.</p>	<p>Same as above, unless there is an Eligible Former Owner or Eligible Former Lessee of your vehicle. If there is an Eligible Former Owner, you receive half the Owner Repair Payment given above. If there is an Eligible Former Lessee, you receive the Owner Repair Payment given above less \$2,000.</p> <p>See Question 29 for more information.</p>
Eligible Former Owner	Owned a Generation Two Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and sold the vehicle on or before January 31, 2017.	<p style="text-align: center;">Former Owner Repair Payment</p>	<p>If there is one Eligible Former Owner of the vehicle, that Eligible Former Owner will receive half of the total Emissions Compliant Repair Payment for the vehicle (<i>i.e.</i>, half the amount that would be due to the owner if no former owners or lessees came forward). If there are two Eligible Former Owners, they will each receive a quarter of the total Emissions Compliant Repair Payment. There can be no more than two Eligible Former Owners.</p>

⁴ As taken from the September 2015 edition of the NADA Used Car Guide, adjusted for options but not for mileage.

Eligible Lessees (currently leases car)	Leases an Eligible Vehicle, with a lease issued by VW Credit, Inc. (including Audi Financial Services) or Porsche Financial Services, Inc. at the time of Emissions Compliant Repair	Emissions Compliant Repair + <u>Lessee Repair Payment</u> Half is available upfront, half when the repair is performed.	\$2,000
Eligible Lessees (formerly leased car and surrendered it after January 31, 2017)	Leased an Eligible Vehicle with a lease from VW Credit, Inc. (including Audi Financial Services) or Porsche Financial Services, Inc. and surrendered the vehicle to Defendants	Lessee Repair Payment	\$2,000
Eligible Former Lessees (formerly leased car and surrendered it on or before January 31, 2017)	You leased an Eligible Vehicle with a lease from VW Credit, Inc. (including Audi Financial Services) or Porsche Financial Services, Inc. and surrendered the vehicle to Defendants on or before January 31, 2017	Lessee Repair Payment	\$2,000
Eligible Lessees (now owns car)	At the time of Reduced Emissions Modification, owns an Eligible Vehicle that had a lease issued by VW Credit, Inc. (including Audi Financial Services) or Porsche Financial Services, Inc. and that was purchased off lease after January 31, 2017	<u>Emissions Compliant Repair</u> + <u>Lessee Repair Payment</u> Half is available upfront, half when the repair is performed.	\$2,000

This chart summarizes available benefits if a timely emissions compliant repair is *not* made available:

Category	Definition	Benefit Options	Amount of Restitution
Eligible Owner (bought new vehicle at any point, or bought used vehicle on or before September 18, 2015)	Owns a Generation Two Eligible Vehicle at the time of Buyback, Trade-In, or Reduced Emissions Modification	<p>(1) <u>Buyback</u></p> <p>Vehicle Value⁵ + Restitution Payment + Loan Forgiveness if applicable</p> <p>OR</p> <p>(2) <u>Trade-In</u></p> <p>Trade-In Credit equal to Vehicle Value + Restitution Payment + Loan Forgiveness if applicable</p> <p>OR (if approved)</p> <p>(3) <u>Approved Emissions Modification + Extended Warranty</u></p> <p>Modification to reduce emissions + Restitution Payment</p> <p><i>Plus Extension Payments⁶ if applicable</i></p>	<p>Fixed dollar amount⁷</p> <p>+</p> <p>the amount by which the vehicle's September 2015 Clean Retail Value exceeds its Clean Trade Value⁸</p> <p>+</p> <p>state and average local taxes on the vehicle's September 2015 Clean Retail Value</p> <p>+</p> <p>for MY 2013-2015 vehicles, if applicable, an additional amount based on certain factory options not valued by NADA.</p> <p>See Question 30 for more information.</p>
Eligible Owner (bought used vehicle after September 18, 2015)	Owns a Generation Two Eligible Vehicle at the time of Buyback, Trade-In, or Reduced Emissions Modification	<p>(1) <u>Buyback</u></p> <p>Vehicle Value + Restitution Payment + Loan Forgiveness if applicable</p> <p>OR</p> <p>(2) <u>Trade-In</u></p> <p>Trade-In Credit equal to Vehicle Value + Restitution Payment + Loan Forgiveness if applicable</p> <p>OR (if approved)</p> <p>(3) <u>Approved Emissions Modification + Extended Warranty</u></p> <p>Modification to reduce emissions + Restitution</p>	<p>Same as above, except if there is an Eligible Former Owner or Eligible Former Lessee of your vehicle. In that case, you receive half the Restitution Payment given above.</p> <p><i>The Buyback Amount or Trade-In Credit must be in excess of Retail Replacement Value as defined in US/CA Settlement.</i></p> <p>See Question 30 for more information.</p>

⁵ Vehicle Value is determined based on the September 2015 edition of the NADA Used Car Guide for that vehicle, adjusted for options and mileage. However, if you have certain model year 2015 vehicles or any model year 2016 vehicle, this value has been agreed upon by the parties, since the September 2015 NADA Used Car Guide does not include values for those vehicles.

⁶ Extension payments are \$500 per month per vehicle, paid if Volkswagen elects to extend the timetable for the Emissions Compliant Repair (the timetable cannot be extended by more than three months). (See Question 35 for more information.)

⁷ \$8,728 for Volkswagen vehicles, \$9,728 for Audi vehicles, and \$11,228 for Porsche vehicles.

⁸ For Eligible Owners, the September 2015 Clean Retail Value and Clean Trade Value are determined based on the September 2015 edition of the NADA Used Car Guide, adjusted for options and mileage.

		Payment <i>Plus Extension Payments, if applicable</i>	
Eligible Former Owner	Owning a Generation Two Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and sold the vehicle on or before January 31, 2017.	Restitution Payment	If there is one Eligible Former Owner of the vehicle, that Eligible Former Owner will receive approximately half of the total Restitution for the vehicle (<i>i.e.</i> , half the amount that would be due to the owner if no former owners or lessees came forward). If there are two Eligible Former Owners, the Eligible Former Owners will each receive approximately a quarter of the total Restitution. There can be no more than two Eligible Former Owners.
Eligible Lessees (currently leases car)	Leases an Eligible Vehicle, with a lease issued by VW Credit, Inc. (including Audi Financial Services) or Porsche Financial Services, Inc. at the time of Lease Termination or Approved Emissions Modification.	(1) <u>Lease Termination</u> Free early termination + Restitution Payment OR (if approved) (2) <u>Approved Emissions Modification</u> Modification to reduce emissions + Restitution Payment	\$4,364 + ½ of the amount by which the vehicle's September 2015 Clean Retail Value exceeds its Clean Trade Value ⁹ + ½ of state and average local taxes on the vehicle's September 2015 Clean Retail Value. + for MY 2013-2015 vehicles, if necessary, ½ of an additional amount based on certain factory options not valued by NADA.
Eligible Lessees (formerly leased car and surrendered it after January 31, 2017)	Leased an Eligible Vehicle with a lease from VW Credit, Inc. (including Audi Financial Services) or Porsche Financial Services, Inc. and surrendered the vehicle to Defendants	Restitution Payment	Same as Eligible Lessees who currently lease car.

⁹ For Eligible Lessees, the September 2015 Clean Retail Value and Clean Trade Value are determined based on the September 2015 edition of the NADA Used Car Guide and are adjusted for factory options, but not for mileage.

<p>Eligible Former Lessees (formerly leased car and surrendered it on or before January 31, 2017)</p>	<p>You leased an Eligible Vehicle with a lease from VW Credit, Inc. (including Audi Financial Services) or Porsche Financial Services, Inc. and surrendered the vehicle to Defendants on or before January 31, 2017</p>	<p>Restitution Payment</p>	<p>Same as Eligible Lessees who currently lease car.</p>
<p>Eligible Lessees (now owns car)</p>	<p>At the time of Reduced Emissions Modification, owns an Eligible Vehicle that had a lease issued by VW Credit, Inc. (including Audi Financial Services) or Porsche Financial Services, Inc. and that was purchased off lease after January 31, 2017</p>	<p>(1) <u>Lease Termination</u> Free early termination + Restitution Payment OR (if approved) (2) <u>Approved Emissions Modification</u> Modification to reduce emissions + Restitution Payment</p>	<p>Same as Eligible Lessees who currently lease car.</p>

Please note that Eligible Former Owners must submit, and Volkswagen must receive, Eligible Owner Identification Forms by May 1, 2017, and that Eligible Former Owners also must submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

Eligible Former Lessees must also submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

29. What payment will I receive along with an Emissions Compliant Repair?

If a timely Emissions Compliant Repair becomes available, Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees of Generation Two vehicles will be entitled to a substantial payment. These payments are described below.

Owner Repair Payment If You Acquired a New Vehicle at Any Point, or If You Acquired a Used Vehicle on or Before September 18, 2015:

An Eligible Owner who acquired a new vehicle at any point, or acquired a used vehicle on or before September 18, 2015, will be offered a payment totaling 10% of the vehicle’s September 2015 NADA Clean Retail Value (adjusted for options, but not mileage), plus a fixed dollar amount of \$3,596.74. Half of this amount will be available to Eligible Owners as a Repair Participation Payment once they identify themselves, have their claims verified, and agree to accept the payment, and the other half will be paid when the Emissions Compliant Repair is made. Attached to this Notice under the heading “Settlement Payments to Generation Two Owners” is a table providing an estimated range of total Owner Repair Payments.

Owner Repair Payment If You Acquired a Used Vehicle After September 18, 2015:

For an Eligible Owner who acquired a used vehicle after September 18, 2015, the Owner Repair Payment will be the same amount described above, unless (1) one or more Eligible Former Owners files a valid and complete claim related to the same vehicle, or (2) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and that Eligible Former Lessee files a valid and complete claim related to the same vehicle. In either case, the Owner Repair Payment—and the Repair Participation Payment that is available up front—will be half of the amount described above, because it is effectively split between the current owner and the previous lessee or the former owner.

Former Owner Repair Payment If You Sold Your Vehicle On or Before January 31, 2017:

A person who owned an Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and sold the vehicle on or before January 31, 2017, will be an Eligible Former Owner and may also receive a payment. There can be no more than two Eligible Former Owners for any Eligible Vehicle. If there is only one Eligible Former Owner who makes a valid and complete claim, that person will receive a Former Owner Repair Payment in the amount of half the applicable Owner Repair Payment. If there are two Eligible Former Owners who make a valid and complete claim, each will receive a Former Owner Repair Payment of one quarter the applicable Owner Repair Payment.

Lessee Repair Payment for Eligible Lessees and Eligible Former Lessees:

All Eligible Lessees who choose the Emissions Compliant Repair will be offered a payment of \$2,000. Half of this amount will be available as a Repair Participation Payment after Eligible Lessees identify themselves, have their claims verified, and agree to accept the payment, and the other half of the payment will be made when the Emissions Compliant Repair is made or when the lease expires if it expires before the Emissions Compliant Repair can be made.

All Eligible Former Lessees will be offered a payment of \$2,000. The full amount of the payment will be available upon submission and validation of a claim.

The Emissions Compliant Repair will also be available to owners and lessees who opt out of the Class Action Settlement. However, owners and lessees who opt out will not be eligible to receive any of the foregoing payments. Any Emissions Compliant Repair will remain available free of charge even after the Class Action Settlement Program closes, but there will be no payment.

30. What payment will I receive if an Emissions Compliant Repair is delayed or unavailable?

If an Emissions Compliant Repair is delayed, the Class Action Settlement provides for Extension Payments to be made in certain circumstances. In addition, if no timely Emissions Compliant Repair becomes available at all, the Class Action Settlement provides for cash Restitution Payments.

Extension Payments

If an Emissions Compliant Repair for a Generation Two Eligible Vehicle has not been approved and made available by the applicable Decision Date listed under Question 35, plaintiffs may ask the Court to decide whether good cause exists for Volkswagen to delay offering the Buyback, Trade-In, or Lease Termination options. If the Court decides that good cause for a delay does not exist, Volkswagen can still extend the applicable Decision Date, but only up to a maximum of 90 days from the date of the Court's decision. If Volkswagen does this, then on the first day of each 30-day period of the extension, Volkswagen will incur an Extension Payment of \$500 for each Generation Two Eligible Vehicle for which an extension is being sought. The Extension Payment is payable to the Class Member when the Class Member receives the Owner/Lessee Repair Payment (if an approved Emissions Compliant Repair becomes available within the extension period) or Owner/Lessee Restitution (if no approved Emissions Compliant Repair becomes

available within 90 days of the Court's decision). Eligible Former Owners and Eligible Former Lessees will not receive Extension Payments. Eligible Lessees will receive Extension Payments related to the portion of the extension period during which they leased or owned the Eligible Vehicle.

Owner Restitution If You Acquired a New Vehicle at Any Point, or If You Acquired a Used Vehicle on or Before September 18, 2015:

An Eligible Owner who acquired a new Generation Two Eligible Vehicle at any point, or a used Generation Two Eligible Vehicle **on or before September 18, 2015**, will be offered, in addition to the Vehicle Value, a Restitution Payment totaling: (a) a fixed dollar amount, (b) state and average local taxes on the vehicle's September 2015 NADA Clean Retail Value or the values agreed upon by the parties for certain 2015 and 2016 model year vehicles (adjusted for options and mileage), (c) the amount by which the September 2015 Clean Retail Value (adjusted for options and mileage) exceeds the September 2015 NADA Clean Trade Value (adjusted for options and mileage), and (d) for MY 2013-2015 Generation Two Eligible Vehicles, an additional amount based on the price of factory options having an MSRP of at least \$1,000 that were not valued in the September 2015 NADA Used Car Guide. The fixed dollar amount is \$8,728 for Volkswagen vehicles, \$9,728 for Audi vehicles, and \$11,228 for Porsche vehicles. Amounts (b) and (c) are intended to ensure that Eligible Owners will be compensated for their vehicle's clean retail value in September 2015, including state and average local taxes on that value.

Example of Owner Restitution:

Vehicle	2014 Audi Q5 TDI Premium Plus
Vehicle Clean Trade Value	\$41,875 (assumes standard mileage)
Vehicle Clean Retail Value	\$45,250 (assumes standard mileage)
State and Local Tax Rate	California 8.48%
(b) Tax on Vehicle Clean Retail Value	$\$45,250 * 8.48\% = \$3,837.20$
(c) Difference between Vehicle Clean Retail and Clean Trade Values	$\$45,250 - \$41,875 = \$3,375$
(d) Non-NADA Option Amount	\$0
Owner Restitution	$\$9,728$ [fixed amount] + $\$3,837.20$ [difference between retail and trade] + $\$3,375$ [taxes] + (d) $\$0 = \mathbf{\$16,940.20}$

Owner Restitution If You Acquired a Used Vehicle After September 18, 2015:

If you acquired a used Generation Two Eligible Vehicle **after** September 18, 2015, your Owner Restitution Payment will be the same amount described above **unless** (1) one or more Eligible Former Owners files a valid claim related to the same vehicle, or (2) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and that Eligible Former Lessee files a valid claim related to the same vehicle. In either case, the Owner Restitution shall be half of the amount described above, because it is effectively split between you and the former owner or lessee. If you select a Buyback, your restitution amount will be increased, if necessary, to ensure that you receive a total Buyback amount that is more than Retail Replacement Value as defined in the US/CA Settlement.

Eligible Former Owner Restitution If You Sold Your Vehicle on or Before January 31, 2017:

If you owned a Generation Two Eligible Vehicle **on September 18, 2015 and/or November 2, 2015**, and sold the vehicle **on or before January 31, 2017**, you may be an Eligible Former Owner. Eligible Former

Owners also receive restitution. If there is only one Eligible Former Owner who makes a valid claim, that Eligible Former Owner will receive a Restitution Payment of approximately half of the applicable Owner Restitution that would be due to the Eligible Owner if no Eligible Former Owner had come forward. If there were two Eligible Former Owners who make a valid claim, each Eligible Former Owner will receive a Restitution Payment of approximately one quarter the applicable Owner Restitution that would be due to the Eligible Owner if no Eligible Former Owners had come forward. There can be no more than two Eligible Former Owners for any Eligible Vehicle.

For Eligible Former Owners to obtain Former Owner Restitution, Eligible Former Owners must submit, and Volkswagen must receive, their identification forms by May 1, 2017, and they must also submit a complete and valid claim within 60 days from final approval of the Class Action Settlement.

Lessee Restitution for Eligible Lessees and Eligible Former Lessees:

Eligible Lessees and Eligible Former Lessees will be offered a Restitution Payment comprised of: (a) a fixed dollar amount of \$4,364, (b) half of the state and average local taxes on the vehicle's September 2015 Clean Retail Value (adjusted for options, but not mileage), and (c) half of the difference between the September 2015 Clean Retail Value (adjusted for options, but not mileage) and the September 2015 Clean Trade Value (also adjusted for options, but not mileage). Attached to this Notice under the heading "Settlement Payments to Generation Two Lessees" is a table providing an estimated range of total Lessee Restitution Payments.

To obtain benefits, Eligible Former Lessees must submit a complete and valid claim within 60 days from final approval of the Class Action Settlement.

Example of Lessee Restitution:

Vehicle	2013 Audi Q7 TDI Premium
Base Clean Trade Value, adjusted for options not mileage	\$35,075
Base Clean Retail Value, adjusted for options not mileage	\$38,725
Amount by which Retail Value exceeds Trade Value	\$3,650
State and Local Tax Rate	Idaho, 6%
Tax on Vehicle Clean Retail Value	6% of \$38,725 = \$2,323.50
Lessee Restitution	\$4,364 [fixed amount] + ½ of \$3,650 [amount by which Retail exceeds Trade] + ½ of \$2,323.50 [taxes] = \$7,350.75

31. What are my benefits if I leased and then purchased my vehicle?

Your benefits as a former lessee who has purchased your vehicle depend on when you bought your vehicle, and on whether and when you sold it.

- If at the conclusion of your lease you purchased your Generation Two Eligible Vehicle **after** January 31, 2017, and still own the vehicle, you are eligible to receive the Emissions Compliant Repair plus a Lessee Repair Payment. If no timely approved Emissions Compliant Repair becomes available, you will be eligible to receive an Approved Emissions Modification, if approved, plus Lessee Restitution.

- If at the conclusion of your lease you purchased your Generation Two Eligible Vehicle **on or before** January 31, 2017, you are considered an Eligible Owner. You are entitled to receive an approved Emissions Compliant Repair, if it becomes available, plus a Repair Payment. If no timely approved Emissions Compliant Repair becomes available, then you will have to choose between a Buyback Option, Trade-In Option, and continuing to wait for an Approved Emissions Modification for your vehicle.
- If at the conclusion of your lease you purchased your Generation Two Eligible Vehicle, but then sold your vehicle **on or before** January 31, 2017, you may be eligible to receive a Former Owner Repair Payment if an approved Emissions Compliant Repair becomes available (see Question 29). If no timely approved Emissions Compliant Repair is available, then you may be entitled to Eligible Former Owner Restitution (see Question 30).

32. Can I receive benefits if my vehicle is totaled?

If your Generation Two Eligible Vehicle is or was declared a total loss (“totaled”) and transferred to an insurance company or otherwise permanently removed from commerce, your eligibility for benefits under the Class Action Settlement depends on when the vehicle is or was totaled:

If you owned a Generation Two Eligible Vehicle that was totaled after September 18, 2015 but on or before January 31, 2017, and if it was transferred to an insurance company or otherwise permanently removed from commerce, you will be considered an Eligible Former Owner under the Class Action Settlement. See Questions 29 and 30 for details on benefits.

If you owned a Generation Two Eligible Vehicle that was totaled after January 31, 2017, and transferred to an insurance company or otherwise permanently removed from commerce, you will be eligible to receive the Owner Repair Payment. If no timely approved Emissions Compliant Repair becomes available, you will be eligible to receive Owner Restitution. However, if—at your expense—you repair your vehicle and make it operable instead of transferring it to an insurance company, selling to a third party, or otherwise permanently removing it from commerce, you will again be eligible to receive the Buyback Amount, Trade-In Credit, or Approved Emissions Modification with Restitution Payment, whichever option you select, minus any amount paid to you as a Repair Participation Payment.

If you make a claim to your insurance company for an inoperable or totaled Eligible Vehicle, you may wish to consider whether the insurance company will pay you benefits equivalent to those offered under the Class Action Settlement before surrendering your vehicle. You may want to consider repairing your vehicle.

33. When do I need to decide between settlement options?

If there is a timely approved Emissions Compliant Repair for your vehicle, you do not need to make a decision now, provided that you submit a complete and valid claim by **December 31, 2019**. You can continue to drive your vehicle without an emissions fix until you schedule an Emissions Compliant Repair appointment. If no timely approved Emissions Compliant Repair becomes available for your vehicle, then you can select the Buyback or Trade-In Option, or you can continue to wait for a Reduced Emissions Modification or an untimely Emissions Compliant Repair for your vehicle. You will be promptly notified if no timely approved Emissions Compliant Repair becomes available. In that notification, you will be given a date by when you will have to submit a complete and valid Claim if you wish to select the Trade-In Option or Buyback Option. If no Emissions Compliant Repair is available on time, you can continue to drive your vehicle until you complete your Trade-In, Buyback, or Approved Emissions Modification.

Please note that Eligible Former Owners must submit, and Volkswagen must receive, Eligible Former Owners’ Identification Forms by May 1, 2017, and that Eligible Former Owners must also submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

Eligible Former Lessees must also submit a complete and valid claim within 60 days after final approval of the Class Action Settlement.

34. Is there warranty protection for my Eligible Vehicle while I wait for a repair?

Yes. There is a Class Bridge Warranty for eligible owners and eligible lessees with Generation Two Eligible Vehicles whose original New Vehicle Limited Warranty (“NVLW”) and/or Powertrain Limited Warranty (“PLW”) expired/expires prior to the timely availability of an Emissions Compliant Repair, and which are not covered by any other applicable warranty and/or service contract provided through Volkswagen, Audi, Porsche, or any third party. Volkswagen agrees to provide a Class Bridge Warranty providing coverage and terms mirroring the coverage previously provided by the expired NVLW or PLW. The Class Bridge Warranty shall apply exclusively to covered repairs performed by an Authorized Dealer based on conditions that arose between (1) January 31, 2017 or the expiration date of the NVLW or PLW, whichever is later, and (2) the date that an Emissions Compliant Repair is approved or denied.

Repairing or Modifying Your Vehicle’s Emissions System

35. How and when will the emissions from Generation Two Eligible Vehicle be repaired to their original Certified Exhaust Emissions Standards?

If Defendants meet the agreed timetable for bringing the Generation Two Eligible Vehicles into compliance with their **original** Certified Exhaust Emissions Standards, then Defendants will be permitted to offer Emissions Compliant Repairs for those vehicles. Class Members will be able to obtain the repair at a Volkswagen, Audi, or Porsche Authorized Dealer, plus receive the associated Repair Payment described in Question 29 (or the rest of the payment, if the Class Member already received a Repair Participation Payment).

Under the US/CA Settlement, Volkswagen is required to submit proposed Emissions Complaint Repairs by the following dates:

Sub-Generation	Volkswagen’s Expected Submittal Date	Volkswagen’s Final Submittal Date
2.1 SUV	February 24, 2017	May 12, 2017
2.2 SUV	February 11, 2017	April 25, 2017
2 passenger cars	April 7, 2017	June 23, 2017

The Class Action Settlement separately establishes Decision Dates for Volkswagen to make available an Emissions Compliant Repair for each Sub-Generation of Generation Two vehicles:

Sub-Generation	Decision Date for the proposed Emission Compliant Repair
2.1 SUV	November 8, 2017
2.2 SUV	October 23, 2017
2 PC (passenger cars)	December 20, 2017

If an Emissions Compliant Repair is not available for any Sub-Generation by the corresponding Decision Date, the Court may grant an extension for good cause. If the Court does not find good cause, Volkswagen may choose to extend the deadlines for a maximum of 90 days. If Volkswagen extends the deadlines, it must pay an additional \$500 per Eligible Vehicle per 30-day extension period on top of the other payments to Class Members.

36. What happens for Generation Two Vehicles that cannot be timely repaired to meet Certified Exhaust Emissions Standards?

If Volkswagen does not timely obtain approval from the EPA and CARB of an Emissions Compliant Repair, you will be notified. That determination would give rise to different options under the Settlement. You could choose a Buyback, Trade-In, Lease Termination, or—if the EPA and CARB approve a Reduced Emissions Modification or if an Emissions Compliant Repair becomes available late—you could have your Eligible Vehicle modified and receive the restitution described in Question 30.

Once you select your option, you would still need to submit a complete and valid claim by **December 31, 2019**.

37. What is the Approved Emissions Modification Option?

If no approved Emissions Compliant Repair becomes available on time, the EPA and CARB may still approve a Reduced Emissions Modification, or an untimely Emissions Compliant Repair, for your vehicle. In the case of a Reduced Emissions Modification, Volkswagen may submit proposed Emissions Modifications for each affected engine that would substantially reduce the vehicle's NOx emissions, but would not achieve the emissions levels to which the vehicles were originally certified. The submission, testing, and approval processes take time, and you would be notified of the outcome. If a Reduced Emissions Modification or an untimely Emissions Compliant Repair becomes available and you choose this option, you will receive the associated Restitution Payment described in Question 30.

If an Approved Emissions Modification—*i.e.*, either an Emissions Compliant Repair or a Reduced Emissions Modification—becomes available, current owners and lessees who opt out of the Class Action Settlement will also be able to get their vehicles modified. However, owners and lessees who opt out will not be eligible to receive any Repair or Restitution Payments or to participate in the Buyback, Trade-In, or Lease Termination programs. Any Approved Emissions Modification will remain available free of charge even after the Class Action Settlement Program closes, but there will be no payment.

Class Members who receive a Reduced Emissions Modification or Emissions Compliant Repair will also receive the Reduced Emissions Modification Extended Warranty or Emissions Compliant Repair Extended Warranty, summarized immediately below.

38. What is included in the Emissions Compliant Repair and Reduced Emissions Modification Extended Warranty?

If an Emission Compliant Repair or Reduced Emissions Modification becomes available for your Eligible Vehicle, an "Emissions Compliant Repair Extended Warranty" or "Reduced Emissions Modification Extended Warranty," as applicable, will also be provided. See above at Question 24 for details on this warranty's terms.

39. How will the Emissions Compliant Repair or Reduced Emissions Modification affect my vehicle?

The effect on your vehicle is not known now, but it will be disclosed to you if the EPA and CARB approve an Emissions Compliant Repair or Reduced Emissions Modification for your vehicle. These disclosures will include information on the effect that the Emissions Compliant Repair or Reduced Emissions Modification will have on your vehicle's emissions levels, reliability, durability, fuel economy, noise vibration and harshness, vehicle performance, drivability, and any other vehicle attributes that may reasonably be important to vehicle owners.

40. What happens if the EPA and CARB do not approve any emissions modification for my vehicle?

If an Approved Emissions Modification (*i.e.*, either an Emissions Compliant Repair or a Reduced Emissions Modification) is not available for your Generation Two vehicle by August 1, 2018, you will again have an opportunity to withdraw from the Class Action Settlement between **August 1, 2018** and **September 1, 2018**. If no emissions modification has been approved by June 15, 2018, Volkswagen will notify Class members of this fact and their rights. To withdraw, you must submit a written opt-out request and, if applicable, must refund any Repair Participation Payment in accordance with the process outlined below, under Question 59.

Buyback and Trade-In Options

41. How does the Buyback work?

Class Members will be promptly notified if a timely approved Emissions Compliant Repair does not become available for their Generation Two vehicles. If that occurs, Eligible Owners of affected vehicles will have the option to have Volkswagen buy back their Eligible Vehicle. The notification will give you a deadline to submit a complete and valid Claim if you wish to select a Buyback and detailed information on how to submit the Claim.

42. What is the amount of Vehicle Value I will receive for my Eligible Vehicle in a Buyback?

If no Emissions Compliant Repair becomes available on time and the Buyback Option is triggered for your Generation Two Eligible Vehicle and you choose the Buyback Option, you will receive a payment from Volkswagen for the value of your vehicle ("Vehicle Value"), plus Owner Restitution. The calculation of the Owner Restitution amount is described above in Question 30 of this notice.

The Vehicle Value for your Eligible Vehicle will be determined based on the Clean Trade Value of that vehicle, adjusted for factory options and mileage. The Clean Trade Value and factory-option adjustments will be taken from the September 2015 edition of the National Automotive Dealers Association (NADA) Used Car Guide, which collected and published value data before the diesel emissions issues became known to the public. NADA is an organization, founded in 1917, that collects data from millions of vehicles annually, uses those data to appraise the value of used vehicles, and publishes its appraisals by make, model, model year, and other criteria in quarterly Used Car Guides.

The Clean Trade Value of a vehicle is based in part on mileage. The mileage that will be used to set the vehicle's value is the Eligible Vehicle's mileage when it is brought into a dealership to participate in the Settlement Program minus 1,250 miles per month for each month that has passed since September 2015.

The September 2015 NADA Used Car Guide, however, does not include values for certain model year 2015 vehicles. For these vehicles, the Clean Retail Value and Clean Trade Value have been agreed upon by the parties.

these values are listed in the table below.

Model	Clean Retail Value	Clean Trade Value
2015 Audi Q5 Premium Plus S-Line	\$47,358	\$44,451
2015 Audi Q5 Prestige S-Line	\$53,783	\$50,588
2015 Audi Q5 Prestige	\$51,453	\$48,347
2015 Audi Q5 Premium Plus	\$45,031	\$42,225
2015 Audi Q7 Prestige S-Line	\$58,505	\$53,864
2015 Audi Q7 Prestige	\$57,566	\$53,030
2015 Audi Q7 Premium	\$48,922	\$45,129
2015 Porsche Cayenne	\$61,089	\$58,251
2015 VW Touareg Lux	\$47,399	\$42,775
2015 VW Touareg Executive	\$53,231	\$48,572
2015 VW Touareg Sport Technology	\$44,570	\$40,281

The September 2015 NADA Used Car Guide does not include values for any model year 2016 vehicles. For these vehicles, the Clean Retail and Trade Values are calculated as a percentage of each vehicle's actual manufacturer's suggested retail price ("MSRP"). The Clean Retail Value percentages used vary based on the vehicle's make and range from 91% to 93% of MSRP. The Clean Trade Value for each vehicle is calculated as a percentage of the Clean Retail Value for that vehicle, ranging from 89.87% to 95.35% depending on the model. Because the Clean Retail and Trade Values for model year 2016 vehicles are based on actual MSRP for each vehicle, the values already reflect factory options without further adjustment. Values for model year 2016 vehicles also are not adjusted for mileage.

Attached to this Notice under the heading "Settlement Payments to Generation Two Owners" is a table providing an estimated range of total payments under the Buyback, Trade-In, and Approved Emissions Modification options.

43. How does the Trade-In Option work?

All Trade-Ins of a Volkswagen vehicle must take place at a participating Volkswagen Authorized Dealer, all Trade-Ins of an Audi vehicle must take place at a participating Audi Authorized Dealer, and all Trade-Ins of a Porsche vehicle must take place at a participating Porsche Authorized Dealer. An Eligible Owner who selects the Trade-In Option will receive a Trade-In Credit equal to the Buyback Amount (the Vehicle Value plus Owner Restitution) for use at the participating Volkswagen, Audi, or Porsche Authorized Dealer. If an Eligible Owner's Trade-In Credit exceeds the total price of the vehicle acquired through the Trade-In Option, the Eligible Owner will be entitled to the difference between the amount of the Trade-In Credit and the total retail transaction price for the newly acquired vehicle, in whatever form is negotiated between the Eligible Owner and the Volkswagen, Audi, or Porsche Authorized Dealer, including (but not limited to) a check for the remaining amount.

44. How does continuing to drive my vehicle affect my compensation?

If a timely Emissions Compliant Repair becomes available, continuing to drive your vehicle will not affect your compensation because Repair Payments are not adjusted based on mileage. By contrast, if no timely Emissions Compliant Repair becomes available, continuing to drive your vehicle may affect your compensation. In that case, if you drive your vehicle an average of more than 1,250 miles per month, your compensation might be reduced.

Lease Termination Option

45. How and when can I terminate my lease?

Class Members will be promptly notified if a timely approved Emissions Compliant Repair does not become available, thus triggering Lease Termination as an option under the Class Action Settlement.

For Generation Two Eligible Vehicles, you must have a lease through VW Credit, Inc., Audi Financial Services, or Porsche Financial Services, Inc. to be an Eligible Lessee in the Class Action Settlement. If you have a lease through another entity, you are not an Eligible Lessee.

If the Lease Termination option becomes available and you choose that option, you will have until **December 1, 2019** to submit your claim through the Online Claims Portal accessible at www.VWCourtSettlement.com or by mail or fax. You can schedule your Lease Termination appointment online or by phone (1-844-98-CLAIM). You must schedule your Lease Termination appointment for **April 30, 2020** or earlier. At the appointed time, return your Eligible Vehicle to the dealership. For more details, visit www.VWCourtSettlement.com.

46. Will I have to pay an early termination penalty if I choose the Lease Termination option?

No. If you return a Generation Two Eligible Vehicle, Volkswagen will cancel the remaining terms of your lease issued by VW Credit, Inc., Audi Financial Services, or Porsche Financial Services, Inc. with no financial penalty, and will give you Lessee Restitution. While Volkswagen will pay for any early termination penalty, Volkswagen will not be responsible for fees for excess wear, use, and/or excess mileage at the point of vehicle surrender, or other amounts due under your lease agreement such as delinquent lease payments and related late payment fees, or costs associated with tickets, tolls, etc. Any such fees may be deducted from any Lessee Restitution due you.

HOW TO GET BENEFITS – FILING CLAIMS FOR ELIGIBLE VEHICLES

47. How do I claim Class Action Settlement benefits?

To claim Class Action Settlement benefits, you will need to make a claim online at www.VWCourtSettlement.com, or by mail or fax.

48. What is the deadline to make a claim?

Eligible Former Owners must identify themselves (and Volkswagen must receive the identification form) by May 1, 2017 to receive benefits under the Class Action Settlement. For more details on identifying yourself, see Question 6 above. **Eligible Former Owners and Eligible Former Lessees must file a complete and valid claim within 60 days of the Court's final order approving the Class Action Settlement** (no earlier than July 1, 2017).

All other Class Members must submit a complete and valid claim by **June 1, 2019** (for Generation One Eligible Vehicles) or by **December 31, 2019** (for Generation Two Eligible Vehicles) to get a Buyback, Trade-In, or an Approved Emissions Modification, plus Restitution Payment or Repair Payment as applicable. You will need to complete any Buyback, Trade-In or an Approved Emissions Modification by the time the Class Action Settlement claim program ends on **September 30, 2019** (for Generation One Eligible Vehicles) and **April 30, 2020** (for Generation Two Eligible Vehicles). To ensure that you have adequate time to schedule your Buyback, Trade-In, or Approved Emissions Modification, do not wait until the deadlines are fast approaching. If you know already that you want a Buyback, it makes sense to start the process as early as possible.

49. What supporting documents do I need to make a claim?

To start your claim, go to www.VWCourtSettlement.com and navigate to the Online Claims Portal, where you will be asked for your VIN (Vehicle Identification Number) and other information required to create a claim. Starting no later than 15 business days after final approval of the Class Action Settlement, you will be able to submit a Claim. You will be required to submit supporting documentation to complete your claim, which may include:

- Current vehicle registration (if applicable),
- Vehicle title (for owners with no lien),
- Lease contract (for lessees),
- Lender information and financial consent form (for loans and leases), and
- Driver's license or other government-issued photo identification.

50. When do I need to decide between a Buyback, a Trade-In, or an Approved Emissions Modification?

You do not need to decide between a Buyback, a Trade-In, or an Approved Emissions Modification until you are notified whether an Approved Emissions Modification is available for your vehicle. If you are an Owner or Lessee of a Generation One Eligible Vehicle and do not want to wait until a Reduced Emissions Modification becomes available, you can choose the Buyback or Trade-In any time after the Court approves the Class Action Settlement, so long as you submit a complete and valid claim by no later than **June 1, 2019**. If you are an Owner or Lessee of a Generation Two Eligible Vehicle, you will have to decide by **December 31, 2019** between the Buyback, Trade-In, or Approved Emissions Modification (with restitution) options, but only if an Emissions Compliant Repair does not become available within the timeframe specified in Question 35.

51. When and how will I receive my payment?

The earliest possible time for payments to begin is **June or July 2017**. If the Court grants final approval of the Class Action Settlement, Volkswagen will pay eligible claims on a rolling basis as they are received and approved and offers are accepted by Class Members. Volkswagen will begin the claims program within fifteen business days after final approval of the Class Action Settlement and will not wait until court appeals, if any, are resolved before providing benefits.

The following is the timetable for the claims process and Volkswagen's payment obligations.

Within 10 business days of your submission of a claim, including all requested documentation, Volkswagen will confirm whether your claim is complete. If it is deficient, Volkswagen will describe the deficiency and provide instructions on how to solve it.

Within 15 business days of verifying your document package, Volkswagen will notify you whether you are eligible for the elected remedy or whether the Claims Supervisor identified deficiencies with your documents or information that need to be addressed. If you are eligible, Volkswagen will send you an offer within these 15 business days. If you have a Generation One Vehicle and have an outstanding loan balance on your vehicle, this 15 business day period will not begin until after Volkswagen has verified the amount of your loan balance with your lender.

For Generation One, after accepting an offer, you can schedule a Buyback, Trade-In, Lease Termination, or (if approved) Reduced Emissions Modification. Appointments for Buybacks, Trade-In, Lease Termination, or Reduced Emissions Modification will be made after your acceptance of an offer. At or shortly after your appointment, you will receive your compensation.

For Generation Two, if an Emissions Compliant Repair is not yet available, after accepting an offer you can choose to schedule an appointment to verify your vehicle and identity and receive your Repair Participation Payment. You will be informed if and when a timely Emissions Compliant Repair has been approved and will be told that you can schedule an appointment to have the Emissions Compliant Repair made. You will receive the other half of your payment after the Emissions Compliant Repair is made.

For Generation Two, please note that if you choose to receive a Repair Participation Payment, you will be giving up your right to exclude yourself from the Class, except in limited circumstances. For more details about those limited circumstances, see Questions 59 and 60.

If a timely Emissions Compliant Repair has not been approved for your Generation Two Vehicle, you will be informed that the Buyback, Trade-In, Lease Termination, and (if approved) Approved Emissions Modification options are now available. You will select your option, and after Volkswagen extends an offer to you and you accept it, you may schedule an appointment for your Buyback, Trade-In, Lease Termination, or (if approved) Approved Emissions Modification. At or shortly after your appointment, you will receive your remaining compensation.

You may elect to receive payment by check or by electronic funds transfer (“EFT”). The timelines for each payment method and remedy are in the chart below:

Check Option		Electronic Funds Transfer Option
Buyback	Check is given at time of Buyback: <ul style="list-style-type: none"> Unless an upward mileage adjustment is required (if you went over the estimated mileage resulting in a reduced payment). In this case, a check will be mailed within five banking days of the Buyback. Unless a downward mileage adjustment is required (if you are well under the estimated mileage resulting in a higher payment). In this case, a second check for the additional amount will be mailed within five banking days. 	EFT will be submitted within three banking days of Buyback.
Lease Termination	Check given at time of vehicle surrender.	EFT will be submitted within three banking days of vehicle surrender.
Approved Emissions Modification	Check mailed within five banking days of completion of an Approved Emissions Modification.	EFT will be submitted within three banking days of completion of an Approved Emissions Modification.

52. Can I participate in the Buyback Option if I have an outstanding loan on my vehicle?

Yes. Your payment will be based on the amount of your outstanding loan as follows:

- If your outstanding loan balance is less than the Vehicle Value plus Owner Restitution, Volkswagen will pay off your loan and pay you the difference.
- If your outstanding loan balance is between 100% and 130% of the Vehicle Value plus Owner Restitution, Volkswagen will pay off your loan in full. You will not be paid anything directly.
- If your outstanding loan is more than 130% of the Vehicle Value plus Owner Restitution, your loan will be paid off up to 130% of your total Buyback Amount (*i.e.*, Vehicle Value plus Owner Restitution). You must pay any remaining loan balance necessary to transfer ownership of the vehicle to Volkswagen to complete the Buyback transaction.

53. Can I participate in the Trade-In Option if I have an outstanding loan on my vehicle?
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Yes. You will receive a Trade-In Credit toward the vehicle in an amount equal to the total Buyback Amount (Vehicle Value plus Owner Restitution). If your loan obligation exceeds the total Buyback Amount, you will be eligible for Loan Forgiveness, and your Trade-In Credit will be increased by up to 30%. You will need to arrange with the Authorized Dealer to satisfy your loan obligation as part of the Trade-In transaction such that title and ownership of the vehicle are transferred to the Authorized Dealer without any liens.

54. What can Volkswagen do with the vehicles it buys back?

Volkswagen cannot export or sell the vehicles it buys back unless it modifies them with Approved Emissions Modifications. If the EPA and CARB do not approve an Emissions Modification for certain types of vehicles, Volkswagen is prohibited from re-selling those vehicles in the United States or abroad. Eligible Vehicles returned to Volkswagen that are not modified must be responsibly recycled, such as salvaged for parts.

UNDERSTANDING THE CLASS ACTION PROCESS

55. Why am I getting this Notice?

You got this Notice because you may be a member of the Settlement Class. The Court in charge of this case authorized this Notice because Class Members have a right to know about the proposed Class Action Settlement, and to understand all of their options before the Court decides whether or not to approve the Class Action Settlement. This Notice summarizes the Class Action Settlement and explains Class Members' legal rights and options under that Settlement, as well as the relief achieved under the US/CA Settlement.

Judge Charles R. Breyer of the United States District Court for the Northern District of California ("the Court") is in charge of this case. The case is known as *In re Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*, No. 3:15-md-2672. The people who sued are called the "Plaintiffs." Volkswagen AG, Audi AG, Porsche AG, Volkswagen Group of America, Inc., and Porsche Cars North America, Inc., together, are called "Defendants."

56. What is a class action?

A class action is a representative lawsuit. One or more plaintiffs (who are also called "class representatives") sue on behalf of themselves and all other people with similar claims, who are not named, but are described in the class definition and are called "Class Members." When a class action is settled, the Court resolves the issues in the lawsuit for all Class Members, except for those who leave (opt out of) the class. Opting out means that you will not receive benefits under the Class Action Settlement. The opt-out process is described in Question 59 of this Notice.

57. What am I giving up in exchange for receiving the Class Action Settlement benefits?

If the Court approves the Class Action Settlement and you do not opt out, you will be eligible for the Class Action Settlement benefits described above. In exchange, you will give up your right to sue Volkswagen, Audi, Porsche, and related parties for the claims being resolved by this Class Action Settlement (see Question 61 below).

This Settlement **does not** provide benefits or affect legal claims related to: (1) former owners who sold their vehicles prior to September 18, 2015, (2) claims against Bosch, and (3) lessees with leases from entities other than VW Credit, Inc. or Audi Financial Services (Volkswagen and Audi vehicles) or Porsche Financial Services, Inc. (Porsche vehicles).

Please note: There is a separate class action settlement agreement with Bosch which provides additional cash payments to 3.0-liter Eligible Owners, Former Owners, and Lessees. You will receive information about that settlement by separate notice. Visit www.BoschVWSettlement.com for more information.

Section 12 of the Class Action Settlement contains the complete text and details of what Class Members give up unless they exclude themselves from the Class Action Settlement, so please read it carefully. The Class Action Settlement, DOJ 3.0-liter Consent Decree, and FTC 3.0-liter Consent Order are available at www.VWCourtSettlement.com. If you have any questions, you may talk to the class counsel listed in Question 63 for free, or you may talk to your own lawyer.

58. Am I releasing any personal injury or wrongful death claims if I participate in the Class Action Settlement?

No. The Class Action Settlement does not affect or release any personal injury or wrongful death claims you may have, now or in the future.

59. How do I get out of the Class Action Settlement?

If you do not want to receive benefits from the Class Action Settlement, and you want to retain the right to sue Volkswagen, Audi, or Porsche about the legal issues in this case, then you must take steps to remove yourself from the Class Action Settlement. You may do this by asking to be excluded from—sometimes referred to as “opting out of”—the Class Action Settlement. To do so, you must mail a letter or other written document to the Court-Appointed claims supervisor. Your request must include:

- Your name, address, and telephone number;
- The VIN of your vehicle;
- A statement that “I wish to exclude myself from the Class Action Settlement in *In re: Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation*, No. 3:15-md-2672,” or substantially similar unambiguous language;
- A statement as to whether you are an owner, lessee, or former owner or lessee of an Eligible Vehicle and the dates of ownership or lease;
- If you no longer own or lease your vehicle, evidence that the vehicle was sold or that the lease expired or was terminated; and
- Your personal signature and date.

You must mail your exclusion request, postmarked by **April 14, 2017**, to Opt Out VW Settlement, P.O. Box 57424, Washington, DC 20037. If you bought your vehicle after the Opt-Out Deadline of **April 14, 2017** but before **June 1, 2019** (for Generation One vehicles) or before **December 31, 2019** (for Generation Two vehicles), your exclusion request deadline is 30 days from the date of your purchase.

If you still own or lease an Eligible Vehicle and no Approved Emissions Modification becomes available for your Eligible Vehicle by **August 1, 2018**, you may withdraw from the Class Action Settlement from **August 1, 2018** to **September 1, 2018**. To withdraw, you must submit a written opt-out request to Opt Out VW Settlement, P.O. Box 57424, Washington, DC 20037, postmarked by **September 1, 2018**, and include the same information listed in the bullet points just above (name, address, telephone number, VIN of your vehicle, and so on). Additionally, an owner or lessee who received a Repair Participation Payment must submit with the opt out request a valid check or money order payable to VW 2018 OPT OUT FUND, an escrow account administered by the Claims Supervisor, in the full amount of the Repair Participation Payment that the owner or lessee received. No opt out request will be deemed valid that fails to submit the Repair Participation Payment refund on time (*i.e.*, postmarked by September 1, 2018) and in full.

60. If I stay in the class and final approval is granted, may I later withdraw?

Class Members who still own or lease their vehicles and have not yet obtained a Buyback, Trade-In, or Lease Termination may withdraw from the Class Action Settlement if there is no Approved Emissions Modification for their vehicle by **August 1, 2018** between **August 1, 2018** and **September 1, 2018**. Class Members who have previously received a Repair Participation Payment must return it in order to withdraw from the 3.0-liter Class Action Settlement.

61. If I stay in this Class Action Settlement, can I sue these Defendants for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Volkswagen and Porsche for all of the claims that this Class Action Settlement resolves.

62. If I exclude myself, can I still get full benefits from the Class Action Settlement?

No. If you exclude yourself, you will not get any benefits from the Class Action Settlement. Under the US/CA Settlement, you would still be able to obtain a Reduced Emissions Modification or an Emissions Compliant Repair if one becomes available for your vehicle, but would receive none of the monetary compensation provided for by the Class Action Settlement.

63. Do I have a lawyer in the case?

Yes. The Court has appointed lawyers to represent all Class Members as “Class Counsel.” You will not be charged for contacting these lawyers. **Please contact them through info@vwclasscounsel.com or 1-(800) 948-2181.** They are:

<p>Elizabeth Cabraser, Lead Counsel Lieff Cabraser Heimann & Bernstein, LLP 275 Battery Street, 29th Floor San Francisco, CA 94111</p> <p>Lynn Lincoln Sarko Keller Rohrback L.L.P. 1201 Third Avenue, Suite 3200 Seattle, WA 98101</p> <p>Steve W. Berman Hagens Berman Sobol Shapiro LLP 1918 Eighth Avenue, Suite 3300 Seattle, WA 98101</p> <p>Benjamin L. Bailey Bailey and Glasser LLP 209 Capital Street Charleston, WV 25301</p> <p>David Boies Boies Schiller and Flexner 333 Main Street Armonk, NY 10504</p> <p>David Seabold Casey, Jr. Casey Gerry Schenk Francavilla Blatt & Penfield LLP 110 Laurel St San Diego, CA 92101</p> <p>James E. Cecchi Carella Byrne Cecchi Olstein Brody & Agnello, P.C. 5 Becker Farm Road Roseland, NJ 07068</p> <p>Roxanne Barton Conlin Roxanne Conlin and Associates 319 7th Street, Suite 600 Des Moines, IA 50309</p>	<p>Joseph F. Rice Motley Rice LLC 28 Bridgeside Boulevard Mt. Pleasant, SC 29464</p> <p>Christopher A. Seeger Seeger Weiss LLP 77 Water Street New York, NY 10005</p> <p>Jayne Conroy Simmons Hanly Conroy, LLC 112 Madison Avenue New York, NY 10016</p> <p>Paul J. Geller Robbins Geller Rudman and Dowd LLP 120 East Palmetto Park Road, Suite 500 Boca Raton, FL 33432</p> <p>Robin L. Greenwald Weitz & Luxenberg, P.C. 700 Broadway New York, NY 10003</p> <p>Michael D. Hausfeld Hausfeld LLP 1700 K Street NW, Suite 650 Washington, DC 20006</p> <p>Michael Everett Heygood Heygood, Orr, Pearson 6363 North State Highway 161, Suite 450 Irving, TX 75038</p> <p>Adam J. Levitt Grant & Eisenhofer P.A. 30 North LaSalle Street, Suite 1200 Chicago, IL 60602</p>
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<p>W. Daniel "Dee" Miles III Beasley Allen Crow Methvin Portis & Miles 218 Commerce Street P.O. Box 4160 Montgomery, AL 36103</p> <p>Frank Mario Pitre Cotchett Pitre & McCarthy LLP San Francisco Airport Office Center 840 Malcolm Road, Suite 200 Burlingame, CA 94010</p> <p>Rosemary M. Rivas Levi & Korinsky LLP 44 Montgomery Street, Suite 650 San Francisco, CA 94104</p>	<p>J. Gerard Stranch IV Branstetter, Stranch & Jennings, PLLC 223 Rosa L. Parks Avenue, Suite 200 Nashville, TN 37203</p> <p>Roland K. Tellis Baron Budd, P.C. 15910 Ventura Boulevard Encino Plaza, Suite 1600 Encino, CA 91436</p> <p>Lesley Elizabeth Weaver Bleichmar Fonti & Auld LLP 1999 Harrison Street, Suite 670 Oakland, CA 94612</p>
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64. How will the lawyers be paid?

Any attorneys' fees and costs awarded to Class Counsel by the Court will be paid separately by Volkswagen and will not reduce benefits to Class Members.

Volkswagen will pay attorneys' fees and costs to Class Counsel in addition to the benefits it is providing to the Class Members in this Settlement. At a later date to be determined by the Court, Class Counsel will ask the Court to approve their attorneys' fees and reasonable costs. Class Members will have an opportunity to comment on and/or object to this request at an appropriate time. The Court must approve these attorneys' fees and costs to be paid by Volkswagen.

65. How do I tell the Court if I do not like the Class Action Settlement?

If you do not exclude yourself from the Class Action Settlement, you may object to it. The Court will consider your views. To comment on or to object to the Class Action Settlement, you or your attorney must submit your written objection to the Court, including the following:

- Your name, address, and telephone number;
- A statement saying that you object to the Class Action Settlement in *In re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*, No. 3:15-md-2672 (N.D. Cal.);
- The reasons you object to the Class Action Settlement, along with any supporting materials;
- The VIN of your Eligible Vehicle and the dates you owned or leased the Eligible Vehicle; and
- Your signature and date.

In addition, if you wish to speak at the final approval hearing (the "Fairness Hearing"), you must submit a written notice of your intent (see Question 69 below).

You must mail your objection to the four addresses below postmarked by April 14, 2017:

COURT	CLASS COUNSEL	VOLKSWAGEN COUNSEL	PORSCHE COUNSEL
Clerk of the Court/Judge Charles R. Breyer Phillip Burton Federal Building & United States Courthouse 450 Golden Gate Avenue San Francisco, CA 94102	Elizabeth Cabraser Lieff Cabraser Heimann & Bernstein, LLP 275 Battery Street, 29th Floor San Francisco, CA 94111	Sharon L. Nelles Sullivan & Cromwell LLP 125 Broad Street New York, NY 10004	Cari K. Dawson Alston & Bird LLP 1201 West Peachtree Street Atlanta, GA 30309

66. What is the difference between objecting to the Class Action Settlement and opting out?

You can object only if you do not opt out of the Class. Opting out is telling the Court that you do not want to be part of the Class Action Settlement, and you do not want to receive any Class Action Settlement benefits. If you opt out, you have no basis to object to the Class Action Settlement by telling the Court you do not like something about it, because the case no longer affects you.

67. When and where will the Court decide whether to approve the Class Action Settlement?

The Court will hold the Fairness Hearing on **May __, 2017, at 8:00 a.m.**, at the United States District Court for the Northern District of California, located at the United States Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102. After the hearing, the Court will decide whether to approve the Class Action Settlement. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check www.VWCourtSettlement.com or call 1-844-98-CLAIM. At this hearing, the Court will hear evidence about whether the Class Action Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them and may listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the Class Action Settlement. We do not know how long these decisions will take.

The Court will consider the request for attorneys' fees and reasonable costs by Class Counsel (see Question 64) after the Fairness Hearing, at a time that will be set at a later date by the Court.

68. Do I have to attend the hearing?

No. Class Counsel will answer questions the Court may have. You are welcome to attend at your own expense. If you timely file an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You also may have your own lawyer attend at your expense, but it is not necessary.

69. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. The Court will determine whether to grant you permission to speak. To do so, you must send a letter stating that it is your "Notice of Intention to Appear in *In re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*, No. 3:15-md-2672 (N.D. Cal.)." Be sure to include your name, address, telephone number, and your signature. Your notice of intention to appear must be postmarked by **April 14, 2017**, and sent to the addresses listed in Question 65.

70. How do I get more information?

This Notice summarizes the proposed Class Action Settlement. More details are in the Class Action Settlement and the proposed DOJ Consent Decree. You can get a copy of all of these documents at www.VWCourtSettlement.com. You also may write with questions to VW 3.0-Liter Settlement, P.O. Box 214500, Auburn Hills, MI 48321 or call 1-844-98-CLAIM.

TABLES

Settlement Payments to Generation One Owners

The tables below show the range of possible payment amounts to Generation One owners under the 3.0-Liter Class Action Settlement. The amount you will be offered depends on which option is involved (Buyback/Trade-In or Reduced Emissions Modification) and your vehicle's model year, model, trim level, and factory options. The Reduced Emissions Modification option will only be available if the EPA and CARB approve a modification.

If you choose the Buyback option, you will receive your vehicle's September 2015 Clean Trade Vehicle Value, plus an additional restitution amount, for a total payment ranging from \$24,755 to \$57,157. The Buyback payment compensates you for the value of your vehicle frozen in September 2015 using an industry standard for valuing vehicles (the NADA Used Car Guide), and includes an additional restitution amount of more than \$7,500 (before any adjustment for your vehicle's current mileage).

If you choose the Trade-In option, you will receive the amount you would have received in a Buyback as a trade-in credit toward another vehicle.

If you choose the Reduced Emissions Modification option instead, you will receive a free modification plus the same additional restitution amount you would receive for a Buyback. Payments for emissions modifications to Generation One vehicles range from \$7,755 to \$13,880.

Your payment amount may be adjusted up or down if your vehicle has higher or lower than standard mileage (15,000 miles per year) when you bring it into a dealership to participate in the settlement program. The tables below assume that your vehicle is not subject to a mileage adjustment and that you owned it on September 18, 2015 when the emissions accusations became public and still own it. If you no longer have your vehicle, or if you purchased it used after September 18, 2015, then you will be offered a lesser amount.

Payment Amounts for All Generation One Owners

Find your vehicle's Model Year, Model, and Trim below:	Option 1: Buyback Sell your vehicle back to Volkswagen plus receive a payment for a combined total of: <i>or</i> Trade-In Receive an equivalent Trade-In Credit of:	Option 2: Reduced Emissions Modification Keep your vehicle, receive a free modification to reduce emissions plus a payment of:
Model	Option 1 Amount	Option 2 Amount
2009 Audi Q7 TDI Premium Plus S-Line	\$32,680 - \$35,537	\$7,905 - \$10,512
2009 Audi Q7 TDI Prestige S-Line	\$33,730 - \$36,918	\$7,955 - \$10,893
2009 Audi Q7 TDI Premium	\$30,788 - \$32,234	\$8,628 - \$10,034
2009 Audi Q7 TDI Premium Plus	\$30,405 - \$33,645	\$7,830 - \$10,470
2009 Audi Q7 TDI Prestige	\$31,480 - \$34,609	\$7,880 - \$10,409
2009 Volkswagen Touareg TDI	\$24,755 - \$29,490	\$7,755 - \$10,000
2010 Audi Q7 TDI Prestige S-Line	\$38,305 - \$44,764	\$8,130 - \$11,789
2010 Audi Q7 TDI Premium	\$32,855 - \$35,574	\$7,930 - \$10,399

Find your vehicle's Model Year, Model, and Trim below:	Option 1: Buyback Sell your vehicle back to Volkswagen plus receive a payment for a combined total of: <i>or</i> Trade-In Receive an equivalent Trade-In Credit of:	Option 2: Reduced Emissions Modification Keep your vehicle, receive a free modification to reduce emissions plus a payment of:
Model	Option 1 Amount	Option 2 Amount
2010 Audi Q7 TDI Premium Plus	\$34,555 - \$38,293	\$7,980 - \$11,043
2010 Audi Q7 TDI Premium Plus S-Line	\$37,055 - \$40,341	\$8,105 - \$11,066
2010 Audi Q7 TDI Prestige	\$36,030 - \$42,337	\$8,030 - \$11,600
2010 Volkswagen Touareg TDI	\$26,405 - \$31,968	\$8,280 - \$10,993
2011 Audi Q7 TDI Prestige S-Line	\$41,830 - \$49,144	\$8,005 - \$12,033
2011 Audi Q7 TDI Premium	\$37,462 - \$40,764	\$7,880 - \$10,743
2011 Audi Q7 TDI Premium Plus	\$37,555 - \$41,813	\$7,905 - \$11,313
2011 Audi Q7 TDI Prestige	\$39,755 - \$47,057	\$7,955 - \$11,907
2011 Volkswagen Touareg TDI Executive	\$39,155 - \$42,940	\$8,130 - \$11,615
2011 Volkswagen Touareg TDI Lux	\$35,755 - \$39,200	\$8,005 - \$11,150
2011 Volkswagen Touareg TDI Sport	\$33,880 - \$37,138	\$7,955 - \$10,913
2012 Audi Q7 TDI Prestige S-Line	\$48,755 - \$57,157	\$9,005 - \$13,807
2012 Audi Q7 TDI Premium	\$42,730 - \$46,974	\$8,880 - \$12,386
2012 Audi Q7 TDI Premium Plus	\$43,630 - \$48,550	\$8,855 - \$12,875
2012 Audi Q7 TDI Prestige	\$46,030 - \$54,930	\$8,905 - \$13,880
2012 Volkswagen Touareg TDI Executive	\$43,655 - \$48,000	\$8,255 - \$12,200
2012 Volkswagen Touareg TDI Lux	\$39,655 - \$43,600	\$8,130 - \$11,675
2012 Volkswagen Touareg TDI Sport	\$37,055 - \$40,740	\$8,055 - \$11,340
2012 Volkswagen Touareg TDI Sport Navigation	\$37,780 - \$41,538	\$8,080 - \$11,438

Settlement Payments to Generation One Lessees

The tables below show the range of possible payment amounts to Generation One lessees under the 3.0-Liter Class Action Settlement. The amount you will be offered will be the same whether you choose a Lease Termination, a Reduced Emissions Modification, or no longer have an active lease, and will depend on your vehicle's model year, model, trim level, and factory options. The Reduced Emissions Modification option will only be available if the EPA and CARB approve a modification.

These tables assume that you leased an eligible vehicle with VW Credit, Inc. or Audi Credit on September 18, 2015 and/or November 2, 2015 when the emissions accusations became public. If you purchased your leased vehicle before January 31, 2017 and still own it, then you will be treated as an owner for purposes of the settlement and should use the tables in the owner section above to find your range of possible payments. Payments to Generation One lessees range from \$5,001 to \$6,615.

Payment Amounts for All Generation One Lessees

Find your vehicle's Model Year, Model, and Trim below:	Lease Termination or Reduced Emissions Modification Terminate your lease, or keep your vehicle and get a free modification to reduce emissions, and receive a payment of:
Model	Lessee Restitution
2012 Audi Q7 TDI Prestige S-Line	\$6,615 - \$6,615
2012 Audi Q7 TDI Premium Plus	\$5,845 - \$6,125
2012 Audi Q7 TDI Prestige	\$5,753 - \$5,753
2012 Volkswagen Touareg TDI Executive	\$5,336 - \$5,757
2012 Volkswagen Touareg TDI Lux	\$5,570 - \$5,570
2012 Volkswagen Touareg TDI Sport	\$5,001 - \$5,144

Settlement Payments To Generation Two Owners

If an Emissions Compliant Repair for your vehicle is available on time, you will receive the repair and an additional repair payment in an amount that depends on your vehicle's model year, model, and factory options, *as shown in the first table below*. Repair payments to owners of Generation Two vehicles range from \$7,039 to \$16,114. Lessees and former lessees of Generation Two vehicles will receive a repair payment of \$2,000.

If an Emissions Compliant Repair for your vehicle is *not* available on time, you will have a choice between a Buyback, a Trade-in, and, if the EPA and CARB approve it, a Reduced Emissions Modification (or an Emissions Compliant Repair approved after the deadlines set forth in the Agreement), plus compensation as calculated below.

- If you choose the Buyback option, you will receive your vehicle's September 2015 Clean Trade Vehicle Value, plus an additional restitution amount, for a total payment ranging from \$43,153 to \$144,771 *as shown in the second table below*. The Buyback payment compensates you for the value of your vehicle frozen in September 2015 using an industry standard for valuing vehicles (the NADA Used Car Guide), and includes an additional restitution amount of more than \$11,000 (before any adjustment for your vehicle's current mileage).
- If you choose a Trade-In, you will receive the amount you would have received in a Buyback as a trade-in credit toward a new vehicle
- If you instead choose the Approved Emissions Modification option, you will receive a free modification plus the same additional restitution amount you would receive for a Buyback. Payments for emissions modifications to Generation Two vehicles range from \$11,353 to \$45,911 as shown in the second table below.
- Your payment amount may be adjusted up or down if your vehicle has higher or lower than standard mileage (15,000 miles per year) when you bring it into a dealership to participate in the settlement program. The tables below assume that your vehicle is not subject to a mileage adjustment and that you purchased it new or owned it on September 18, 2015 when the emissions accusations became public and still own it. If you no longer have your vehicle, or if you purchased it used after September 18, 2015, then you will be offered a lesser amount.

If Emissions Compliant Repair Timely Available

Find your vehicle's Model Year, Model, and Trim below:	Emissions Compliant Repair Receive an Emissions Compliant Repair and a payment of:
Model	Owner Repair Payment
2013 Porsche Cayenne	\$8,229 - \$8,629
2013 Audi Q7 TDI Prestige S-Line	\$8,492 - \$9,112
2013 Audi Q7 TDI Premium	\$7,424 - \$7,687
2013 Audi Q7 TDI Premium Plus	\$7,842 - \$8,039
2013 Audi Q7 TDI Prestige	\$8,274 - \$8,834
2013 Volkswagen Touareg TDI Executive	\$7,704 - \$7,752
2013 Volkswagen Touareg TDI Lux	\$7,322 - \$7,369
2013 Volkswagen Touareg TDI Sport	\$7,039 - \$7,087
2013 Volkswagen Touareg TDI Sport Navigation	\$7,124 - \$7,172
2014 Audi A6 TDI Premium Plus	\$8,014 - \$8,349
2014 Audi A6 TDI Prestige	\$8,407 - \$8,989
2014 Audi A7 TDI Premium Plus	\$8,909 - \$9,237
2014 Audi A7 TDI Prestige	\$9,404 - \$9,979
2014 Audi A8 TDI L	\$9,664 - \$10,534
2014 Porsche Cayenne	\$9,014 - \$9,447
2014 Porsche Cayenne Platinum	\$9,552 - \$9,819
2014 Audi Q5 TDI Premium Plus S-Line	\$8,259 - \$8,507
2014 Audi Q5 TDI Premium Plus	\$7,887 - \$8,197
2014 Audi Q5 TDI Prestige	\$8,464 - \$8,849
2014 Audi Q5 TDI Prestige S-Line	\$8,839 - \$9,114
2014 Audi Q7 TDI Prestige S-Line	\$9,014 - \$9,594
2014 Audi Q7 TDI Premium	\$8,112 - \$8,342
2014 Audi Q7 TDI Premium Plus	\$8,322 - \$8,567
2014 Audi Q7 TDI Prestige	\$8,939 - \$9,492
2014 Volkswagen Touareg TDI R-Line	\$8,364 - \$8,419
2014 Volkswagen Touareg TDI Executive	\$8,397 - \$8,409
2014 Volkswagen Touareg TDI Lux	\$7,772 - \$7,784
2014 Volkswagen Touareg TDI Sport	\$7,527 - \$7,582
2015 Audi A6 TDI Premium Plus	\$8,562 - \$8,884
2015 Audi A6 TDI Prestige	\$8,912 - \$9,509
2015 Audi A7 TDI Premium Plus	\$9,532 - \$9,847
2015 Audi A7 TDI Prestige	\$10,024 - \$10,614
2015 Audi A8 TDI L	\$10,584 - \$11,519
2015 Porsche Cayenne	\$9,633 - \$10,236
2015 Audi Q5 TDI Premium Plus S-Line	\$8,278 - \$8,675
2015 Audi Q5 TDI Premium Plus	\$8,087 - \$8,442
2015 Audi Q5 TDI Prestige	\$8,687 - \$9,005
2015 Audi Q5 TDI Prestige S-Line	\$8,963 - \$9,238
2015 Audi Q7 TDI Premium	\$8,339 - \$8,531
2015 Audi Q7 TDI Premium Plus	\$8,744 - \$8,927
2015 Audi Q7 TDI Prestige	\$9,286 - \$9,861
2015 Audi Q7 TDI Prestige S-Line	\$9,447 - \$9,947

Find your vehicle's Model Year, Model, and Trim below:	Emissions Compliant Repair Receive an Emissions Compliant Repair and a payment of:
Model	Owner Repair Payment
2015 Volkswagen Touareg TDI Executive	\$8,962 - \$9,117
2015 Volkswagen Touareg TDI Lux	\$8,379 - \$8,534
2015 Volkswagen Touareg TDI Sport Technology	\$8,096 - \$8,104
2016 Audi A6 TDI Premium Plus	\$9,156 - \$9,963
2016 Audi A6 TDI Prestige	\$9,546 - \$10,885
2016 Audi A7 TDI Premium Plus	\$10,209 - \$10,895
2016 Audi A7 TDI Prestige	\$10,402 - \$12,919
2016 Audi A8 TDI L	\$11,524 - \$12,458
2016 Porsche Cayenne	\$9,391 - \$16,114
2016 Audi Q5 TDI Premium Plus S-Line	\$8,728 - \$9,121
2016 Audi Q5 TDI Premium Plus	\$8,137 - \$9,035
2016 Audi Q5 TDI Prestige	\$8,731 - \$9,847
2016 Audi Q5 TDI Prestige S-Line	\$8,731 - \$10,009
2016 Volkswagen Touareg TDI Executive	\$9,435 - \$9,601
2016 Volkswagen Touareg TDI Lux	\$8,680 - \$9,090
2016 Volkswagen Touareg TDI Sport Technology	\$8,169 - \$8,604

If Emissions Compliant Repair Not Timely Available

Find your vehicle's Model Year, Model, and Trim below:	Option 1: Buyback Sell your vehicle back to Volkswagen plus receive a payment for a combined total of: <i>or</i> Trade-In Receive an equivalent Trade-In Credit of:	Option 2: Approved Emissions Modification (if available) Keep your vehicle and get a free modification to reduce emissions and a payment of:
Model	Option 1 Amount	Option 2 Amount
2013 Porsche Cayenne	\$58,953 - \$75,141	\$14,678 - \$29,106
2013 Audi Q7 TDI Prestige S-Line	\$59,959 - \$70,296	\$13,653 - \$19,630
2013 Audi Q7 TDI Premium	\$48,028 - \$53,225	\$13,328 - \$17,236
2013 Audi Q7 TDI Premium Plus	\$52,428 - \$58,766	\$13,428 - \$18,626
2013 Audi Q7 TDI Prestige	\$56,503 - \$66,930	\$13,503 - \$19,126
2013 Volkswagen Touareg TDI Executive	\$49,803 - \$54,433	\$11,528 - \$15,733
2013 Volkswagen Touareg TDI Lux	\$45,978 - \$50,226	\$11,428 - \$15,251
2013 Volkswagen Touareg TDI Sport	\$43,153 - \$46,781	\$11,353 - \$14,606
2013 Volkswagen Touareg TDI Sport Navigation	\$44,003 - \$48,053	\$11,378 - \$15,003
2014 Audi A6 TDI Premium Plus	\$53,903 - \$61,978	\$13,878 - \$19,003
2014 Audi A6 TDI Prestige	\$57,828 - \$70,965	\$13,978 - \$21,915
2014 Audi A7 TDI Premium Plus	\$62,853 - \$70,911	\$14,578 - \$20,540
2014 Audi A7 TDI Prestige	\$67,803 - \$81,397	\$14,678 - \$23,172
2014 Audi A8 TDI L	\$72,631 - \$94,008	\$17,817 - \$31,433

Find your vehicle's Model Year, Model, and Trim below:	Option 1: Buyback Sell your vehicle back to Volkswagen plus receive a payment for a combined total of: <i>or</i> Trade-In Receive an equivalent Trade-In Credit of:	Option 2: Approved Emissions Modification (if available) Keep your vehicle and get a free modification to reduce emissions and a payment of:
Model	Option 1 Amount	Option 2 Amount
2014 Porsche Cayenne	\$66,103 - \$92,318	\$14,503 - \$39,068
2014 Porsche Cayenne Platinum	\$70,803 - \$86,894	\$14,578 - \$29,494
2014 Audi Q5 TDI Premium Plus S-Line	\$57,853 - \$64,496	\$14,478 - \$19,513
2014 Audi Q5 TDI Premium Plus	\$53,053 - \$59,633	\$12,903 - \$17,628
2014 Audi Q5 TDI Prestige	\$59,078 - \$67,247	\$13,028 - \$19,348
2014 Audi Q5 TDI Prestige S-Line	\$63,653 - \$72,104	\$14,578 - \$20,854
2014 Audi Q7 TDI Prestige S-Line	\$64,603 - \$75,626	\$13,903 - \$21,249
2014 Audi Q7 TDI Premium	\$55,728 - \$61,566	\$13,703 - \$18,466
2014 Audi Q7 TDI Premium Plus	\$57,653 - \$65,344	\$13,728 - \$19,844
2014 Audi Q7 TDI Prestige	\$63,153 - \$75,399	\$13,828 - \$21,799
2014 Volkswagen Touareg TDI R-Line	\$56,403 - \$61,693	\$12,528 - \$17,393
2014 Volkswagen Touareg TDI Executive	\$56,728 - \$61,583	\$12,578 - \$17,383
2014 Volkswagen Touareg TDI Lux	\$50,478 - \$54,708	\$12,428 - \$16,608
2014 Volkswagen Touareg TDI Sport	\$48,028 - \$52,481	\$12,328 - \$16,356
2015 Audi A6 TDI Premium Plus	\$59,378 - \$68,617	\$14,503 - \$20,892
2015 Audi A6 TDI Prestige	\$62,878 - \$76,478	\$14,578 - \$22,828
2015 Audi A7 TDI Premium Plus	\$69,378 - \$79,028	\$15,003 - \$21,853
2015 Audi A7 TDI Prestige	\$74,003 - \$88,246	\$14,778 - \$23,771
2015 Audi A8 TDI L	\$83,450 - \$103,921	\$20,650 - \$34,062
2015 Porsche Cayenne	\$74,150 - \$108,462	\$15,899 - \$45,911
2015 Audi Q5 TDI Premium Plus S-Line	\$60,556 - \$66,894	\$14,171 - \$20,032
2015 Audi Q5 TDI Premium Plus	\$54,834 - \$64,356	\$12,559 - \$19,081
2015 Audi Q5 TDI Prestige	\$61,256 - \$71,948	\$12,859 - \$21,276
2015 Audi Q5 TDI Prestige S-Line	\$65,222 - \$74,931	\$14,209 - \$22,393
2015 Audi Q7 TDI Premium	\$57,150 - \$63,339	\$13,521 - \$18,030
2015 Audi Q7 TDI Premium Plus	\$61,878 - \$70,789	\$14,103 - \$22,089
2015 Audi Q7 TDI Prestige	\$67,369 - \$79,342	\$14,289 - \$21,837
2015 Audi Q7 TDI Prestige S-Line	\$68,233 - \$83,383	\$14,369 - \$25,419
2015 Volkswagen Touareg TDI Executive	\$62,384 - \$68,926	\$13,437 - \$18,803
2015 Volkswagen Touareg TDI Lux	\$56,552 - \$62,957	\$13,402 - \$18,482
2015 Volkswagen Touareg TDI Sport Technology	\$53,723 - \$58,223	\$13,067 - \$17,567
2016 Audi A6 TDI Premium Plus	\$67,803 - \$78,791	\$15,305 - \$21,854
2016 Audi A6 TDI Prestige	\$71,488 - \$87,404	\$15,387 - \$22,325
2016 Audi A7 TDI Premium Plus	\$78,407 - \$88,259	\$15,735 - \$22,670
2016 Audi A7 TDI Prestige	\$79,787 - \$111,001	\$15,328 - \$25,106
2016 Audi A8 TDI L	\$91,604 - \$103,659	\$18,288 - \$26,875
2016 Porsche Cayenne	\$72,643 - \$144,771	\$14,120 - \$25,417

Find your vehicle's Model Year, Model, and Trim below:	Option 1: Buyback Sell your vehicle back to Volkswagen plus receive a payment for a combined total of: <i>or</i> Trade-In Receive an equivalent Trade-In Credit of:	Option 2: Approved Emissions Modification (if available) Keep your vehicle and get a free modification to reduce emissions and a payment of:
Model	Option 1 Amount	Option 2 Amount
2016 Audi Q5 TDI Premium Plus S-Line	\$61,561 - \$68,753	\$12,909 - \$17,844
2016 Audi Q5 TDI Premium Plus	\$55,360 - \$68,726	\$12,571 - \$18,180
2016 Audi Q5 TDI Prestige	\$64,279 - \$77,534	\$13,136 - \$18,807
2016 Audi Q5 TDI Prestige S-Line	\$64,151 - \$79,745	\$13,249 - \$19,430
2016 Volkswagen Touareg TDI Executive	\$67,109 - \$73,686	\$13,838 - \$19,325
2016 Volkswagen Touareg TDI Lux	\$60,448 - \$68,329	\$13,776 - \$19,343
2016 Volkswagen Touareg TDI Sport Technology	\$55,961 - \$63,052	\$13,288 - \$17,938

Settlement Payments to Generation Two Lessees

The tables below show the range of possible payment amounts to Generation Two lessees under the 3.0-liter Class Action Settlement.

As described in the previous section, if an Emissions Compliant Repair for your vehicle is available on time, you will be offered the repair and a repair payment. The repair payment for lessees of Generation Two vehicles is \$2,000 *as shown in the first table below*.

If an Emissions Compliant Repair for your vehicle is *not* available on time, you will instead be offered a Lease Termination or Approved Emissions Modification, and a payment. The Approved Emissions Modification option will only be available if an emissions modification is approved by the EPA and CARB. The amount you receive will be the same whether you choose a Lease Termination, Approved Emissions Modification, or no longer have an active lease, and depends on your vehicle's model year, model, and factory options as shown in the second table below. If an Emissions Compliant Repair is not available on time, payments to Generation Two lessees range from \$5,677 to \$12,492.

These tables assume that you leased vehicle with VW Credit, Inc., Audit Credit, or Porsche Financial Services, Inc. on September 18, 2015 and/or November 2, 2015 when the emissions accusations became public. If you purchased your leased vehicle before January 31, 2017 and still own it, then you will be treated as an owner for purposes of the settlement and should use the tables in the owner section above to find your range of possible payments.

If Emissions Compliant Repair Timely Available

Find your vehicle's Model Year, Model, and Trim below:	Emissions Compliant Repair Receive an Emissions Compliant Repair and a payment of:
Model	Repair Payment Amount

All Models	\$2,000
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If Emissions Compliant Repair Not Timely Available

Find your vehicle's Model Year, Model, and Trim below:	Approved Emissions Modification or Lease Termination Receive an Approved Emissions Modification or a Lease Termination, and a payment of:
Model	Lessee Restitution
2013 Porsche Cayenne	\$5,902 - \$8,405
2013 Audi Q7 TDI Prestige S-Line	\$7,780 - \$8,875
2013 Audi Q7 TDI Premium	\$6,785 - \$7,838
2013 Audi Q7 TDI Premium Plus	\$6,214 - \$8,350
2013 Audi Q7 TDI Prestige	\$6,985 - \$8,707
2013 Volkswagen Touareg TDI Executive	\$7,014 - \$7,549
2013 Volkswagen Touareg TDI Lux	\$6,305 - \$7,338
2013 Volkswagen Touareg TDI Sport	\$5,677 - \$7,136
2013 Volkswagen Touareg TDI Sport Navigation	\$5,689 - \$7,228
2014 Audi A6 TDI Premium Plus	\$6,439 - \$8,721
2014 Audi A6 TDI Prestige	\$6,489 - \$9,279
2014 Audi A7 TDI Premium Plus	\$7,586 - \$9,513
2014 Audi A7 TDI Prestige	\$6,839 - \$9,858
2014 Audi A8 TDI L	\$7,302 - \$10,636
2014 Porsche Cayenne	\$6,189 - \$8,760
2014 Porsche Cayenne Platinum	\$7,229 - \$9,067
2014 Audi Q5 TDI Premium Plus S-Line	\$6,783 - \$8,311
2014 Audi Q5 TDI Premium Plus	\$5,977 - \$8,268
2014 Audi Q5 TDI Prestige	\$6,014 - \$8,482
2014 Audi Q5 TDI Prestige S-Line	\$6,506 - \$8,447
2014 Audi Q7 TDI Prestige S-Line	\$6,452 - \$9,339
2014 Audi Q7 TDI Premium	\$7,747 - \$8,378
2014 Audi Q7 TDI Premium Plus	\$6,364 - \$8,833
2014 Audi Q7 TDI Prestige	\$6,514 - \$9,133
2014 Volkswagen Touareg TDI R-Line	\$6,264 - \$8,515
2014 Volkswagen Touareg TDI Executive	\$6,289 - \$8,692
2014 Volkswagen Touareg TDI Lux	\$6,214 - \$8,304
2014 Volkswagen Touareg TDI Sport	\$6,189 - \$8,030
2015 Audi A6 TDI Premium Plus	\$6,789 - \$9,292
2015 Audi A6 TDI Prestige	\$6,827 - \$9,818
2015 Audi A7 TDI Premium Plus	\$8,759 - \$9,677
2015 Audi A7 TDI Prestige	\$6,927 - \$10,103
2015 Audi A8 TDI L	\$7,902 - \$11,935
2015 Porsche Cayenne	\$5,821 - \$8,951
2015 Audi Q5 TDI Premium Plus S-Line	\$5,980 - \$8,338
2015 Audi Q5 TDI Premium Plus	\$5,805 - \$8,377
2015 Audi Q5 TDI Prestige	\$5,930 - \$8,360
2015 Audi Q5 TDI Prestige S-Line	\$5,974 - \$8,659

Find your vehicle's Model Year, Model, and Trim below:	Approved Emissions Modification or Lease Termination Receive an Approved Emissions Modification or a Lease Termination, and a payment of:
Model	Lessee Restitution
2015 Audi Q7 TDI Premium	\$7,073 - \$8,553
2015 Audi Q7 TDI Premium Plus	\$6,577 - \$9,247
2015 Audi Q7 TDI Prestige	\$6,645 - \$9,557
2015 Audi Q7 TDI Prestige S-Line	\$6,710 - \$9,822
2015 Volkswagen Touareg TDI Executive	\$6,719 - \$9,550
2015 Volkswagen Touareg TDI Lux	\$6,701 - \$9,241
2015 Volkswagen Touareg TDI Sport Technology	\$6,534 - \$8,783
2016 Audi A6 TDI Premium Plus	\$7,249 - \$10,214
2016 Audi A6 TDI Prestige	\$7,104 - \$10,564
2016 Audi A7 TDI Premium Plus	\$7,204 - \$10,451
2016 Audi A7 TDI Prestige	\$8,181 - \$11,173
2016 Audi A8 TDI L	\$11,143 - \$12,492
2016 Porsche Cayenne	\$6,227 - \$10,276
2016 Audi Q5 TDI Premium Plus S-Line	\$5,955 - \$8,371
2016 Audi Q5 TDI Premium Plus	\$5,930 - \$8,382
2016 Audi Q5 TDI Prestige	\$7,656 - \$8,633
2016 Audi Q5 TDI Prestige S-Line	\$7,039 - \$7,039
2016 Volkswagen Touareg TDI Executive	\$7,095 - \$9,874
2016 Volkswagen Touareg TDI Lux	\$6,873 - \$9,639
2016 Volkswagen Touareg TDI Sport Technology	\$6,782 - \$8,713

Exhibit 4A

Class Claims Program and Administration for Owners and Lessees of Generation One 3.0-Liter Vehicles (Model Years 2009-2012)

**CLASS CLAIMS PROGRAM AND ADMINISTRATION FOR
CLASS MEMBERS WITH 3.0-LITER GENERATION ONE VEHICLES (MODEL YEARS 2009-2012)**

The Claims Program is designed to provide Class Members with Generation One vehicles the information they need to understand and assess their options. Those options will differ depending on whether a Reduced Emissions Modification is made available.

To claim Settlement Benefits, **Eligible Former Owners must submit an identification form to Volkswagen online or by mail or by fax, which must be received by Volkswagen no later than May 1, 2017, and Eligible Former Owners and Eligible Former Lessees must file a complete and valid Claim within 60 days of the Court's Final 3.0-liter Approval Order** (no earlier than July 1, 2017). All other Class Members must submit a complete and valid Claim by June 1, 2019.

The claims process will take place in a number of steps, summarized here. Not all steps are relevant to all Class Members. The official Claims Program will begin 15 business days after the Court enters a Final 3.0-liter Approval Order, which will trigger the steps and timeframes set forth below.

CLAIMS SUBMISSION PROCESS

- 1. The Class Member Learns About the Settlement.** The Court-approved 3.0-liter Class Notice Program informs Class Members about the 3.0-liter Class Action Settlement, including the timeline for approval of a Reduced Emissions Modification and the estimated amount of compensation that they can expect to receive depending on their available remedies.

Information about the 3.0-liter Class Action Settlement Program will be available through the Settlement Website and Claims Portal (www.VWCourtSettlement.com) and by phone (1-844-98-CLAIM). Class Members will need to provide information including their name and contact information, their Eligible Vehicle's Vehicle Identification Number (VIN), and the address on the vehicle registration.

- 2. The Class Member Files a Claim.** The Class Member will submit a Claim Form and required documentation.

As part of submitting a claim, Class Members will provide required information and documentation, including, but not limited to, a driver's license or other government-issued identification, the dates the Class Member owned or leased the Eligible Vehicle, whether the Class Member has an extended warranty or service contract on the Eligible Vehicle, proof of ownership (if applicable), current vehicle registration (if applicable), vehicle financing information (if applicable), mileage (if applicable), the lease contract (if applicable), and financial consent forms (if applicable). Additional information may be required to verify eligibility. Class Members can submit an electronic Claim Form online through the Claims Portal, or a paper Claim Form by fax (1-248-754-6602) or mail (VW Court Settlement Claims Processing, P.O. Box 214500, Auburn Hills, MI, 48321). Class Members will

receive a Claim number once their online claim has been submitted or their paper claim has been received.

- 3. Volkswagen Reviews the Claim.** Once the Claims Program has begun (*i.e.*, 15 business days after the Court enters a Final 3.0-liter Approval Order), Volkswagen will review and verify the Class Member's Claim Form and document package for completeness. Volkswagen will have 10 business days from the date a Class Member provides the required documents to confirm that the claim is ready to move on to next step, or to notify that Class Member that there is a deficiency with the document package and/or that more information is needed.
- 4. Volkswagen Verifies Any Outstanding Loan Balances (Buyback and Trade-In Options Only).** If the Class Member has selected a Buyback or Trade-In and the Eligible Vehicle is subject to a lien, Volkswagen will contact the lienholder to receive the loan balance and payoff instructions. In some cases, the accountholder, who is typically the Class Member, may need to assist Volkswagen in determining the loan information and payoff instructions. Volkswagen will notify the Class Member if the accountholder's assistance is required. All other Class Members will skip this Step and move immediately from Step 3 to Step 5.
- 5. The Claims Supervisor Verifies the Claim.** For quality control, a Class Member's claim must be verified in several steps. After Volkswagen verifies a Class Member's document package, the Claims Supervisor will re-verify the Class Member's documents and information and will verify the Class Member's eligibility. If a deficiency is identified with the Class Member's documents or information, or additional information is needed to confirm the Class Member's eligibility, the Class Member will be notified that additional document(s) and/or information is needed. If there are no deficiencies, Volkswagen will prepare an initial offer and the Claims Supervisor will verify the offer before it is extended.
- 6. Volkswagen Extends Offers.** Class Members whose eligibility has been verified will be sent an offer within 15 business days after Step 5 commences. Class Members who submit Claims online will receive their offers online. Class Members who submit paper Claims will receive their offers by mail or, if they chose, through the Claims Portal. The process for accepting an offer is described in Step 7.

 - **Volkswagen Offers Free AdBlue Refill and Oil Change.** The offer for Class Members who own or lease their Eligible Vehicles will include a voucher for one AdBlue refill and one oil change (including engine oil, engine oil filter, and associated labor) free of charge at a participating Authorized Dealer after the Class Member receives an offer and before the Buyback, Trade-In, Reduced Emissions Modification, or Lease Termination takes place. The AdBlue refill and oil change will be available only at an Authorized Dealer of the same brand as the Eligible Vehicle. Although Class Members will receive a voucher for one AdBlue refill and one oil change with their formal offer documents, Class Members do not need to present the voucher to receive the AdBlue refill and/or oil change.

7. **The Class Member Accepts Offer & Completes Appointment.** The Class Member will confirm the remedy he or she chooses, accept the offer, and, if required for the chosen remedy, schedule and complete an appointment at a Volkswagen or Audi Authorized Dealer. To accept an offer, the Class Member will be required to submit a completed offer package, including a signed and notarized Individual Release, as set forth in Section 12.7 of the 3.0-liter Class Action Settlement Agreement.

Class Members eligible for a Buyback, Trade-In, Lease Termination, or Reduced Emissions Modification may change their remedy selection at any time before the selected remedy is completed, even if they have accepted an offer for a different remedy.

- **Buyback & Lease Termination.** Following submission of the completed offer package, including the Individual Release, Class Members will receive within 5 business days a schedule of available appointments for the Buyback, and that schedule shall provide for an available Buyback appointment within 60 days. Appointments for Buybacks and Lease Terminations will be scheduled through the Claims Portal or by phone (1-844-98-CLAIM) on a first-come, first-served basis. On the appointed day, the Class Member will meet with a “Settlement Specialist” to complete the Buyback or Lease Termination. The Settlement Specialist will verify the identity of the Class Member and Eligible Vehicle, verify that the vehicle is Operable, capture the current mileage on the Eligible Vehicle, collect necessary documentation, take possession of the Eligible Vehicle, and trigger payment to the Class Member (and/or lenders, if applicable) of any amount due. In certain circumstances detailed in Exhibit 1A, a Class Member may be required to deliver a cashier’s check to the Settlement Specialist at the time of Buyback or Lease Termination.
- **Trade-In.** Appointments for Trade-Ins will be scheduled through the Claims Portal or via phone (1-844-98-CLAIM) on a first-come, first-served basis. On the appointed day and time, the Eligible Vehicle must be brought into the participating Volkswagen or Audi Authorized Dealer where the Class Member scheduled a Trade-In to complete the transaction. At the appointment, the Eligible Vehicle’s current mileage and operability will be verified. The Class Member will then surrender his or her Eligible Vehicle and receive a Trade-In Credit equal to the Buyback Amount. The Trade-In Credit must be applied towards the Class Member’s purchase of a new or used vehicle at the Authorized Dealer. If a Class Member’s Trade-In Credit exceeds the retail transaction price of the vehicle received through the Trade-In (which may include, but is not limited to, vehicle price, accessories, fees, taxes, registration, and other dealer products), the Class Member may receive the difference between the retail transaction price and the Trade-In Credit in whatever form is negotiated between the Class Member and the Authorized Dealer, including but not limited to other benefits negotiated between the Class Member and the Authorized Dealer or a check for the remaining amount.
- **Reduced Emissions Modification.** If and when a Reduced Emissions Modification becomes available, a Class Member who chooses that option

will be able to schedule an appointment at an Authorized Dealer and have his or her Eligible Vehicle modified at Volkswagen's expense. If the service will last longer than three hours, the Class Member will be able to reserve a free loaner car when scheduling his or her appointment. At the beginning of the appointment, the Class Member's Claim number and identification must be provided to a "Program Ambassador" at the Authorized Dealer to validate eligibility. The Authorized Dealer will then perform the Reduced Emissions Modification and will confirm to Volkswagen that the Reduced Emissions Modification has been completed, which will trigger the Restitution Payment process. If no Reduced Emissions Modification is available for an Eligible Owner's or Eligible Lessee's Eligible Vehicle by August 1, 2018, then that Class Member shall have an opportunity, between August 1, 2018 and September 1, 2018, to withdraw from the 3.0-liter Class Action Settlement.

- 8. The Class Member Applies for Pro-Rated Refund of Unused Portion of Extended Vehicle Warranties and/or Vehicle Service Contracts/Plans.** Class Members who have received a Buyback may submit a claim to receive refunds of unused and otherwise nonrefundable portions of the purchase price of extended vehicle warranties and/or vehicle service contract or plans purchased from Authorized Dealers, including any termination fees, provided that the warranty or service contract or plan was purchased prior to January 31, 2017. The refund, if any, shall be pro-rated to account for any unused months (if the warranty or plan is time-based), service/maintenance events (if the warranty or contract is based on service events), or mileage (if the warranty or plan is mileage-based), as applicable. Volkswagen will not be required to make any payments to consumers that will result in the consumers receiving double recovery of any portion of the purchase price of any extended vehicle warranty or vehicle service plan. Class Members seeking a pro-rated refund of extended warranty or service plan must submit a complete and valid warranty/service contract or plan claim no later than 30 days after the Buyback has occurred. Claims for warranty/service plan refunds will be validated by Volkswagen and/or a third-party claims processor. If any portion of a vehicle warranty or service plan is refundable under the warranty or service plan contract, the consumer will need to follow the procedures laid out in the contract to obtain a refund of that portion.

ADDITIONAL PROVISIONS

- 9. Top-Up Payments.** If a Class Member later becomes eligible for additional compensation under the 3.0-liter Class Action Settlement after Volkswagen and the Claims Supervisor complete validation of Claims made by Eligible Former Owners and Eligible Former Lessees, Volkswagen will transmit an additional "top-up" Payment by electronic fund transfer or by check according to the preference expressed by the Class Member.
- 10. Claims Review Committee.**
- **Contested Claims.** If a Class Member or purported Class Member contests a decision about his or her eligibility or the eligibility of his or her vehicle or whether his or her compensation amount is accurate, that Class Member may

appeal the contested decision to the Claims Review Committee by completing and mailing the requisite form to VW Court Settlement, Attn: Contested Claim, P.O. Box 214500, Auburn Hills, MI, 48321. The decisions of the Claims Review Committee are final and not subject to appeal.

- **Buyback Timing.** If a Class Member seeking a Buyback has a compelling, factually-supported case to be granted an expedited Buyback or to be permitted to surrender physical possession of the vehicle to Volkswagen while awaiting the Buyback (*e.g.*, the need to depart for overseas military service or public sector work), that Class Member may submit a Buyback Timing Appeal to the Claims Review Committee by sending a letter and any supporting materials to VW Court Settlement, Attn: Buyback Timing Appeal, P.O. Box 214500, Auburn Hills, MI, 48321. The decisions of the Claims Review Committee are final and not subject to appeal.

11. Payment Methods and Timing. When accepting an offer, Class Members must indicate a preference for payment by check or electronic funds transfer (preferred method). Class Members filing paper Claim Forms via U.S. mail will include their payment preference in a section on the offer acceptance and Individual Release.

- **Receipt at Appointment.** At the end of the appointment for the Reduced Emissions Modification, Buyback, or Lease Termination, the Class Member will receive a receipt providing specific information about his or her final compensation as well as a number to call if payment is not timely received.
- **Electronic Fund Transfer.** Volkswagen will submit an electronic funds transfer within three banking days of a Reduced Emissions Modification, Buyback, Lease Termination, or the acceptance of an offer by an Eligible Former Owner or Eligible Lessee who no longer owns or leases their Eligible Vehicle. After Volkswagen submits the request, Class Members will receive an email from Volkswagen's banking partner asking the Class Member to enter his or her account information and certain additional information required for the payment to be transferred.
- **Check.** For Class Members who do not require an appointment to complete their remedy, a check for the full amount due will be mailed within five banking days of when Volkswagen determines that the Class Member's accepted offer package is complete. For Class Members who opt for a Buyback or Lease Termination, a check for the full amount due will be available at the Authorized Dealer, unless a mileage adjustment is required, and subject to the additional "top-up" Payment that may be required. If an upward mileage adjustment is required (resulting in a lower payment), the Class Member will not receive a check at the Volkswagen or Audi Authorized Dealer, but will be mailed a check within five banking days or alternatively the Class Member can opt to reschedule the appointment. If a downward mileage adjustment is required (resulting in a higher payment), the Class

Member will receive a check at the Volkswagen or Audi Authorized Dealer that does not reflect the mileage adjustment and will be mailed an additional check within five banking days for the additional amount due as a result of the downward mileage adjustment. A check will be mailed to Class Members who receive a Reduced Emissions Modification within five banking days of the completed Reduced Emissions Modification.

12. Specific Deadlines and Instructions for Eligible Former Owners and Eligible Former Lessees.

- **Identification Deadline for Eligible Former Owners.** To obtain benefits under the 3.0-liter Class Action Settlement, Eligible Former Owners must identify themselves by the Eligible Former Owner Identification Deadline through submission of an Eligible Former Owner identification form online or by mail or fax, which must be received by Volkswagen by the Eligible Former Owner Identification Deadline of **May 1, 2017**.
- **Claim Submission Deadline for Eligible Former Owners and Eligible Former Lessees.** To obtain benefits under the 3.0-liter Class Action Settlement, Eligible Former Owners and Eligible Former Lessees must submit a complete and valid Claim, including all supporting information and documentation necessary to establish eligibility, no later than 60 days after the Court's Final 3.0-liter Approval Order. For example, if the Court enters its Final 3.0-liter Approval Order during the first week of May 2017, Eligible Former Owners and Eligible Former Lessees must submit a complete and valid Claim, including all supporting information and documentation necessary to establish eligibility, by **the first week of July 2017**. Volkswagen and the Claims Supervisor will then review and verify the determination of the Class Member's eligibility (or ineligibility) to participate.
- **Claim Submission Deadline for All Other Class Members.** The Claims Submission Deadline for Eligible Former Owners and Eligible Former Lessees who no longer own or lease an Eligible Vehicle is addressed above. This paragraph applies to all other Generation One Class Members, as defined in Section 2.23 of the 3.0-liter Class Action Settlement. The Settlement Benefit Period for those Class Members will run from the date of the Final 3.0-liter Approval Order, if entered, until **September 30, 2019**. These Class Members may begin registering and submitting required documentation through the Claims Portal beginning on the date of Final 3.0-liter Approval Order, and must submit a complete and valid Claim, including all information and documentation necessary to establish eligibility by no later than **June 1, 2019**, and must accept a formal offer and, if required for their remedy, schedule and complete an appointment at a participating Volkswagen or Audi Authorized Dealer to obtain their remedy by no later than **September 30, 2019**.

Exhibit 4B
Class Claims Program and
Administration for Owners
and Lessees of Generation
Two 3.0-Liter Class Vehicles
(Model Years 2013-2016)

**CLASS CLAIMS PROGRAM AND ADMINISTRATION FOR
CLASS MEMBERS WITH 3.0-LITER GENERATION TWO VEHICLES (MODEL YEARS 2013-2016)**

The claims process is designed to provide Class Members with Generation Two vehicles the information they need to understand and assess their options. Those options will differ depending on whether an Emissions Compliant Repair is timely made available.

To claim Settlement Benefits, **Eligible Former Owners of a Volkswagen, Audi, or Porsche Eligible Vehicle must submit an identification form to Volkswagen online or by mail or by fax, which must be received by Volkswagen no later than May 1, 2017** (irrespective of whether an Emissions Compliant Repair is timely made available), and **Eligible Former Owners and Eligible Former Lessees must file a complete and valid Claim within 60 days of the Court's Final 3.0-liter Approval Order** (no earlier than July 1, 2017). All other Class Members must submit a complete and valid Claim by December 31, 2019.

The claims process will take place in a number of steps, summarized here. Not all steps are relevant to all Class Members. The official Claims Program will begin 15 business days after the Court enters a Final 3.0-liter Approval Order, which will trigger the steps and timeframes set forth below.

CLAIMS SUBMISSION PROCESS

- 1. The Class Member Learns About the 3.0-liter Class Action Settlement.** The Court-approved 3.0-liter Class Notice Program informs Class Members about the 3.0-liter Class Action Settlement, including the timeline for approval of an Emissions Compliant Repair, the estimated amount of compensation that they can expect to receive under the Agreement if the Emissions Compliant Repair is approved, as well as the nature of any alternative remedies that will be available to Class Members if no Emissions Compliant Repair is approved.

Information about the 3.0-liter Class Action Settlement Program will be available through the Settlement Website and Claims Portal (www.VWCourtSettlement.com) and by phone (1-844-98-CLAIM). Class Members will need to provide information including their name and contact information, their Eligible Vehicle's Vehicle Identification Number (VIN), and the address on the vehicle registration.

- 2. The Class Member Files an Initial Claim.** The Class Member will submit a Claim Form and required documentation.

As part of submitting a claim, Class Members will provide required information and documentation, including, but not limited to, a driver's license or other government-issued identification, the dates the Class Member owned or leased the Eligible Vehicle, proof of ownership (if applicable), current vehicle registration (if applicable), and the lease contract (if applicable). Additional information may be required to verify eligibility. Class Members can submit an electronic Claim Form online through the Claims Portal, or a paper Claim Form by fax (1-248-754-6602) or mail (VW Court Settlement Claims Processing, P.O. Box

214500, Auburn Hills, MI, 48321). Class Members will receive a Claim number once their online Claim has been submitted or their paper Claim has been received.

3. **Volkswagen Reviews the Claim.** Once the Claims Program has begun (*i.e.*, 15 business days after the Court enters a Final 3.0-liter Approval Order), Volkswagen will review and verify the Class Member's Claim Form and document package for completeness. Volkswagen will have 10 business days from the date the Class Member provides the required documents to confirm that the Claim is ready to move on to next step, or to notify that Class Member that there is a deficiency with the document package and/or that more information is needed.
4. **Claims Supervisor Verifies the Claim.** For quality control, a Class Member's claim must be verified in several steps. After Volkswagen verifies a Class Member's document package, the Court-appointed Claims Supervisor will re-verify the Class Member's documents and information and will verify the Class Member's eligibility. If a deficiency is identified with the Class Member's documents or information, or additional information is needed to confirm the Class Member's eligibility, the Class Member will be notified. If there are no deficiencies, Volkswagen will prepare an initial offer and the Claims Supervisor will verify the offer before it is extended.
5. **Volkswagen Extends Offers.**
 - **Volkswagen Extends Final Offer to Class Members Who No Longer Possess Their Eligible Vehicles (Former Owners and Eligible Lessees whose leases have ended).** Class Members whose eligibility has been verified will be sent an offer within 15 business days after Step 4 commences. Class Members who submit Claims online will receive their offers online. Class Members who submit paper Claims will receive their offers by mail or, if they choose, through the Claims Portal. The process for accepting an offer is described in Step 14.
 - **Volkswagen Offers Repair Participation Payment to Class Members Awaiting a Repair.** Volkswagen will offer a Repair Participation Payment (half of the amount a Class Member will be entitled to if an Emissions Compliant Repair becomes available on time) to Eligible Owners and Lessees who possess an Eligible Vehicle and are awaiting a repair. Class Members may choose to accept the Repair Participation Payment by submitting an acceptance form and executing an Individual Release, which will become binding once the Class Member receives the Repair Participation Payment, but will not release a Class Member's rights to receive the remainder of his, her or its benefits under the 3.0-liter Class Action Settlement. To accept the Repair Participation Payment, a Class Member will have to schedule and complete an appointment at an Authorized Dealer. The appointment can be scheduled on the Claims Portal or by phone (1-844-98-CLAIM). Following submission of the acceptance form and Individual Release, Class Members will receive a schedule of available appointments within 5 business days, and that schedule shall provide for an available appointment within 30 days.

****Class Members do not have to accept the Repair Participation Payment to remain eligible for Settlement Benefits, and will receive 100% of the compensation to which they are entitled under this Agreement at the appropriate time regardless.****

- 6. Volkswagen Informs the Class Member Whether an Emissions Compliant Repair Has Been Timely Approved.** If an Emissions Compliant Repair is timely approved, the Class Member will proceed to Step 7. If an Emissions Compliant Repair is not timely approved, the Class Member will proceed to Step 9.

If an Emissions Compliant Repair Is Timely Available: Repair & Repair Payment

- 7. The Class Member Verifies Contact Information & Schedules Appointment.** If and when Volkswagen or Porsche, as applicable, receives approval from the EPA and CARB to implement an Emissions Compliant Repair on any group of Eligible Vehicles, the Notice Administrator will notify Class Members by mail that an Emissions Compliant Repair has been approved. Class Members who have already submitted a complete and valid Claim and have returned their signed and notarized offer package to Volkswagen, including the Individual Release, may then schedule an appointment for their Eligible Vehicles at an Authorized Dealer for an Emissions Compliant Repair. Class Members will need to verify or update their contact information and schedule an appointment to receive the Emissions Compliant Repair.
- 8. The Class Member Completes an Appointment & Receives Payment.** The Class Member's Eligible Vehicle must be brought to a Volkswagen, Audi, or Porsche Authorized Dealer of the same brand as the Eligible Vehicle to receive the Emissions Compliant Repair free of charge. If the service will take longer than three hours, the Class Member will be able to reserve a loaner car free of charge when scheduling their appointment. At the beginning of the appointment, the Class Member must provide his or her Claim number and identification to a "Program Ambassador" at the Authorized Dealer to validate eligibility. The Authorized Dealer will then perform the Emissions Compliant Repair and will confirm to Volkswagen that the Emissions Compliant Repair has been completed, which will trigger the Repair Payment process. The Class Member will then receive a Repair Payment, as described in Exhibit 1B to the 3.0-liter Class Action Settlement.

If an Emissions Compliant Repair Is Not Timely Available: Buyback, Trade-In, Lease Termination & Approved Emissions Modification

- 9. The Class Member Learns about the Buyback, Trade-In, Lease Termination, and Approved Emissions Modification Options (if approved).** The Class Member will receive information about the remedies available to him or her—including a Buyback, Trade-In, Lease Termination, or Reduced Emissions Modification or untimely Emissions Compliant Repair (if available)—and the estimated compensation he or she would receive with each

remedy. This information will remain available throughout the Settlement Benefit Period on the Settlement Website and by telephone.

- 10. The Class Member May Submit a New or Modified Claim and Documentation.** The Class Member will submit a new or modified Claim Form and documentation, as described in Step 2, corresponding with the new chosen remedy. Volkswagen will then review the Class Member's additional document(s) for completeness as described in Step 3.
- 11. Volkswagen Verifies Any Outstanding Loan Balances (Buyback or Trade-In Options Only).** If the Class Member has selected a Buyback or Trade-In and the Eligible Vehicle is subject to a lien, Volkswagen will contact the lienholder to receive the loan balance and payoff instructions. In some cases, the accountholder, who is typically the Class Member, may need to assist Volkswagen in determining the loan information and payoff instructions. Volkswagen will notify the Class Member if the accountholder's assistance is required.
- 12. The Claims Supervisor Verifies Claim & Class Member Receives Offer.** The Claims Supervisor will re-verify the Class Member's additional document(s) and information and confirm the Class Member's eligibility to participate in the 3.0-liter Class Action Settlement. If the Class Member is eligible, Volkswagen will then make an offer.
- 13. Volkswagen Offers Free AdBlue Refill and Oil Change.** If an Emissions Compliant Repair is not available for any particular Sub-Generation of Generation Two Eligible Vehicles, those Eligible Vehicles are entitled to one AdBlue refill and one oil change (including engine oil, engine oil filter, and associated labor) free of charge at a participating Authorized Dealer after the Class Member receives an offer and before the Buyback, Trade-In, Reduced Emissions Modification or untimely Emissions Compliant Repair (if available), or Lease Termination takes place. The AdBlue refill and oil change will be available only at an Authorized Dealer of the same brand as the Eligible Vehicle. The Class Member will receive a voucher for these benefits with his or her offer documents but does not need to present the voucher to receive the benefits.
- 14. The Class Member Accepts Offer & Completes Appointment.** The Class Member will confirm the remedy he or she chooses, accept the offer, and, if required for the chosen remedy, schedule and complete an appointment at a Volkswagen, Audi, or Porsche Authorized Dealer. To accept an offer, the Class Member will be required to submit a completed offer package, including a signed and notarized Individual Release, as set forth in Section 12.7 of the 3.0-liter Class Action Settlement, unless the Class Member already executed a release when accepting a Repair Participation Payment.

Class Members eligible for a Buyback, Trade-In, Lease Termination, Reduced Emissions Modification or untimely Emissions Compliant Repair (if available) may change their remedy selection at any time before the selected remedy is completed, even if they have accepted an offer for a different remedy.

- **Buyback & Lease Termination.** Appointments for Buybacks and Lease Terminations will be scheduled through the Claims Portal or by phone (1-844-98-

- CLAIM) on a first-come, first-served basis. On the appointed day, the Class Member will meet with a “Settlement Specialist” to complete the Buyback or Lease Termination. The Settlement Specialist will verify the identity of the Class Member and Eligible Vehicle, verify that the vehicle is Operable, capture the current mileage on the Eligible Vehicle, collect necessary documentation, take possession of the Eligible Vehicle, and trigger payment to the Class Member (and/or lenders, if applicable) of any amount due. In certain circumstances detailed in Exhibit 1B, a Class Member may be required to deliver a cashier’s check to the Settlement Specialist at the time of Buyback or Lease Termination.
- **Trade-In.** Appointments for Trade-Ins will be scheduled through the Claims Portal or via phone (1-844-98-CLAIM) on a first-come, first-served basis. On the appointed day and time, the Eligible Vehicle must be brought into the participating Volkswagen, Audi, or Porsche Authorized Dealer where the Class Member scheduled a Trade-In to complete the transaction. At the appointment, the Eligible Vehicle’s current mileage and operability will be verified. The Class Member will then surrender his or her Eligible Vehicle and receive a Trade-In Credit equal to the Buyback Amount less any Repair Participation Payment made under Step 5. The Trade-In Credit must be applied towards the Class Member’s purchase of a new or used vehicle at the Authorized Dealer. If a Class Member’s Trade-In Credit exceeds the retail transaction price of the vehicle received through the Trade-In (which may include, but is not limited to, vehicle price, accessories, fees, taxes, registration, and other dealer products), the Class Member may receive the difference between the retail transaction price and the Trade-In Credit in whatever form is negotiated between the Class Member and the Authorized Dealer, including, but not limited to, other benefits negotiated between the Class Member and the Dealer or a check for the remaining amount.
 - **Approved Emissions Modification.** If and when a Reduced Emissions Modification (or untimely Emissions Compliant Repair) becomes available, a Class Member who chooses that option will be able to schedule an appointment at an Authorized Dealer and have his or her Eligible Vehicle modified at Volkswagen’s expense. If the service will last longer than three hours, the Class Member will be able to reserve a free loaner car when scheduling his or her appointment. At the beginning of the appointment, the Class Member’s Claims Number and identification must be provided to a “Program Ambassador” at the Authorized Dealer to validate eligibility. The Authorized Dealer will then perform the Reduced Emissions Modification (or untimely Emissions Compliant Repair) and will confirm to Volkswagen that the Reduced Emissions Modification (or untimely Emissions Compliant Repair) has been completed, which will trigger the Restitution Payment process. If no Approved Emissions Modification is available for an Eligible Owner’s or Eligible Lessee’s Eligible Vehicle by August 1, 2018, then that Class Member shall have an opportunity, between August 1, 2018 and September 1, 2018, to withdraw from the 3.0-liter Class Action Settlement. To withdraw under this provision, the Eligible Owner or Eligible Lessee must return to Volkswagen any Repair Participation

Payment he, she, or it received, as described in paragraph 9.2 of the 3.0-liter Class Action Agreement.

15. The Class Member Applies for Pro-Rated Refund of Unused Portion of Extended Vehicle Warranties and/or Vehicle Service Contracts. Class Members who have received a Buyback may submit a claim to receive refunds of unused and otherwise nonrefundable portions of the purchase price of extended vehicle warranties and vehicle service plans purchased from Volkswagen, Audi and Porsche Authorized Dealers prior to January 31, 2017, including termination fees. The refund, if any, shall be pro-rated to account for any unused months (if the warranty or plan is time-based) service/maintenance events (if the warranty or contract is based on service events) or mileage (if the warranty or plan is mileage-based), as applicable. Volkswagen will not be required to make any payments to consumers that will result in the consumers receiving double recovery of any portion of the purchase price of any extended vehicle warranty or vehicle service plan. Class Members seeking a pro-rated refund of extended warranty or service plan must submit a complete and valid warranty/service plan claim no later than 30 days after the Buyback has occurred. Claims for warranty/service plan refunds will be validated by Volkswagen and/or a third-party claims processor. If any portion of a vehicle warranty or service plan is refundable under the warranty or service plan contract, the consumer will need to follow the procedures laid out in the contract to obtain a refund of that portion.

ADDITIONAL PROVISIONS

16. The Class Member Is Provided a Class Bridge Warranty (If Applicable): Eligible Owners and Eligible Lessees of Generation Two Eligible Vehicles who do not opt out of the 3.0-liter Class Action Settlement (i) whose original New Vehicle Limited Warranty and/or Powertrain Limited Warranty expired/expires prior to the timely availability of an Emissions Compliant Repair and (ii) whose Generation Two Eligible Vehicles are not covered by another warranty and/or service contract (provided through Volkswagen, Audi, Porsche, or any third-party), will receive a Class Bridge Warranty providing coverage and terms mirroring the coverage previously provided by the expired New Vehicle Limited Warranty and/or Powertrain Limited Warranty. The Class Bridge Warranty exclusively applies to covered repairs performed by an Authorized Dealer based on conditions that arose between (a) January 31, 2017 or the expiration date of the New Vehicle Limited Warranty and/or Powertrain Limited Warranty, whichever is later, and (b) the date that an Emissions Compliant Repair is approved or denied. After final approval of the Agreement, Class Members who did not opt out will receive information from Volkswagen detailing how to obtain benefits under the Class Bridge Warranty. Individuals who opt out of the 3.0-liter Class Action Settlement will not be eligible for the Class Bridge Warranty and will be responsible for payment for any repairs performed by an Authorized Dealer that are not covered by another warranty and/or service contract.

17. Top-Up Payments. If a Class Member later becomes eligible for additional compensation under the 3.0-liter Class Action Settlement after Volkswagen and the Claims Supervisor complete validation of Claims made by Eligible Former Owners and Eligible Former Lessees, Volkswagen will transmit an additional “top up” Restitution or Repair Payment by

electronic fund transfer or by check according to the preference expressed by the Class Member.

18. Claims Review Committee.

- **Contested Claims.** If a Class Member or purported Class Member contests a decision about his or her eligibility or the eligibility of his or her vehicle or whether his or her compensation amount is accurate, that Class Member or purported Class Member may appeal the contested decision to the Claims Review Committee by completing and mailing the requisite form to VW Court Settlement, Attn: Contested Claim, P.O. Box 214500, Auburn Hills, MI, 48321. The decisions of the Claims Review Committee are final and not subject to appeal.
- **Buyback Timing.** If a Class Member seeking a Buyback has a compelling, factually-supported case to be granted an expedited Buyback or to be permitted to surrender physical possession of the vehicle to a Volkswagen, Audi or Porsche Authorized Dealer while awaiting the Buyback (*e.g.*, the need to depart for overseas military service or public sector work), that Class Member may submit a Buyback Timing Appeal to the Claims Review Committee by sending a letter and any supporting materials to VW Court Settlement, Attn: Buyback Timing Appeal, P.O. Box 214500, Auburn Hills, MI, 48321. The decisions of the Claims Review Committee are final and not subject to appeal.

19. Payment Methods and Timing. Repair Participation Payments, Repair Payments, Restitution Payments, and Buyback Payments will be made by electronic fund transfer or by check according to each Class Member's preference. Class Members will specify how they would like to receive their payments when they accept their offer.

- **Receipt at Appointment.** At the end of the appointment for the Emissions Compliant Repair, Reduced Emissions Modification, Buyback, or Lease Termination, the Class Member will receive a receipt providing specific information about his or her final compensation as well as a number to call if payment is not timely received.
- **Electronic Fund Transfer.** An electronic fund transfer will be submitted for payment by Volkswagen within three banking days of an Emissions Compliant Repair, Reduced Emissions Modification, Buyback, Lease Termination, or the acceptance of an offer by an Eligible Former Owner or Eligible Lessee who no longer owns or leases their Eligible Vehicle. After Volkswagen submits the request, Class Members will receive an email from Volkswagen's banking partner asking the Class Member to enter his or her account information and certain additional information required for the payment to be transferred.
- **Check.** For Class Members who do not require an appointment to complete their remedy, a check for the full amount due will be mailed within five banking days of the date Volkswagen determines that the Class Member's accepted offer package is complete. For Class Members who choose a Buyback or Lease Termination, a check

for the full amount due will be available at the Authorized Dealer, unless a mileage adjustment is required, and subject to any additional “top-up” payment that may be required. If an upward mileage adjustment is required (resulting in a lower payment), the Class Member will not receive a check at the Volkswagen, Audi or Porsche Authorized Dealer, but will be mailed a check within five banking days or, alternatively, the Class Member can opt to reschedule the appointment. If a downward mileage adjustment is required (resulting in a higher payment), the Class Member will receive a check at the Volkswagen, Audi or Porsche Authorized Dealer that does not reflect the mileage adjustment and will be mailed an additional check within five banking days for the additional amount due as a result of the downward mileage adjustment. A check will be mailed to Class Members who receive an Emissions Compliant Repair or Reduced Emissions Modification within five banking days of the completed Emissions Compliant Repair or Reduced Emissions Modification.

20. Specific Deadlines and Instructions for Eligible Former Owners and Eligible Former Lessees.

- **Identification Deadline for Eligible Former Owners.** To obtain benefits under the 3.0-liter Class Action Settlement, Eligible Former Owners must identify themselves by the Eligible Former Owner Identification Deadline through submission of an Eligible Former Owner identification form online or by mail or fax, which must be received by Volkswagen by the Eligible Former Owner Identification Deadline of **May 1, 2017**.
- **Claims Submission Deadline for Eligible Former Owners and Eligible Former Lessees.** To obtain benefits under the 3.0-liter Class Action Settlement, Eligible Former Owners and Eligible Former Lessees must submit a complete and valid Claim, including all supporting information and documentation necessary to establish eligibility, no later than 60 days after the Court’s Final 3.0-liter Approval Order. For example, if the Court enters its Final 3.0-liter Approval Order during the first week of May 2017, Eligible Former Owners and Eligible Former Lessees must submit a complete and valid Claim, including all supporting information and documentation necessary to establish eligibility, by **the first week of July 2017**. Volkswagen and the Claims Supervisor will then review and verify the determination of the Class Member’s eligibility (or ineligibility) to participate.
- **Claims Submission Deadline for All Other Class Members.** The Claims Submission Deadline for Eligible Former Owners and Eligible Former Lessees is addressed above. This paragraph applies to all other Generation Two Class Members, as defined in Section 2.23 of the 3.0-liter Class Action Settlement. The Settlement Benefit Period for those Class Members will run from the date of the Final 3.0-liter Approval Order, if entered, until **April 30, 2020**. These Class Members may begin registering and submitting required documentation through the Claims Portal beginning on the date of Final 3.0-liter Approval, and must submit a complete and valid Claim, including all information and documentation necessary to establish

eligibility by no later than **December 31, 2019**. They must accept a formal offer and, if required for their remedy, schedule and complete an appointment at a participating Volkswagen, Audi or Porsche Authorized Dealer to obtain their remedy by no later than **April 30, 2020**.

Exhibit 5

Individual Release of Claims

INDIVIDUAL RELEASE OF CLAIMS

*In re Volkswagen “Clean Diesel” Marketing,
Sales Practices, and Products Liability Litigation,
MDL No. 15-2672 (N.D. Cal.)*

**MUST BE COMPLETED BY CLAIMANT PRIOR TO RECEIVING
ANY EMISSIONS COMPLIANT REPAIR PAYMENT, RESTITUTION
PAYMENT, BUYBACK, TRADE-IN, AND/OR LEASE TERMINATION**

1. In exchange for benefits that (i) the Claims Supervisor has determined I am eligible to receive under the class action settlement agreement in this case (the “3.0-Liter Class Action Agreement”)¹ and (ii) Defendants, as applicable, have agreed to provide to me, the sufficiency of which I hereby acknowledge, I, on behalf of myself and my agents, heirs, executors, administrators, successors, assigns, insurers, attorneys, representatives, shareholders, owners associations, and any other legal or natural persons who may claim by, through or under me, hereby fully, finally, irrevocably, and forever release, waive, discharge, relinquish, settle, and acquit any and all claims, demands, actions, or causes of action, whether known or unknown, that I may have, purport to have, or may hereafter have against any Released Party arising out of or in any way related to the 3.0-liter TDI Matter, except for claims of personal injury or wrongful death. This Individual Release is effective and binding when I receive a Repair Participation Payment, Repair Payment, Restitution Payment, Buyback, Trade-In, and/or Lease Termination under the 3.0-Liter Class Action Agreement, whichever comes first. In the event I have received a payment from Volkswagen, and later am entitled to and do withdraw from the Class under the terms of the 3.0-Liter Class Action Settlement Agreement because an Approved Emissions Modification has not been made available for my Eligible Vehicle by August 1, 2018, then this Individual Release remains effective and binding unless I return my payment to Volkswagen pursuant to procedures to be reviewed, approved and administered by the Court.
2. This Individual Release incorporates by reference the release and associated provisions set forth in Section 12 of the 3.0-Liter Class Action Agreement as if set forth fully herein, and, as to those provisions, shall have the same scope and effect as the 3.0-Liter Class Action Agreement.² This Individual Release supplements the release and associated provisions set forth in Section 12 of the 3.0-Liter Class Action Agreement. It does not supersede them.
3. I expressly understand and acknowledge that this Individual Release applies to claims of which I am not presently aware. I expressly understand and acknowledge Section 1542 of the California Civil Code, which provides: “A **general release does not extend to claims**

¹ The terms “3.0-liter TDI Matter,” “Claims Supervisor,” “Final 3.0-Liter Approval Order,” “Action,” and “Released Party” have the meanings given to them in Sections 2.22, 2.4, 2.5, 2.50, and 2.79 of the 3.0-Liter Class Action Agreement.

² A copy of the 3.0-Liter Class Action Agreement is available at www.VWCourtSettlement.com.

which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.” I acknowledge that I am aware of the contents and effect of Section 1542 and have considered the possibility that the number or magnitude of all claims may not currently be known. To ensure that this Individual Release is interpreted fully in accordance with its terms, I expressly waive and relinquish any and all rights and benefits that I may have under Section 1542 to the extent that such section may be applicable to the Individual Release and likewise expressly waive and relinquish any rights or benefits of any law of any state or territory of the United States, federal law or principle of common law, or of international or foreign law, which is similar, comparable, analogous, or equivalent to Section 1542 of the California Code to the extent that such laws or principles may be applicable to the Individual Release.

4. **For the avoidance of doubt, I expressly understand and acknowledge that I may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that I now know or believe to be true, related to the 3.0-liter TDI Matter, the Action and/or the Individual Release herein. Nevertheless, it is my intention in executing this Individual Release to fully, finally, irrevocably, and forever release, waive, discharge, relinquish, settle, and acquit all such matters, and all claims relating thereto which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) with respect to the 3.0-liter TDI Matter in accordance with the terms of the 3.0-Liter Class Action Agreement.** This includes, without limitation, any claims I have or may have with respect to the 3.0-liter TDI Matter under the Trade Regulation Rule Concerning the Preservation of Consumers' Claims and Defenses, 16 C.F.R. §433.2 (the "Holder Rule").
5. The Individual Release shall remain effective regardless of any judicial, quasi-judicial, arbitral, administrative, regulatory, or other decision relating to the liability of any Released Party in connection with the 3.0-liter TDI Matter. For the avoidance of doubt, this Individual Release shall remain effective even if the Final Approval Order is reversed and/or vacated on appeal, or if the 3.0-Liter Class Action Agreement is abrogated or otherwise voided in whole or in part.
6. This Individual Release waives or releases any right to receive or enforce any benefits or terms of the 3.0-Liter Class Action Agreement now or in the future. This Individual Release is limited to my vehicle VIN _____ and does not affect my rights, claims, or benefits regarding any other vehicle.
7. This Individual Release, and any dispute arising out of or related to this Individual Release, shall be governed by and interpreted according to the Federal Rules of Civil Procedure and applicable jurisprudence relating thereto, and the laws of the State of California notwithstanding its conflict of law provisions. This Individual Release will be binding upon my successors, transferees, and assigns.
8. Any disagreement concerning and/or action to enforce this Individual Release shall be commenced and maintained only in the United States District Court for the Northern District of California.

9. I represent and warrant that I have carefully read and understand this Individual Release and that I execute it freely, voluntarily, and without being pressured or influenced by, or relying on, any statement or representation made by any person or entity acting on behalf of any Released Party. I certify that I understand that I have the right to consult with an attorney of my choice before signing this Individual Release.

10. I represent and warrant that I have authority to execute this Individual Release and that I am the sole and exclusive owner of all claims that I am releasing pursuant to this Individual Release. I acknowledge that I have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the 3.0-liter TDI Matter.

*****SIGNATURE PAGE FOLLOWS*****

I acknowledge that I have read and understood this Release and that I have freely executed it by signing below.

Date: _____
_____ *Co-Registrant Printed Name* _____ *Co-Registrant Signature*

WITNESS:

State of _____)
_____) SS
County of _____)

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____, who is

personally known to me

– OR –

proved to me on the basis of satisfactory evidence, which was _____, [Type of ID]

to be the same person whose name is subscribed to the foregoing instrument, which was an Individual Release of Claims in the Volkswagen 3.0-Liter Class Action Agreement dated on _____

and containing ____ pages, appeared before me on _____ in person and acknowledged [Date] that they signed, sealed, and delivered the same instrument as their free and voluntary act for the uses and purposes therein set forth.

My seal:

Signature of Notary Public

Printed Name of Notary Public

Notary Commission Expiration Date